

The only exception is granted to the smallest independent operators in Mexico. They will be required to have these same exams conducted at the border.

Even with this exception, it is likely that these smallest of firms will be visited on-site.

That's because the DOT will have to conduct on-site inspections of at least half of all firms and half of all the traffic volume coming into the U.S.

Originally, the administration did not intend to verify many licenses when Mexican truckers crossed the border.

The DOT told us that they would verify the licenses on a random basis—but deliberately avoided defining what was meant by the word "random."

That could mean verifying 1 out of every 100 licenses or 1 out of every 1,000 licenses.

Under the conference agreement, the DOT will be required to electronically verify at least one out of every two licenses.

And the actual ratio will be even higher.

That's because the conference agreement requires that border inspectors verify the license of every trucker carrying hazardous materials, and every trucker undergoing a Level I inspection, and then requires that inspectors verify 50 percent of all other vehicles crossing the border.

On the issue of overweight trucks, the administration did not intend to implement any special effort to address overweight vehicles—even though Mexican weight limits far exceed those in the U.S.

The conference agreement, however, requires that—within 1 year of the date of enactment—each and every truck crossing the border at the ten busiest border crossings between the U.S. and Mexico will be weighed.

In fact, the conference agreement prohibits the border from being opened at all—until half of these border crossings have weigh-in-motion systems fully installed.

The administration did not intend to require that Mexican trucks cross the border only where DOT safety inspectors are on duty.

The conference agreement requires that the trucks cross where inspectors are on duty.

It also requires that they enter the U.S. at crossings where there is adequate capacity for the inspectors to conduct meaningful inspections and, if need be, place vehicles out-of-service for safety violations.

The DOT was planning to open the border whether or not a number of critical truck safety rulemakings had been finalized and published.

Some of these rulemakings have been delayed for years, but the DOT planned to open the border anyway.

The conference agreement, however, requires that the Secretary either im-

plement policy directives or publish interim final rules that will immediately govern the behavior of trucking firms—before the border can be opened.

Now let's look at the hauling of hazardous materials across the border. The administration had not planned on implementing any unique requirements for hazardous materials trucks even though they represent a unique and dangerous threat on our highways.

The conference agreement, however, requires that even if other trucks have already been allowed to cross the border no hazardous material trucks will be allowed to enter the U.S. until the governments of the U.S. and Mexico enter into a separate agreement confirming that U.S. and Mexican drivers of these vehicles have been subjected to the same unique requirements.

Finally, concerning the oversight of the inspector general, the administration was planning to open the border without regard to the long list of safety deficiencies that had been cited by the DOT inspector general.

As far as the DOT was concerned, the inspector general could continue to publish as many critical audits as he wanted to—but they were going to open the border on January 1 without regard to whether any of the deficiencies had been addressed.

There wasn't even a process in place to require the Transportation Secretary to acknowledge the findings of the IG.

Under the conference agreement, no trucks may cross the border until the IG has completed another entire audit of the DOT's efforts.

And no trucks may cross the border until the Transportation Secretary has received the IG's findings and has certified in writing, in a manner addressing each of those findings, that the opening of the border does not present an unacceptable risk to our constituents.

So, the conference agreement includes a serious mechanism to hold the Transportation Secretary accountable for his decision to open the border.

And you can be sure that the Transportation Appropriations subcommittee will be holding a hearing with both the Transportation Secretary and the inspector general once the IG has made his findings and the Secretary is poised to issue his certification.

Some observers have suggested that the requirements of the conference agreement are not as restrictive as the measures that passed the Senate.

As I view it, the safety requirements are effectively the same.

The conference agreement gives the administration a degree of flexibility in implementing these safety requirements.

Others have said that the border is likely to open more quickly under the provisions of the conference agreement than under the Senate-passed bill.

That may be true. But I want to remind my colleagues that, it has never been our goal to keep the border closed.

I voted for NAFTA.

I represent a state that is highly-dependent on international trade.

And I believe in the economic benefits that come with lower trade barriers.

Throughout this entire process, my goal—and that of Senator SHELBY—has been to ensure the safety of our highways.

And I am proud that this conference agreement makes great progress for our safety.

I am prepared to yield back all of our time on the bill if there is no one to speak.

I yield back the remainder of our time.

