energy needs, I look forward to helping solve a great deal of our energy issues because through our Committee on Finance we will be dealing with a lot of tax issues that deal with the efforts to spur production and alternative energies.

A very big part of your program that you have introduced—and we compliment you for being a leader in trying to solve the energy crisis—will be the work of the committee on which the Senator and I serve. I will be very happy to work on that.

IN RECOGNITION OF JOANN OWENS

Mr. GRASSLEY. Mr. President, the month of May, since 1963, has helped the Nation focus on the contributions and achievements of America's older citizens because the month of May is a month where we recognize these achievements. Congress does this by cooperating with various organizations in bringing senior interns to Washington, DC, for 1 week out of the month of May. There are other things that are done as well.

The image of those over the age of 65 is dramatically different than it was as recently as a generation ago. Older Americans increasingly redefine modern maturity. They reshape cultural boundaries, and they dispel age-old stereotypes associated with getting older. They are leaders in our families, in our workplaces, and in our communities.

Each week this month I am going to recognize a different Iowan and highlight what these older Iowans are doing as a contribution to the workplace and communities. The one I recognize this week is a 68-year-old woman from Sioux City, IA. JoAnn Owens understands the value of family and understands community involvement. Through her initiative, her concern, and her commitment, she has touched the lives of many in her family and in the entire Sioux City community.

Born and raised in Sioux City, Ms. Owens moved to New York in her twenties and spent much of her adult life on the east coast. In 1993, at the age of 60, she moved back to Sioux City to care for her ailing mother. Seeking a way to keep herself active, and at the same time stimulate her mind, Ms. Owens began to volunteer in the community. For the last 7 years, she has served as a senior companion by providing care to people in the community who need extra assistance in order to live independently.

She currently volunteers 4 days a week helping young people suffering from brain injuries to develop their academic skills. Ms. Owens also serves as a volunteer judge for the Woodbury County Drug Court Program. She is a member of the city's Human Rights Commission and active in the Quota Club, an international service organization.

Ms. Owens describes herself as a woman motivated by challenges. As a volunteer with the Sioux City Police Department, Ms. Owens took the initiative to develop a program to provide domestically abused women with cellular phones so they could better protect themselves. She also spent a series of weeks attending the Sioux City Police Citizens Academy where she was trained on the responsibilities and challenges facing police officers.

Ms. Owens' concern for her family is also a driving force for her involvement. Her desire to play an active role in her mother's care prompted Ms. Owens to join the care review board at the care center where her mother lived. Although Ms. Ownens' mother passed away 5 years ago, she is still involved as a resident advocate, currently serving as the chairperson for the care review committee. She visits with the residents at least once a month and works with staff to take care of any problems at the center.

Ms. Owens has six grandchildren and one great-grandchild. Her concern for their education motivated her to become a member of the Board of Education equity committee. She is currently the chairperson of the committee. Her mission is to ensure that education in Sioux City is equally and equitably dispensed to all students.

Beyond her community involvement, Ms. Owens enjoys raising tomatoes, reading, and feeding the birds, squirrels and rabbits. She lives with her cat Mr. Roberts and her dog Jordan.

I thank Ms. Owens for helping to make Sioux City a better place to live. Her initiative and compassionate care for others is an example to us all that we should contribute to our communities, no matter what our age.

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. LIEBERMAN. 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. LIEBERMAN. Mr. President, am I correct that the Senate is now in a period of morning business?

The PRESIDING OFFICER. That is correct.

BUDGET RESOLUTION DELIBERATIONS

Mr. LIEBERMAN. Mr. President, I rise today to speak about the deliberations that are now going on in both Houses of the Congress about the budget resolution, which will be before the Senate certainly some time this week.

This is a most important time in this session and, I believe, is a moment of historic opportunity for our economy. As I have followed the debate, I have seen questions raised about, where is the Centrist Coalition in the Senate? Where are the so-called moderates? I know some voted for the Senate-passed budget resolution when it came up in the Senate earlier. I think some of those moderates are having second thoughts or are raising questions about the state in which that resolution came out of the conference committee, from which, as we know, Members of the Democratic Party were excluded.

I want to speak with my colleagues today about my own feelings on this budget resolution. I do so as someone who has been a proud founding member of the Senate bipartisan Centrist Coalition, a founding member of the Senate New Democratic Coalition, because I truly believe this budget resolution, as it has come out of the conference committee, challenges and tests each of us on our fundamental views about what Government is about and what, most of all, fiscal responsibility is about.

