of the highway program. And that, again, would be devastating.

To what end? the proponents of the Lott bill say that, if we cut the tax, it will reduce the price of gas at the pump.

Certainly, there is reason to be concerned about the price of gas at the pump. I represent Montana. The Big Sky State. We drive long distances. We're sensitive to the price of gas at the pump, which has risen from $1.18 gallon a year ago to $1.59 a gallon now. We need to get the price down, as soon as we can.

But there is no reason to believe that a reduction in the Federal gas tax will result in lower prices at the pump. After all, this is a market ruled by a cartel. Until we break the stranglehold of that cartel, we'll be limited. We can cut the gas tax. But we can't guarantee that the price at the pump will be reduced by the same amount. Instead, the difference may well offset by price increases, by either the OPEC producers or by the refiners, marketers, and other middlemen.

Pulling this all together, the Lott amendment will undermine our highway programs without enhancing our energy independence.

There's one final point.

For the past few years, Congress has been criticized for putting partisan politics ahead of the public interest. In short, of not getting much done.

There have been some notable exceptions. Balancing the budget. Reforming the welfare system.

And, yes, reaching a bipartisan compromise on the 1998 highway bill, TEA–21. The bill did not just reauthorize the highway program. It renewed and revitalized the highway program. We passed it overwhelmingly, by a vote of 88–5. It was a great accomplishment.

We can confirm that accomplishment today, by rejecting the Lott bill.

Mrs. HUTCHISON. Mr. President I yield up to 10 minutes to my colleague from Maine, Senator COLLINS.

The PRESIDING OFFICER. The Senator from Maine.

(The remarks of Ms. COLLINS and Mrs. HUTCHISON pertaining to the submission of S. Res. 285 are printed in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

ENERGY POLICY

Mrs. HUTCHISON. Mr. President, I have been listening to the debate on the repeal of the 4.3-cent-a-gallon gasoline tax. I think perhaps there is a misunderstanding of what this resolution does. I will reiterate it.

The bill which Senator LOTT has introduced, along with Senator MURKOWSKI and myself, gives a Federal fuels tax holiday that would suspend through the end of this year the 4.3-cent-per-gallon gas tax that was put on about 3 or 4 years ago. If the average gasoline price in our country reaches $2 a gallon, it would suspend for the rest of this year the entire 18.4-cent-per-gallon Federal excise tax on gasoline. The bill specifically holds harmless all of the trust funds. Social Security, and the highway trust funds would not be affected. So we would make up any lost revenue from other sources, not the highway trust fund.

I do not think the highway contractors should be alarmed. The highway contracts are going to go out just as they have been. We are now 2 years ahead in contracting. There will be no suspension of the contracting under the highway trust fund. I think our highways are a first priority, and I do not think the highway contractors should be concerned in any way that that is going to lessen to any degree.

It is very clear what this does. It says to the traveling public, it says to the family trying to take a vacation, it says to the truckers who are depending on a gasoline price that is stable, so they know what that price is going to be, approximately, when they make their contracts to haul goods back and forth in our country, we are going to have a suspension of up to 18 cents a gallon until prices come down to a level that is reasonable and that could have been anticipated when a contract was made. Airline passengers are paying $75 one way on most trips across this country because of this gasoline price increase.

We need to respond to something so basic to so many people, and that is the transportation costs—for people to take a family vacation, to drive to and from work, or for their very livelihoods, if they are truckers. We are going to respond to this crisis.

I have heard people from foreign countries say: I do not know what you Americans are complaining about; we pay $4 a gallon in Europe—in Brussels, in London. That is not the price on which our economy is based. We travel greater distances. We have an economy that is based on gasoline prices in the $1- to $1.40-a-gallon category. That is an important part of the cost of doing business in our country.

Furthermore, we do have the ability to control our own destiny. We do have the ability to drill and explore in our country. Many private businesses, small businesses, want very much to do that. They want to be able to drill a well as small as one producing only 15 barrels a day.