#### COMPREHENSIVE RETIREMENT SECURITY AND PENSION REFORM ACT OF 2001—Resumed

The PRESIDING OFFICER. The clerk will report the pending business. The assistant legislative clerk read as follows:

A bill (H.R. 10) to provide pension reform and for other purposes.

Pending:

Daschle (for Hatch/Baucus) Amendment No. 2170, in the nature of a substitute.

The PRESIDING OFFICER. The assistant majority leader.

Mr. REID. Mr. President, will the Chair indicate how much time is remaining on this matter?

The PRESIDING OFFICER. There remain 14 hours 40 minutes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

AMENDMENT NO. 2202 TO AMENDMENT NO. 2170

Mr. DOMENICI. Mr. President, I call up amendment No. 2202 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 2202 to amendment No. 2170.

(Purpose: To strike the provision related to directed scorekeeping)

Strike section 105(c).

Mr. DOMENICI. Mr. President, I put before the Senate an interesting, simple amendment that we as a Senate should adopt. I hope this amendment is aired for a while. Because Senators have asked me not to, I do not have

any intention to move rapidly. Other Senators are presently indisposed and they might come and perhaps become cosponsors. We will see what we can do.

But I want to make sure the Domenici amendment No. 2202 will not be mistaken for anything other than what it is. This amendment is not a killer amendment with reference to the underlying amendment. The railroad retirement bill will in no way be damaged by this amendment. This amendment is just a very simple recognition that the bill has some language in it that shouldn't be in it. As much as we want to do for the railroad retirees and for all of those who have joined in a rather mass number of Senators who want to see this happen—that is, passage of the bill—they actually should join in saying we want to do this. But we want to be honest with the American people in terms of what the bill costs and how you should score the actual costs against the Treasury.

My amendment would strike what we call directed scorekeeping language out of section 105. This technical language inserted just before the House passed the bill instructs the Office of Management and Budget to deviate—let me go slow here so everybody will get it—from the standard accounting practice when implementing this bill.

The Congressional Budget Office estimates that the provision allowing private investment in equities would increase outlays by \$15.3 billion in 2002. That means, if you follow the way we do things in a normal manner pursuant to the rules and guidelines in the law, this bill adds \$15.3 billion in increased outlays.

That is a matter of the Congressional Budget Office doing its work and telling us the answer when they are asked the question, How much does the bill cost? What do you put on the books of the United States?

They did their work. Now this bill, at the last minute, deviates from the standard accounting to the extent of \$15.3 billion.

If my amendment is agreed to, which strikes the language permitting the deviation and permitting the violation of the Congressional Budget Office, it does nothing, except it puts before us the reality, the truth. It doesn't cause the bill to be any more or any less in conformance with the rules and the Congressional Budget Office. It doesn't make the bill subject to a point of order. It is already subject to that. That has nothing to do with this amendment that I am offering to clarify and make consistent this bill, and make it consistent with what we ought to do in following the language and process and past procedures with reference to the estimated cost.

Once again, the Congressional Budget Office estimates that the provision allowing private investment in equities would increase outlays by \$15.3 billion

in 2002. It doesn't say you can't do it. It doesn't say you shouldn't do it. It just says if you do it, report it. Just put it in here. Ask the Congressional Budget Office and report their answer. Don't ask the Congressional Budget Office and then say, regardless of their answer, which we are supposed to follow, we are going to determine and declare that we are not going to follow it.

That is called directed scoring—telling them how to score things contrary to the rules, contrary to reality, and contrary to the way we have been doing it.

That is pathetic. We shouldn't do that on any bill.

I repeat that it does not kill the bill. It does not damage the bill. It just reports the reality of the bill for bookkeeping and scorekeeping, which I believe the American people want. They don't want one bill, as good as it is, to have inserted in it just before it passes the House language saying that whatever the reality and the truth is, don't report it this time for this bill. Just report it another way.

All I do is strike that language saying report it that way. It is a very simple idea. It is simple to understand. Just take that language out, return it to language which an ordinary, everyday bill of this type would have had in it and should be expected to be part of what we do.

By preventing the OMB from reporting that expenditure as an outlay, this, in fact, deviates from; it distorts. It makes us look at something and say it isn't what it is. That is a good way to say it. We just put language in saying no matter what it is, it isn't. I am saying no matter what it is, it is, in taking out the language that would do the contrary.

