The Senate met at 2 p.m. and was called to order by the Presiding Officer, the Honorable Jon Kyl, a Senator from the State of Arizona.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, thank You for this moment of prayer in which we can affirm Your call to seek unity in the midst of differences in the parties and politics. So often we focus on what separates us rather than the bond of faith that binds us together. We are one in our calling to serve You and our Nation and in the belief that You are the ultimate and only sovereign. You are the magnetic and majestic Lord of all who draws us out of pride and self-serving attitudes to work together for You. We find each other as we join our hearts in gratitude for the privilege of leading our Nation. Keep us so close to You and so open to one another that this will be a week of great progress. Help us to work expeditiously and with excellence for Your glory and our Nation’s good. Through our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable Jon Kyl led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:


To the Senate:

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

ROBERT C. BYRD, President pro tempore.

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

RESERVATION OF LEADER TIME

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

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2002

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now proceed to the consideration of H.R. 2311, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2311) making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

SCHEDULE

Mr. REID. As has been announced by the Chair, the Senate will begin consideration of the energy and water appropriations bill. Today will be for debate only. There will be no rollcall votes today. The next vote is expected tomorrow at approximately 12 noon on cloture on the substitute amendment to the Bankruptcy Reform Act. I am to remind everyone that there is a 3 p.m. filing deadline for first-degree amendments to the bankruptcy reform substitute amendment.

We hope to complete action on the energy and water appropriations bill, the transportation appropriations bill, and/or the legislative branch appropriations bill before the end of this week.

I would say to all those listening, it is going to be extremely difficult to do that, but we can do it. There are only a few issues on the energy and water appropriations bill. We hope to resolve those so it does not take a lot of time. And then, of course, the appropriations bill dealing with transportation has in the last few years gone quite rapidly, and we hope it will again this year.

We are not in a position at this time, Senator Domenici and I, to offer a unanimous consent agreement as to when the amendments to the energy and water appropriations bill should be filed, but we are going to work on that. Senator Domenici is indisposed for the next hour and a half or so. But we expect him to be here at 3:30 today, at which time we will begin opening statements on the energy and water appropriations bill.

MORNING BUSINESS

Mr. REID. I see my friend from Iowa here. Does he wish to speak on the bill or as if in morning business?

Mr. GRASSLEY. Morning business.

Mr. REID. Certainly I would have no problem asking unanimous consent. As I said, Senator Domenici is indisposed now for the next hour or so. So what time does the Senator from Iowa expect to use?

Mr. GRASSLEY. I would expect to be done by 2:30.

Mr. REID. Fine. I ask unanimous consent. Mr. President, the Senator from Iowa be recognized for 30 minutes to speak in morning business. When he completes his work, we will return to the energy and water appropriations bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Iowa is recognized.

TAX CUT ACHIEVEMENT

Mr. GRASSLEY. Mr. President, I want to visit with my colleagues and our constituents about the issues of the tax relief bill that was recently passed by the Congress of the United States and signed by the President on June 7 and will be the reason that tax rebate checks will go out, distributing $65 billion of overtaxation to the American people—back to the American people so they can spend it, so it will do more economic good than if it is politically distributed here in Washington, DC.

That bill not only has the $65 billion of tax refunds that will start going out next week and be out by September 30, but it already has reductions for other rates. The tax rebates come from the new 10-percent rate that is going into effect retroactive to January 1. It is my understanding there will be about 90 million Americans who will be getting rebates of up to $300 if they are single, $500 if they are a single parent, and also then up to $600 if they are married.

Also, remember that this is not a one-shot rate reduction, or tax rebate; that these rebates, even though they will never be received in a check again, will continue on into the future as permanent reductions in taxation for people in the 10-percent bracket. And also remember that everybody who pays taxes would pay some of that 10-percent bracket so that it does affect all taxpayers. But checks are going out for those up to the amount of $12,000 of taxable income.

I think this tax bill is going to make real changes in the lives of folks across our country. The changes I am going to discuss today result in the greatest tax relief provided in a generation—tax relief, I might add, powerfully brought about in a bipartisan consensus.

Some might ask, Why talk about something we have already done? The