

any connection to the land; others went the other way and said let's try to incentivize a higher cut. I believe the Senator from Idaho, in giving me the opportunity that he has as the ranking Democrat on the forestry subcommittee, has shown that we can take a fresh approach on these natural resources issues—in particular, timber.

I appreciate my colleague yielding me the time. I am looking forward to working with him again next session because it was an exhilarating moment to have the first major natural resources bill in decades come to the floor of the Senate, as our legislation did.

I thank my colleague for letting me intrude on his time. I have had a chance to be part of a historic effort with my friend from Idaho, and it has been a special part of my public service. I thank him for that.

Mr. CRAIG. I thank the Senator from Oregon. Both he and I have learned that when you try to change a law that is actually 92 years old, or adjust it a little bit, it is difficult to do. We were able to do that. Next year, there will be a good number of challenges on public lands and natural resource issues. I look forward to working with Senator WYDEN.

#### ELECTRICITY PRICE SPIKES

Mr. CRAIG. Mr. President, I very recently came to the floor and expressed my grave concern about the reliability of affordable electricity. I am not alone in my concerns about this issue. Indeed, some of the loudest voices expressing similar concerns about energy prices are coming from not just Idaho but California, and specifically from my distinguished colleagues from California here in the Senate.

By my comments today, I do not diminish or in any way cast doubt about the substantial hardships experienced by the ratepayers in California, particularly southern California. Indeed, I have great empathy for them, primarily because Pacific Northwest ratepayers are bracing for power shortages in the near future that will cause energy prices to soar and hurt large and small businesses alike and put some residential customers in danger, especially during the cold and hot periods of the year in our region of the Pacific Northwest. I share equal concerns with the citizens of California.

We must confront the obvious facts facing all energy consumers today.

There is an energy supply crisis in the United States. It is clear that the administration didn't see it coming, or at least ignored it. We in the Congress heard no alarms from the Department of Energy and were given not enough warning during the last 8 years that an energy supply crisis was about to threaten the electrical industry of our country.

One of the very few pieces of energy legislation that was sent to Congress for review and passage was the administration's Comprehensive Electrical Competition Act in April 1999. This legislation was purported to result in \$20 billion in savings a year to America's energy consumers. However, this legislation would not have precluded the crisis in California, the kind that Californians experienced this summer. Indeed, the legislation was full of mandates and rules that didn't offer any economic incentives or investments in new supplies.

Moreover, the legislation included a renewable portfolio mandate that did not include cheap hydropower as a renewable. I know the Presiding Officer and I talked about it at that time—that all of a sudden we had an administration that was not going to include hydropower as a renewable. This renewable portfolio requirement would have made electricity more expensive and more scarce to the consumer. Part of the problem in California appears to be that it is unwilling to accept the tradeoff of high prices required by environmental regulations. Either the tough environmental standards that currently exist in California are an acceptable cost of energy consumption or California must make necessary environmental adjustments for more abundant supplies at a cheaper price.

In addition, the administration must reexamine the use of the price caps that apparently have caused the supply problems in California.

Mr. President, these are some of the reasons why the legislation failed to get the desired support in Congress from a majority of the Members which included many Democrats as well as Republicans. We recognized you simply can't just go out and say here is the energy, what it is going to cost, cap it at prices, and put all these environmental restrictions on it. It is going to ultimately get to the consumer and, boy, did it get to them in California this summer. Many of us were justifiably concerned about the impact such legislation would have on the current electrical supply network that supports the most reliable electric service found anywhere in the world.

The administration did not adequately explain how the legislation would prevent energy supply problems from occurring if its legislation was passed—perhaps because it simply didn't have an adequate explanation or, if it knew the facts, it certainly wasn't willing to have them known publicly.

Rather than wait for Federal direction on this issue, many States embarked on their own experiment with electrical restructuring. Some of those State programs appeared to be experiencing some success by giving to their electricity consumers choice of energy suppliers without jeopardizing reliable service. However, other States are ex-

periencing great difficulties ensuring reliable service at affordable prices. And California happens to be one of those States.

I am not interested in pointing blame for failures. I am interested in getting at the facts and understanding them as they relate to how they contributed to the failures so that objective assessments of future legislative proposals can be made to avoid what happened in California again in the coming years. Moreover, I want to ensure that the distinguished Members from California have all of the facts necessary to fully understand and appreciate the role the Bonneville Power Administration plays in the California markets. There were a lot of accusations made this summer about how the Bonneville Power Administration was handling its electrical supply. I think the facts are soon to be known and an entirely different story will emerge.

I fully expect the facts to prove that the Bonneville Power Administration has not contributed to the energy cost crisis in California and that BPA can and will continue to play a positive role in bringing affordable surplus electricity from the Pacific Northwest to the California markets when that surplus is available.

For these reasons, it is imperative to get relevant information about the California energy price crisis to Congress and the American people as soon as possible. It has come to my attention that the Federal Energy Regulatory Commission's investigative report on California's wholesale electricity markets is complete and ready for distribution. I was told just this morning that they have finally decided to release it.

Indeed, in a news report yesterday, I read that a Democrat Commissioner from FERC stated that the FERC could not find evidence that California power rates were unjust and unreasonable. The Commissioner also told the reporters that there was no evidence of abuse by energy companies operating within the State.

This is important information that must be shared and now will be shared with Congress and all electrical consumers. The news reports also say the Federal Energy Regulatory Commission report would address sweeping structural changes in California's independent supply operator, or ISO, which controls the high voltage transmission grid, and the State's power transmission grid, and the State's power exchange, where power is bought and sold.