The Government has always recorded any investment from equities to research and development and to education and training as an outlay. The Government should get a good rate of return on all types of investments. In contrast to private sector accounting, we record these investments as an expenditure because the Government operates under cash accounting rules. We certainly cannot use that fact as a reason for changing it. If we are going to choose to change that system of accounting, we shouldn't do it selectively for one bill, no matter how good the bill is, and no matter how much support it has. You ought to change the whole system after a thoughtful evaluation of whether we should continue to use that kind of an approach.

I will not go into the reasons why the Federal Government uses the cash accounting system instead of an accrual accounting system. But I will say that the Federal Government has operated under cash accounting rules since 1789, the first year Congress appropriated \$639,000 to cover the expenses of our new government. This isn't the time to

change the rules. Obviously, it is neither the time, nor the bill. It is a bill with great support. I am going to support it. It seems to have huge support. We will get it done, but we ought not choose the bill to change the rules of accounting that have existed for our Government since 1789, the first time Congress appropriated \$639,000 as our expenditure.

We know, from example, in the private sector that bending the accounting rules creates confusion for the same reason we should not bend the accounting rules of the Federal Government to suit our purpose. Doing so reduces transparency and misleads the public.

If my amendment is not agreed to, this bill will set a troubling precedent for Social Security. Under current accounting practices, both the Government and the privately controlled investments of Social Security funds in stocks are treated consistently. They would increase outlays. If Government-controlled investments were not reported as outlay proposals to collectively invest in Social Security, the assets would have a significant advantage over proposals to create individual accounts. I don't think that should be done. Certainly we wouldn't want to use this as a precedent for that.

That is one of the problems when you violate precedent and pluck something out and say, we are not going to use it now, for whatever reason. We would rather not show the accounting as it is or for real.

Specifically, the proposals to have the Government invest in Social Security assets would be free, whereas proposals to establish individual accounts would cost trillions of dollars.

We understand that is not justified. This bill should not be used as something that gives impetus to that conclusion in a completely different area of huge confusion.

Regardless of whether you support individual accounts for Social Security, as the President's commission is about to propose, or collective investments such as President Clinton proposed, it doesn't make much sense for budget rules to save one policy over another. That is why I think we should be consistent, and do what is right.

Finally, the directed scorekeeping language in the bill creates a 306 budget point of order against the entire Railroad Retirement Act.

The point of order prevents Congress from changing the budget rules unless the proposal is reported from the Budget Committee. My amendment, by dropping the directed scorekeeping language, will ensure that we follow the right accounting proposals.

But understand, I do not make a point of order. There are plenty of votes for this bill. But I think plenty of those votes ought to be used to correct the accounting so there is no black

mark that follows this bill around as to why did we have to do that. We do not have to do that. We just do not have to do it.

At the point it went through the House, maybe it was some way to affect the cost and make it easier to get through because we were not going to charge so much against the surplus of the country. All of those kinds of problems have long gone away. As the occupant of the chair knows, we have been spending the surplus for many months. All of the spending that took place on behalf of the New York incident was out of the surplus there. We began to break the bank, so to speak.

So if there was some reason to manage or distort the real cost, it does not exist any longer. In fact, we should not have done it anyway. But if that was the reason, it is not needed and we ought to fix it. That one change will not kill this bill. It has nothing to do with the life. Whether it is good or not so good, this action just gets rid of something that puts a little black mark or maybe even a big black mark on this bill as seeking some super-attention by way of the budget rules that follow this.

That is all I have to say. But I note the presence of the chairman of the Budget Committee in this Chamber. From my standpoint, I am ready to proceed. But I do not want to cut anybody out of either joining me as a cosponsor or speaking.

So with that, I make a parliamentary inquiry. Was there a certain amount of time allocated to the Senator from New Mexico for this amendment?

The PRESIDING OFFICER. Under cloture, the Senator is limited to 1 hour. The Senator has consumed about 14 minutes.

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

The PRESIDING OFFICER. The majority whip.