I have always believed that at the heart of being a so-called centrist or moderate is fiscal responsibility—that we will take care of the people's money here—more than a trillion dollars of it that we have charge of every year—with the same fiscal responsibility that the American people handle their own money in their personal lives, in their families, and in their businesses.

As I looked at this budget resolution that has emerged from the conference committee, it is my strong feeling that it lacks more than just the two missing pages that are now being retrieved. This budget resolution profoundly lacks fiscal responsibility. It will not only do nothing to address the economic downturn that more and more Americans are feeling the pinch and pain of right now; I fear that it will set us on the road back to increasing debt, to budget deficits, to increasing interest rates that go with increasing deficits and debt, and to the rising unemployment and falling investment that go with higher interest rates.

This budget resolution is fiscally irresponsible. It is a tax plan, as colleagues have said, that is trying to look like a budget plan. I will put it this way: It is a tax plan, but it is not what we need, which is a prosperity and progress plan. It does not answer the question of how we continue the prosperity and progress of the last several years.

I want to cite a few concerns I have about this budget resolution as it has emerged from the conference committee, which we will debate this week. First, to the best of my understanding, there is no longer a short-term, immediate economic stimulus component to this budget. During the recent debate on the Senate-passed budget resolution, several of us in both parties spoke to the need for an economic stimulus, as we watched important economic indicators going down. When the budget resolution came up in the Senate, our colleague, Senator HOLLINGS from South Carolina, and several of the rest of us, sponsored and passed an amendment that set aside $85 billion of the current year's surplus for an economic stimulus in order to get money out to the taxpayers—every one of them, whether they pay the payroll tax or the income tax, as soon as humanly possible. We believed it was and still is important to put money in the pockets of all taxpayers this fiscal year so they can go spend it, boost the economy, and raise consumer confidence. It is my understanding that the conference committee has effectively removed the stimulus component from the budget resolution that will come before us this week. It is gone even as the economic indicators from the official bureaus of our Government and other organizations tell us that we need that economic stimulus even more today than when we voted in this Chamber just a few short weeks ago to adopt it. But it is not there.

Just last week we learned that the unemployment rate for April shot up to 4.5 percent. That is the highest level of unemployment in America in more than 2½ years. Even more troubling, last month U.S. businesses cut their payrolls by the largest amount, 223,000 jobs, since the recession year of 1991. That is as clear an alarm bell as we could have and as clear a call for a short-term economic stimulus as we should need. Yet, it is not in this resolution.

In addition, the University of Michigan, which has been measuring consumer sentiment in this country for many years, reported that consumer confidence fell last month to the lowest level it has been in 7 years. This is not some political group, some partisan group; these are credible indicators. They cry out for the short-term economic stimulus—to get the money back into the pockets of America's consumers to spend and raise consumer confidence. And it is not there in this budget resolution.

Secondly, the tax cut in this conference report seems to be growing well beyond the Senate-passed figure of $1.18 billion and even beyond the $1.25 billion that the Republican conferees claim is in this budget resolution. It seems that the $100 billion that was supposed to go towards an immediate economic stimulus is being rolled back into the larger Bush tax plan, bringing the real total to $1.350 trillion. Add to that an additional $50 billion in this budget resolution for other revenue reductions and you are up to $1.4 billion. That number doesn't include some of the automatic tax extenders that get renewed on a regular basis. It doesn't include necessary reforms to the alternative minimum tax that will be necessitated by this $1.4 trillion tax plan. It doesn't include increased interest payments on the debt that will have to be paid because we are spending so much of the surplus.

Mr. President, I predict to you that if we should adopt this unfortunate, mistaken and, in my opinion, threatening-to-our-economy budget resolution, the tax plan will cost, at a minimum, $1.6 trillion. It will probably cost much closer to $1.8 trillion. I am sure when we get the resolution on the floor, we will have a clearer estimate of that. That tax cut will be taken out of what remains of a projected of $2.5 trillion 10-year on-budget surplus. But that $2.5 trillion surplus is based in part on an economic growth rate of 2.4 percent this year.

However, the Congressional Budget Office has actually run some numbers on what would happen to that projected surplus if the growth rate slows this year. Some economists do think we are going into a recession this year, where at the end of the year we will actually have negative growth. I hope and pray not. According to the Congressional Budget Office, if that happened, if the growth rate for this year alone dropped to .1%, there would be a $47 billion drop in the projected surplus this year and a total reduction in the surplus of $133 billion over the following 10 years.