It has come to my attention that the FERC report has been complete since October 16. There was some effort to keep it quiet, but it appears now to be breaking on the scene. This important information has been available and is now, as I say, beginning to come out. I do not understand why Congress should

resist this kind of information. It ought to be made immediately available to Members of the Senate Energy and Natural Resources Committee and the committee of jurisdiction for FERC issues and shared with members of the House Commerce Committee, where all of these issues will have to be considered.

Indeed, one of the FERC Commissioners recognized its importance and talked about the issuance of this report. Commissioner Hebert captured these thoughts with some pretty eloquent words on October 19 when he said:

Rather than wait for November 1 to release the findings of our staff's investigation—

Which they finally did. He felt it was important that they do it at this time. He said—

I urge the Chairman to release the completed report now.

It seems that Commissioner is finally getting his way.

Open government requires it; fairness does as well.

And, most importantly, on this kind of information.

The people of California should have as much time as possible to digest findings and consider the options presented.

Justice Brandeis often remarked, "Sunshine is the best disinfectant." Let the sun shine on our staff's report.

The Commissioner is speaking of the FERC staff.

It can only help heal the raw emotions rampant in the State of California.

It is time Californians look at themselves and decide what went wrong in California because it wasn't as a result of the Bonneville Power Administration hoarding its power or choosing not to send power to California. It was California now finding out that some of the environmental restrictions they wanted in their marketplace are going to be very expensive restrictions indeed for which the average consumer of California will have to pay.

With that, I yield the floor.

#### RECESS

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

Thereupon, the Senate, at 12:29 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUTCHINSON.)

#### MAKING FURTHER CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 2001

The PRESIDING OFFICER. Under the previous order, H.J. Res. 122 is passed.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

#### MORNING BUSINESS

Mr. GRASSLEY. Mr. President, for the leader, I ask unanimous consent that there be a period for morning business until 3 p.m. with the time between now and 3 p.m. divided between the two leaders.

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

#### FFARRM ACT

Mr. GRASSLEY. Mr. President, the tax relief bill we are about to pass contains many very popular tax cut measures that will be good for Americans and good for the country. One of the provisions included in the package is The Farm, Fisherman, and Ranch Risk Management Act—FFARRM.

This is a proactive measure that would give farmers a five-year window to manage their money. It would allow them to contribute up to 20% of the annual income to tax-deferred accounts, known as FFARRM accounts. The funds would be taxed as regular income upon withdrawal.

If the funds are not withdrawn five years after they were invested, they are taxed as income and subject to an additional 10% penalty. So, farmers will be able to put away savings in good years so they will have a little bit of a cushion in bad years.

Agriculture remains one of the most perilous ways to make a living. The income of a farm family depends, in large part, on factors outside their control. Weather can completely wipe out a farm family. At best, it can cause their income to fluctuate wildly. The uncertainty of international markets also threatens a farm family's income.

If European countries impose trade barriers on farm commodities, or if Asian countries devalue their currency, agricultural exports and the income of farmers will fall.

Today, farmers face one of their most severe crises with record low prices for grain and livestock. The only help for these farmers has been a reactionary policy of government intervention. While this aid is necessary to help farmers pull through the current crisis, it's merely a partial short-term solution.

Farmer Savings Accounts will help the farmer help himself. It's not a new government subsidy for agriculture and it will not create a new bureaucracy purporting to help farmers. It will simply provide farmers with a fighting chance to survive the down times and an opportunity to succeed when prices eventually increase.

Another important provision in this bill deals with farmers who want to income average but aren't able to because of the alternative minimum tax. A few years ago, Congress reinstated income averaging for farmers because we recognized that farmers' income fluctuated from year to year.

Unfortunately, many farmers are not able to make use of this benefit because they're subject to the alternative minimum tax. Our tax relief bill will fix this problem for tens of thousands of farmers.

There are many other farmer-friendly measures that I and others advocated in the Senate bill. Unfortunately, some of our House counterparts didn't agree with us. I believe that will change next year and I will certainly be working hard to pass these in the next Congress.

In the meantime, we have some very good and necessary pro-farmer proposals before us that can be passed this year.

I only hope the Clinton-Gore administration doesn't veto the family farmer by vetoing this bill.

Thank you Mr. President.

#### SMALL BUSINESS REAUTHORIZATION CONFERENCE REPORT

Mr. GRASSLEY. Mr. President, I would like to take a moment to discuss some of the health care provisions in the tax bill. It's not a perfect bill, but it contains a lot of items that will improve health care in this country.

Let me touch on the issue of Medicare equity. We in Iowa have been frustrated by the inequitable payment formulas that hurt cost-efficient states like ours. These disparities exist in both traditional Medicare and in the Medicare+Choice program. Well, this bill takes a major step toward correcting this injustice. I'd like to walk through some of the reasons why this bill is good for health care in Iowa.

This bill corrects the Medicare Disproportionate Share program, known as "DISH," as proposed in a bill I sponsored with Senator ROBERTS and others. This program helps hospitals that treat large numbers of uninsured patients. It's obvious that many rural Americans are uninsured, and that rural hospitals meet their duty to treat these people. But from its inception, this program has discriminated against rural hospitals. They have had to meet a much higher threshold than large urban hospitals have. Well, this bill finally equalizes the thresholds for all hospitals. There's still more work to do on this program, but this is a major step forward for equity in Medicare.

The bill also reforms the Medicare Dependent Hospital program, as proposed in legislation I co-sponsored with Senator CONRAD and many others. Many rural areas have aged populations, and this is especially true in Iowa. So this designation benefits small rural facilities that have more than 60% Medicare patients. But incredibly, hospitals only receive this benefit if they met that level way back in 1988! Unfortunately, the Medicare program is full of this kind of outdated, unreasonable rules. That's why