Mr. REID. Mr. President, Senator INHOFE tried to arrange some time last week to speak when we had lots of time. The time is a little more constrained today, but he has always been so easy to work with, and I ask unanimous consent that following my remarks and those of Senator CONRAD, the Senator from Oklahoma be recognized for up to 40 minutes. Of course, the time would be charged against the 30 hours.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. REID. Mr. President, for me to speak against Senator DOMENICI and Senator CONRAD is difficult. I work very closely with Senator DOMENICI. We have been on the Appropriations Committee working side by side on a number of issues, including the Energy and Water Development Subcommittee, of which I have been chair-

man and he has been chairman, back and forth. Of course, Senator CONRAD and I came to the Senate together. There is no one I have more respect for than Senator CONRAD and for his integrity and his absolute brilliance. So for me to speak against something on which they agree is difficult. But as much respect as I have for both of these outstanding men, it does not mean they are always right. I respectfully submit that what they are trying to accomplish now is wrong.

Leave it in the bill is basically what my message is. I know I speak for the chairman of the Finance Committee, Senator BAUCUS, and I know I speak for the majority leader, Senator DASCHLE, when I say this.

The House-passed bill includes directed scorekeeping language. This language would require the CBO and OMB to treat the purchase of private sector securities by the new railroad retirement trust as a means of financing rather than as an outlay. OMB sets the official rules right now. Under those rules, the purchase of private sector securities is scored as an outlay just as any other purchase of goods and services would be scored.

However, the issue of how to score the purchase of private sector securities is really a very gray area. Unlike the purchase of goods and services, the purchase of private sector securities does not diminish the financial and budgetary wealth of the Government. So a case could be made that these purchases should not be scored as outlays. In such a case, a means of financing Federal deficits is a technical term for the budgetary category of the purchases. The primary means of financing Federal deficits historically has been Federal borrowing.

Those who would like to continue the current OMB scoring rules would argue that almost all the Federal budget is on a cash basis. From that perspective, the purchase of private sector securities requires cash and should be treated the same as any purchase of goods and services.

I do not have an opinion as to which is the best approach, which is superior. I think they both work. However, from a pragmatic point of view—and that is where I am today—this legislative session is winding down. We are facing a serious time constraint if we are going to be able to enact this important legislation this year.

The railroads have been working and trying to get something such as this done for decades. For once, now we have victory in our grasp. The railroad companies and the unions, which rarely agree on the time of day, have agreed on this package. I think it is a victory that we should not let fall from our grasp.

If this amendment passes, it is gone. Everyone should understand, it is gone. Why? Because this bill will not pass this year.

There are very few days left in the calendar. The House has already passed this legislation, the legislation that is basically before us, that includes directed scorekeeping, by a vote of 384 to 33. It was not a close call in the House: 384 to 33.

If we pass a bill that does not have directed scorekeeping, then we face one of three scenarios. No. 1, we have to go to conference. If this happens, curtains this year, this legislation is all through. No. 2, the House could send back our bill with an amendment in disagreement. In that case, there would not be enough time on the Senate floor to deal with this possibility. No. 3, the House could agree with our bill.

Under two of the three outcomes, the bill would not be enacted this year. We do not know which of the three outcomes will occur, but I have an idea. It is just too risky to proceed in this way. The prudent course of action is to leave the directed scorekeeping language in this bill, the legislation before us.

I urge my colleagues to defeat this amendment.

Mr. President, we have come a long way to arrive at a point where we actually have in our grasp this bill on which we can vote. I hope this amendment, while well intentioned by two fine Senators, both of whom want to protect their budget jurisdiction—I just think, in this instance, they are wrong. I think it would be much better if we went through with this legislation, followed the lead of the House.

The House, as I indicated, passed this bill overwhelmingly. I think if we did that, we would have a lot of happy widows, we would have a lot of happy railroad retirees; of course, we would have a railroad industry that would be much stronger and firmer.

I know in Nevada we have watched the railroads come through our State. We had a merger of Union Pacific coming through the northern part of the State on very shaky ground. But they were able to pull themselves out. We have done a number of remarkable things with the railroad to help them move more traffic because of the merger. One example is that they have come forward and we are building a depressed railroad sector through Reno to make it a much better, quieter program than we have had with railroads in the entire history of railroads coming through Nevada. All this amendment will do is set that back, and then many other things we have been able to accomplish. But of course the thing that really hurts has to do with the railroad retirees.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I rise today to support the amendment of the Senator from New Mexico, the distinguished ranking member of the Budget Committee. I ask unanimous consent to be added as a cosponsor to his amendment.