That analysis even assumes that there would be continued robust 3.1-percent growth over the following 9 years, which no one can assume. So you take whatever the tax cut ends up being—$1.7 trillion or $1.8 trillion—out of that, and then you look at the spending side of this budget resolution, next year's domestic discretionary spending in the budget resolutions coming out of the conference committee does not keep up with the expected rate of inflation.

So at a time when we are looking forward to surpluses, when we know from our families and our businesses that you have to make responsible investments to continue to grow, this budget is spending it almost all on the tax plan and saving very little for the kinds of investments that we need to make to keep our country strong, to continue the prosperity and the progress.

Where are we going to get the money after this enormous tax plan proposal by President Bush and our colleagues in Congress is taken out of the surplus that we hope will exist—where are we going to get the money to invest in education, which every conversation I have had with people in my State of Connecticut, and every public opinion survey says is the No. 1 priority of the American people? Where are we going to get the money to invest in keeping our Nation strong, our national defenses? The numbers that are coming out of the Pentagon—rumored at this point—are quite high.

I am a member of the Senate Armed Services Committee. I am privileged to serve with the distinguished occupant of the Chair, the Senator from Florida. One could make a case for some of these numbers, in my opinion. We need to invest more in our defense, but where is that money going to come from if domestic discretionary spending is held below the rate of inflation and so much goes to that tax plan?

We are going to do serious harm to our economic future if we pass this fiscally irresponsible budget resolution. There is no way we can continue the operations of our Government in a realistic and responsible way if we adopt this budget. That is even assuming that good economic times return soon again next year and that this current downturn does not develop into a longer recession. There is no way we are going to pay the bills that are part of this budget resolution without dipping into the Social Security and Medicare trust funds.

What happened to the lockbox everybody was talking about for Social Security and Medicare? Our seniors and those in the baby boom generation who are going to be coming into their senior years are expecting Social Security and Medicare to be there. With this conference report, they are going to find the viability of those funds have been hurt by a fiscally irresponsible budget. These are pivotal considerations and votes we are going to have this week.

We have learned a lot in the last decade about the role of Government in the economy. One of the things we have learned, certainly centrist, New Democrats know, is that the Government does not create jobs. The private sector creates jobs. But Government can create an environment for growth, an environment in which the private sector can flourish.

The first and most important thing that Government can do is to be fiscally responsible.

The second thing is to have some money to invest in what creates growth, particularly in the high-tech information age. Nothing creates growth more than an educated public. We need to invest in our schools. We need to invest in training and retraining of existing workers. Yes, we ought to have tax cuts. We ought to have some tax cuts that help working families deduct the cost of higher education for their children or the cost of retraining programs for themselves.

I am afraid this budget resolution, which carries out a campaign promise the President made in New Hampshire more than a year and a half ago when the economy was not in a downturn, when others he was running against were proposing flat taxes and he responded, will take us down the road to exactly where our history should tell us we do not want to go.

This budget resolution is fiscally irresponsible. The economics do not make any sense. I am tempted to call it voodoo economics, Mr. President. The numbers do not add up and America's economy will suffer for it. Even more to the point, and personally, what will be hurt if we do not gather together, centrists of both parties, to speak for fiscal responsibility and reasonable investments and fiscally responsible tax cuts is the quality of life of millions of American families and the strength and stability of millions of American businesses.

I urge my colleagues to look closely at this budget. Let us work across party lines on it and let us make it what the American people deserve and expect it to be: a fiscally responsible progress and prosperity budget.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I associate myself with the comments made by the Senator from Connecticut. If the budget comes back as reports indicate the conference may send it back. I, who voted for it the first time, will not be able to vote to support that budget conference report.

The Senator from Connecticut has very well made the points. For me, it is a profound disappointment that something I thought we had worked out and was understood is going to be reversed and come back in a conference report which is, for most of us, unacceptable.

Mr. President, I know the hour of 2 o'clock is approaching. I ask unanimous consent that the time be extended just so I may finish my comments today.

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

Mrs. FEINSTEIN. I thank the Chair.

ENERGY PRICES AND THOSE WHO BENEFIT

Mrs. FEINSTEIN. Mr. President, last week I rose to speak about the businesses and consumers in California and the West who are facing exorbitant energy bills that could threaten the very livelihood of their businesses. These are people who have been hurt by the crisis. Today I want to talk about those who have benefited from the crisis.

One can look at this chart and you can see something is wrong because the total cost of power in California in 1999 was $7 billion, the total cost in the year 2000 was $32 billion, and the projected cost in the year 2001 is $65 billion.