To put that in perspective, a 15-barrel-a-day well is a very small well. The average well in Alaska produces 650 barrels a day. In the Gulf of Mexico, it could be 10,000 barrels a day. We are talking 15 barrels a day. Our small businesses can continue to do business and make a modest profit on a 15-barrel-a-day well, but they have to know the price is going to be somewhat stable. When oil prices went down to $9, $10 a barrel, 2 years ago, these little guys could not make it. These little producers are small businesses, and they could not break even on $9 or $10 a barrel.

What I would like to propose is that we pass the bill before us today to give instant relief to the consumers and business people in our country, but that we look at the longer term issue as well, and that is, what can we do to encourage our small businesses to be able to stay in business, drilling wells that produce 15 barrels a day or less? If they will stay in business, they will produce the same amount we import from OPEC today. That is the important issue. We will not be at the whim of OPEC, to have huge price spikes, if we will encourage our own people to explore and drill even the small wells.

There is another advantage of that, and that is it keeps the jobs in America. Today we are going to foreign countries and producing because it is cheaper to do it over there in OPEC countries or in Mexico or Venezuela. It is cheap to do it there. That does not create American jobs; it creates jobs in foreign countries.

If we pass the bill before us today and say we are going to give relief immediately to the people who are driving to work, the people who depend on a stable price as they drive their trucks carrying goods back and forth across the country, I am saying let's look at the long term, too. Let's look at the stable price that is necessary for them to enter into contracts that will keep them in business. Let's do it by encouraging our small producers to take the risk to go out and drill either a dry hole or one that would produce up to 15 barrels a day, by giving them a tax credit if the price goes below $17 a barrel, so they can stay in business, much as we do for farmers when the prices they can get on the open market do not allow them to break even.

We want the farmers to stay in business so they will be able to continue to provide food for our country and for export. Why not do that for a small producer? If that well produces 16 or more barrels a day, no tax credits, because the margin, then, is much higher and they will be able to break even in the low-price times.

I am saying let's give immediate relief and let's look at the long term, let's do something that will be a win-win for our country, something that will provide more price stability so we will not have the price spikes we are seeing now. We do that by stopping our 56-percent dependence on foreign imports for the fuel we require every day in this country. Let's do it by creating more American jobs for small businesses, and let's keep those jobs in America so we will be more self-sufficient and more in control of our own destiny.

I hope my colleagues will pass the bill that is before us today, give the instant relief, and say we are going to protect the highway fund absolutely, so the contracts can continue to be let and our highways will continue to be built and improved and maintained.

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

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Florida.

Mr. GRAHAM. Mr. President, I ask unanimous consent for up to 10 minutes for purposes of introduction of legislation.

The PRESIDING OFFICER. Is there an objection?

There is 20 minutes remaining on the time of the Senator from Texas. That will be 10 minutes on your time that will run well into the policy luncheon.

Mrs. HUTCHISON. Mr. President, I do not object to the Senator from Florida going forward because the speakers on my side have not arrived. If, after he has finished his 10-minute presentation, we do not have our speakers, then I will yield the remainder of our time. If we do, I will continue to pursue our debate.

The PRESIDING OFFICER. The Presiding Officer is considering objecting because of the policy conference during this period.

Mrs. HUTCHISON. Mr. President, the Senator from Florida has a unanimous consent agreement that would allow him to introduce his bill. Let's go forward, and if there is someone on our side, I will be happy to relieve the Chair.

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

Mr. GRAHAM. In deference to the Presiding Officer, if a situation arises in which he feels my remarks should be terminated or restrained, if he will so indicate, I will be pleased to defer to his wishes.

The PRESIDING OFFICER. The Senator from Florida has been recognized for up to 10 minutes.

Mr. GRAHAM. I thank the Chair.

(The remarks of Mr. GRAHAM pertaining to the introduction of S. 2383 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, at this time the other speakers on our side have not arrived. I will yield back the time, with this reservation: Before the vote on this cloture motion, is there time equally divided for further debate?

The PRESIDING OFFICER. Under a previous order, there are 10 minutes, equally divided, prior to the cloture vote.

Mrs. HUTCHISON. Thank you, Mr. President.

I yield the floor.