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

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. DOMENICI. Mr. President, I thank Senator CONRAD. As chairman of the Budget Committee, it is really welcome that he would join me in this endeavor.

As a matter of fact, I believe by his joining, he makes the case that we are not trying to kill this bill. He has been a staunch advocate. I just told railroad retirees I am voting for the bill. I didn't tell them, nor did I tell the Senator, that I used to work for the railroad. I was a baggage clerk when I was 22. It was a fun job. I didn't work long enough to be part of any of this program. I want everybody to know, I have no interest. It was a great summer job. I became friends with some wonderful railroaders.

I repeat, so that nobody misunderstands the Senator's views, this takes out of the bill some language that is not needed for this bill and that in essence treats this bill in a way that says what is isn't; it is going to cost this much, but it is not going to cost it because we wrote language in the bill saying it isn't.

That is not the way to pass a bill. We don't do that for anybody on anything.

I welcome the Senator's support. I think it is a good way for him to start his chairmanship, saying that he is going to watch the rules carefully and abide by them. I thank the Senator so much for joining me.

(Mrs. CARNAHAN assumed the chair.)

Mr. CONRAD. I thank the Senator. My great-grandfather was a foreman on the railroad. My great-grandparents, when they went on their honeymoon, went on a pushcart for 100 miles on the railroad.

I do strongly favor this bill. I have to answer to my responsibility as chairman of the Budget Committee and as a Member of this body to be accurate with our colleagues as to the scoring of this legislation.

Directed scoring, if we are to be blunt about it, is to say something doesn't cost when we know that it does. I have an obligation to my colleagues to report accurately to them this legislation. I have been a staunch supporter of this bill the entire time it has been before the Senate. It represents an extraordinary effort by the rail companies and their employees and labor to work together to improve the lives of thousands and thousands of rail workers and their families.

I agree this legislation provides an important opportunity to modernize the rail pension program. I have received countless e-mails, phone calls, faxes, and letters from North Dakota rail workers and their spouses who have told me how important this legislation is to them and their families.

Some of my dearest friends and strongest supporters are in favor of this legislation. I am in favor of the legislation. But I have a special responsibility as chairman of the Budget Committee to give an accurate assessment to our colleagues of the cost of legislation that moves through this Chamber. That is an obligation I take seriously.

The directed scorekeeping provision creates the impression that the cost of this legislation in fiscal year 2002 has dropped from \$16 billion to \$250 million. In reality, with or without directed scorekeeping, the impact on the budget in 2002 is precisely the same. It is not \$250 million; it is \$16 billion.

That is the reality. That is the fact. With this amendment, the Senator from New Mexico has provided us with a second chance to review the directed scorekeeping provision of this bill. He is right to do so. That is why I have joined him in this effort.

Traditionally, those of us with special responsibility for the budget have vigorously opposed directed scorekeeping because it fundamentally undercuts the entire system of budget controls and budget discipline that is so important to the United States being fiscally prudent and wise. We cannot do our job of being stewards of the finances of this country if we don't report accurately and honestly to our colleagues the cost of legislation.

That is the most fundamental responsibility of any Budget Committee chairman and ranking member. Senator DOMENICI and I are meeting our responsibility by saying to our colleagues the simple fact is, this bill is going to cost \$16 billion in fiscal year 2002 no matter what the directed scorekeeping provision says. You can make it up, but it is not true. The fact is, the impact on the federal budget will be \$16 billion.

That is a cost for which I am willing to vote and support, but I am not willing to say it is something it is not. That is not, in my view, the appropriate role for any Budget Committee chairman.

It is not just a matter of \$16 billion in fiscal year 2002; it has much greater significance than that. If we establish the precedent that through directed scorekeeping we can say a \$16 billion expense is really a \$250 million expense, what is next? I predict what is next is: When we get to the reform of Social Security, some will say we can simply take a trillion dollars of the Social Security trust fund and move it over into private accounts and say there has been no expenditure. That is the implication of this vote and why it matters. If we say on this bill you can take something that cost \$16 billion and, by legislative language, direct the scorekeeping and say it doesn't cost \$16 billion, it costs \$250 million, then others may try to take a \$1 trillion trans-

fer of Social Security money and say it is cost free.