That kind of a hike does not happen without someone profiting.

Electricity is not an automobile. It is not a fur coat. It is not a home. Electricity is a basic staple of human life. If the street lights do not function, there are accidents. If people cannot run their respirators, death may result.

California is now in a position where businesses are laying off employees, businesses are closing. I cannot emphasize enough how people are hurt by this.

Let us look at an example of high power prices by taking one random day this past winter: December 15, 2000. On this day, electricity prices ranged from $429 a megawatt hour to $565 a megawatt hour, depending on the time of day.

What makes that significant? Look back 1 year to 1999, same day, same month. The price was $12 a megawatt hour to $29 a megawatt hour. These are wholesale prices. This represents in 1 year an increase of 3,500 percent and 1,900 percent, respectively.

If we want to take a look at prices in a more recent month, let us look at February 2001. Wholesale energy costs in February averaged $361 a megawatt hour, more than 12 times the average wholesale cost of $30 a megawatt hour in February of 2000.

I mentioned earlier that the utilities, as a product of a very flawed State bill, had to divest themselves of their power-generating facilities. To show the difference, consider that when Southern California Edison had its generating facilities, it was selling power at $30 a megawatt hour. When Edison sold it to an out-of-State generator, the generator immediately turned around and charged $300 a megawatt hour. That is what is happening.

Clearly, California's deregulation has turned out to be an abysmal failure for the State, for consumers, for businesses, and for California's investor-owned utilities, one of which is in bankruptcy, PG&E, and the other which is perilously close, Southern California Edison.

Last week, the Federal Reserve estimated that, on average, each California household will pay $750 out of their pocket to compensate for higher energy costs this year. Additionally, over the past year, the natural gas component of the CPI rose by 68 percent in western metropolitan areas, boosted in part by a nearly 135-percent increase in the index in the San Francisco Bay area.

However, having said this, not everyone has been a loser. Let us talk a moment about the winners because it is quite revealing.

California's six largest nonutility energy suppliers are all based outside the State. Together they own or market roughly 17,000 megawatts of capacity. That is roughly a third of the total capacity in the State, and it is roughly enough for 17 million households. They are companies such as Dynegy, Duke Energy, Mirant, NRG Energy, Reliant, and Williams. These are not the only ones benefiting from the crisis. But for these six companies, profits more than doubled from 1999 to 2000. In some cases, the companies' subsidiary operating units doing business in California's wholesale power posted even larger gains than their parent companies.

If you look at this chart, the gray is 1999 and the red is 2000. Williams Energy Marketing and Trading Company, a subsidiary of Williams Energy Services, which sells energy from California facilities, saw profits increase nearly tenfold, from $104 million in 1999 to over $1 billion in 2000.

For Reliant's wholesale energy business, which supplies energy to California and other competitive markets, operating income rose almost 1800 percent, from $27 million in 1999 to $482 million in 2000. These are last year's numbers, but already these firms are again posting dramatically higher profits from this winter. Recent first quarter earnings announcements by energy companies reveal that firms continue to profit big time.

For example, Calpine Corporation announced a 424-percent increase in earnings, raking in $94.8 million in the first 3 months of the year compared with $18 million last year.

Mirant, formally Southern Company, announced record first quarter earnings of $175 million, up 84 percent, the equivalent of 51 cents per share.

Williams reported a first quarter profit of $378 million, more than double its results a year ago.

It is important to note that supply and demand have remained virtually the same over this period of time. There has been less than a 4-percent increase in demand. The imbalances in the market do not justify these astonishing increases in price.

One of the most amazing things to me is to see how little concern there is about what is happening in this very large State. Last week, the Federal Energy Regulatory Commission ordered the Williams Company to refund $8 million for withholding power from the California market last summer. This is the first action of its kind by FERC, who found that Williams intentionally and improperly shut down plants with the implicit understanding that withholding power from the market would drive up prices. We know it is happening now.

Last April and May, Williams shut down two of its generating units in Long Beach and Huntington Beach that were obligated to sell electricity to the California grid operator, forcing the ISO to look elsewhere for power. Williams—this is the rub—Williams would have been paid $63 a megawatt hour if the power plants were running; instead, the ISO had to spend $750 a megawatt hour to purchase electricity from other generating units. This withholding of power netted Williams $11 million.

The Williams Energy Marketing and Trading Company has agreed to refund $8 million under the FERC order, although they profited $11 million by