RECESS

The PRESIDING OFFICER. All time having been yielded back, under the previous order, the Senate is in recess until the hour of 2:15 p.m.

Thereupon, at 12:41 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. INHOFE).

INSTITUTING A FEDERAL FUELS TAX HOLIDAY—Resumed

The PRESIDING OFFICER. There will now be 10 minutes equally divided.

Who yields time?

The Senator from Arkansas.

Mrs. LINCOLN. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. WARNER. Do I understand, the Senator yields herself 5 minutes? Is there not 10 minutes under joint control on the subject of gas taxes?

The PRESIDING OFFICER. Yes. There are 10 minutes equally divided. She has yielded herself 5 minutes.

Mr. WARNER. Off the control of which Senator's time? My understanding is Senator BYRD controls the time for Senators in opposition, of which I am aligned. Senator MURKOWSKI controls the proponents' time.

Am I not correct on that, Mr. President?

Mrs. LINCOLN. As an opponent on the Democratic side.

The PRESIDING OFFICER. The Senator from Arkansas is taking her 5 minutes in opposition.

Mr. WARNER. That would then remove all opposition time; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. WARNER. I ask the Senator, could I have the benefit of a minute of that time?

Mrs. LINCOLN. Certainly.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 4 minutes.

Mrs. LINCOLN. I thank the Chair.

Mr. President, I spoke briefly last week about this proposal to reduce the gas tax. I spoke on the need for reforms in our Nation's energy policy.

However, because this bill did not go through committee, and because it has had little technical scrutiny, there are just two points that I believe should be considered before we move ahead with this idea.

First, I appreciate the concern that has recently been shown for the highway trust fund. There is a nice clause in this bill that would take money out of general revenues to pay for the reduction into the highway trust fund.

Last week I called this hocus pocus. It is creative, to say the least. But let's get honest here. This tax cut has to come from somewhere, and this method of accounting is not without consequence.

Regardless of the good intentions being professed by my colleagues, the transfer of this burden to general revenues would result in a tax increase to the people of my State and perhaps other States.

In Arkansas, any reduction, either whole or in part, of the existing excise tax on motor fuels will result in a penny-for-penny increase in tax at the State level. This is the law in my State, and I know that there are similar provisions in Tennessee, Oklahoma, Nevada, and California.

Mr. President, I ask unanimous consent that a copy of section 27–70–104 of the Arkansas Code be printed in the RECORD.

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

§27–70–104. Federal excise tax on motor fuels

(a) Should the Congress of the United States extend an option to the State of Arkansas to collect all or part of the existing tax on motor fuels imposed by the Internal Revenue Code, Chapter 31, Retailers Excise Tax, §§4041 and 4081, it is declared that the option is executed.

(b) Further, if the Federal excise tax is reduced in any amount, the amount of the reduction will continue to be collected as state highway user revenues.

(c) Any increase in the Federal excise tax, accompanied by state option, shall be disbursed as set forth in subsection (d) of this section.

(d) Any revenues derived under subsection (a) of this section will be classified as special revenues and shall be deposited in the State Treasury to the credit of the State Apportionment Fund for distribution under the Arkansas Highway Revenue Distribution Law, there to be used for the construction of state highways, county roads, and municipal streets.

History: Acts 1975, No. 610, §§1, 2; 1981, No. 719, §1; A.S.A. 1947, §§76–337, 76–338.

Mrs. LINCOLN. I agree that this bill might give a minor tax reduction for the oil producers of 45 States, but the tax burden would remain level in as many as five States. Without a reduction in spending, this amounts to a tax increase in my home State and two of my neighboring States, Oklahoma, and Tennessee. In short, if this bill were to pass, taxes, in effect, would go up in Arkansas.

My second point is that this bill would not get relief to the people who need it. I said last week that this tax is collected on the wholesale level and all that this bill offers is a suggestion that the wholesalers pass this on to the consumers. I am not sure that this point is getting out to my colleagues, so I have a quote here from the Supreme Court of the United States concerning this tax.

According to the U.S. Supreme Court in Gurley vs. Rhoden:

> the Federal excise tax on gasoline is imposed solely upon statutory producers, and not on consuming buyers.