If we start down that path, we will rue the day, if we go down the path of creating fiscal fictions in this Chamber in order to accomplish even the best of intentions.

This is a good bill. It is worthy of support. But the price cannot be, should not be, must not be that we say to the American people that a bill that costs \$16 billion only costs \$250 million. That cannot be the way we do business in the Senate.

If that is the direction we take, I repeat to my colleagues the implication because I believe the next step will be in the Social Security reform debate, that others will try to say: A trillion dollars taken out of the Social Security trust fund and moved into private accounts doesn't cost anything. It is cost free.

That would not be true. That would be totally misleading. The money that is in the Social Security trust fund that has been credited to the Social Security trust fund, to be more accurate, has been credited to that fund to meet current promises, promises already made. We can't take that money and make a new set of promises and use the money that was raised to keep the previous promises. It won't work. We can't use the same money twice.

You can't use the same money twice. That is what will lead us into the swamp of deficits and debt and disastrous economic decline. Make no mistake, what is at stake here is a big deal. This matters. This is not a free vote. I remain committed to this legislation, but I also remain committed to being straight with our colleagues and our countrymen as to the cost of the legislation that is before us.

Our friends in the House included this directed scorekeeping back in July. It was a mistake then; it would be a mistake for us to repeat it here. Those who say, well, this kills the bill—I don't accept that. This legislation has to go back for further action in the House in any event because of the way it has come before us. It has to go back to the House for action in any event.

Let's pass this legislation, but let's do it right and let's do it by being straight with our colleagues and our countrymen as to its cost.

Mr. CARPER. Will the Senator from North Dakota yield?

Mr. CONRAD. I am happy to yield.

Mr. CARPER. I, too, am a strong advocate of this legislation. I have spoken for it in the Chamber and in our caucus meetings as well. As the Senator from North Dakota and the Senator from New Mexico have indicated about their relatives, my grandfather was also on the railroad. My grandmother lived many years on a survivor's pension from his service. Whenever the chairman of the Budget Committee and the ranking member on the

Budget Committee stand to endorse an amendment, it gives me pause. I want to make sure in the next several minutes—maybe hours—that we consider this legislation I understand the full ramifications of the amendment or the failure to adopt the amendment.

Let me ask the chairman of the Budget Committee this. When I first learned of the directed scorekeeping in the House of Representatives, which, as he said, is an extraordinary act, I tried to understand why they may have done that. Was it chicanery or was there real logic behind it?

As I studied the issue more, my understanding is if we were not on a cash basis of accounting, but an accrual basis, this probably would not be an issue. Most States used to be on a cash basis of accounting. The majority of States now use the accrual basis, and most States direct the retirement funds into U.S. Treasury obligations. Today, it is a whole array of investments, including equities, or stocks, bonds, and the kinds of things envisioned here under this legislation. There are, as we know, tier 1 benefits under the railroad and tier 2.

This is my question: The tier 1 benefits mirror Social Security benefits. Tier 2 are more private sector benefits. The moneys that go into those tier 2 funds for payout come from the railroad companies themselves—from the tax assessed on them—and also a payment by the railroad employees themselves. My understanding is that those monies that go into that retirement fund, paid into by the railroad companies and by the employees through the payroll deduction—those monies in the future will be invested not in U.S. Treasury obligations, but in a wide variety of investment options. But because of the peculiarity of our accounting rules, because those monies will now be not spent for roads or any other purpose, and not for space exploration, they will still be invested in the same pension benefits, but because of our accounting rules, those monies—simply by saying you can now invest those pension monies, the trust fund monies, in non-Treasury obligations triggers a \$15 billion outlay. Is that what this is all about? I know that is a long question, but let me lay that question at the feet of our Budget Committee chairman.

Mr. CONRAD. I am happy to respond. First of all, we use a cash method of accounting for the Federal budget. We do not use an accrual system. You can't mix the two or you start misleading people. That is No. 1.

No. 2, the Senator's question sounds as though it is prospective in nature; as though simply going forward, Tier II revenues would not be invested in Treasuries. That is not the case in this bill. In this bill, CBO estimates that approximately \$16 billion currently invested in Treasuries by the Federal

Government would be sold and instead invested through an investment trust in private-sector assets. Again, the amount is \$16 billion and they would be free to invest it in other ways. I support that.

But we have to be straight with people. It costs \$16 billion to the Federal Government in the fiscal year 2002 under the accounting rules that apply to every program of the Federal Government. It doesn't cost \$250 million; it costs \$16 billion. The money moves out of Government Treasuries and moves into a railroad investment trust, with the ability under a board, to invest those moneys in higher rate of return assets. I support that basic notion.

But the hard fact is that it costs the Federal Government \$16 billion. It means the fact is the Federal Government will have to borrow \$16 billion more in fiscal year 2002 than it was otherwise going to borrow.

Mr. CARPER. If the Senator will continue to yield, I have two glasses of water here. We will say one is the railroad pension fund as it currently exists, and it is full of U.S. Treasury obligations. There is another glass here and we will pretend it is empty for our purposes. What I think we are talking about doing is taking some of the moneys invested in these Treasury obligations in this one pension fund and, presumably, the railroad retirement fund would have to sell those obligations and then use the money from the sale of those obligations to put in their new pension fund. When they sell those, they are going to sell them to somebody—individuals, funds, banks, corporations. It is difficult for me to understand how that transaction I have just described should cost the Treasury \$16 billion. A lot of us are struggling on this one.

Mr. CONRAD. Let me say it as simply as I can state it. The reason it costs the U.S. Treasury \$16 billion is because the money moves out of U.S. Government Treasury and moves over to the control of a board that is run by private sector representatives to be invested in non-governmental assets. That is about as easy as I can make it.

The fact is that the Federal Government is going to have to borrow, as a result of that transaction, not \$250 million more, but \$16 billion more in 2002. For us to have our colleagues say "but it really doesn't mean that" is not accurate and it is not factual. To say to our colleagues, by direct scorekeeping, by legislative fiat, that it won't cost \$16 billion, that it won't mean the Federal Government has to borrow \$16 billion more in 2002, that it is only going to cost \$250 million more, is just not the truth. I don't know how more direct I can be.

Mr. CARPER. I thank the Senator.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I ask unanimous consent that following the

statement of Senator INHOFE, Senator STABENOW be recognized for up to 15 minutes, and the time be charged against the 30 hours.

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

Under the previous order, the Senator from Oklahoma is recognized for 40 minutes.

#### AN ABSOLUTE VICTORY

Mr. INHOFE. I thank the Chair. First, I say to the leadership how much I appreciate the fact you are allowing me to bust in on a different subject. I think it is very significant at this time because something happened yesterday that I think makes it worthwhile to talk about this and maybe to do so at some length.

Willie George was right. Lest some of you do not know who Willie George is, some people consider Willie George a preacher, but he is also a very able historian. As I listened to him and added some perspectives on what the attack on America was all about, I realized the inside-Washington mentality is sometimes and often flawed and that mentality that comes from Oklahoma reflects more of real America.

The Apostle Paul gave us our marching orders in Ephesians 6, verses 10, 11, and 12. He said:

Finally, my brethren, be strong in the Lord, and in the power of his might. Put on the whole armor of God, that you may be able to stand against the wiles of the devil. For we wrestling is not against flesh and blood, but against the principalities, against the powers, against the rulers of this darkness—

About which we are talking—  
against the spiritual hosts of wickedness in high places.

Make no mistake about it. This war is first and foremost a spiritual war. It is not a political war. It has never been a political war. It is not about politics. It is a spiritual war. It has its roots in spiritual conflict. It is a war to be fought to destroy the very fabric of our society and the very things for which we stand.

Many of the wars in history have been fought because of human desire or greed, to have that of a neighboring country—to have mineral deposits, to have what some other country has. But this war is of a different nature.

It is not just simple greed that motivated these people to kill. This war has been launched against the United States of America. It is a spiritual attack. It is an attack that was created in the mind and heart of Satan. It is a demonically inspired attack. It is not just the selfish ambitions of an egotistical leader. It is not just someone wanting to hold on to power. This is nothing more than a satanically inspired attack against America created by demonic powers through the perverted minds of terrorists.