Mr. Domenici. Will the Senator yield?

Mr. Reid. Mr. President, I ask unanimous consent that the substitute amendment be agreed to, the bill, as amended, be considered original text and that no points of order be waived for the purpose of further amendment, and that an amendment numbered 980 be agreed to. Again, I refer to Majorian, the Emperor who became Emperor, he said he was "a prince who still glories in the name of 'Senator.'"

I thank the Senator for his reminiscing time. I also thank the Senator from Nevada, I have been blessed by serving with both of these Senators.

Mr. Reid. Mr. President, I ask unanimous consent that the substitute amendment be agreed to, the bill, as amended, be considered original text for the purpose of further amendment, and that no points of order be waived by this request.

Mr. Reid. Mr. President, I suggest the amendment (No. 980) was agreed to.

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Before I begin my description of the contents of this bill, I want to share one strongly felt opinion with my colleagues. It is my opinion, I believe—I have a real suspicion that Senator

his "Thoughts On Government." He distributed these writings to the Framers at the convention in those critical days. The Framers, I think, were wise in reading the words by Adams and I think their work, their work product, reflected the thoughts of John Adams.

One of the great books I have read in my lifetime was "The Path Between The Seas" by David McCullough, about the Panama Canal. David McCullough was kind enough to send me a copy of the book. The Senator who delivered it to me also autographed it. That Senator was Ted Kennedy. So I prize that book. But I thank the distinguished Senator from Nevada.

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Before I begin my description of the contents of this bill, I want to share one strongly felt opinion with my colleagues. It is my opinion, I believe—I have a real suspicion that Senator
DOMENICI, the ranking member of the subcommittee, will agree—that this subcommittee has always been among the most bipartisan in the Senate. As I look back over the time that my role was filled by Bennett Johnston, I know he and Senator DOMENICI had an outstanding relationship. They worked very closely together. This bill was always one of the first to come up. This bill is the second to come up this appropriations cycle. I have tried—and I have no doubt, based on my experience with Senator DOMENICI, that he has tried—to be as bipartisan as possible on this bill. Despite the unusual circumstances this year with the shift in power of the Senate, this tradition has continued unabated.

My friend, the senior Senator from New Mexico, and I have, with the tireless effort of a very professional and good staff, produced a bill that we acknowledge is not perfect. But it addresses the important issues facing our Nation. There are many important issues we are dealing with in this legislation.

We received 300 more requests than last year on this bill. It is certainly fair to say that there have been over 1,000. Most requests were to enhance new funding for water projects within the Corps of Engineers, an organization that is not the administration cut by 14 percent in its budget request this year. We have done in this bill as much as we can on a bipartisan basis to enhance the funding for these water projects.

Mr. President, you are a new member in the Senate. I think a lot of people who are new to the Senate and people outside the Senate would question water projects. Why do we need water projects? Are these things you throw to a House Member in his district to make him or her feel good? These water projects are essential to the country. There is criticism given to the water projects. We have added $400 million to the budget of the Corps of Engineers, $64 million to the Bureau of Reclamation.

I wish we could give three times that much to each organization. But with these additional funds, we have tried to accommodate as many requests and priorities as possible.

Let me give you a few examples of these water projects and why they are important. For the examples that I give, I will be very succinct. There are hundreds and hundreds of projects in this country that are life-and-death projects.

One is in the State of Nevada: Flood control. There are people who write all over the country: REID got pork for Las Vegas; flood control. People think: It never rains in Las Vegas. It rains 4 inches in Las Vegas—4 inches a year. You can get that much rain in other parts of the country in an hour, certainly in a day. But we get 4 inches a year in Las Vegas. Yet when it rains, it can be devastating because we have what we call cloudbursts.

Now we have 1.6 million people in that valley. When that rain comes, it is very difficult. I can remember as a lieutenant governor, we were told by the Park Service that we were going to have to close a little facility on the Colorado River, Nelson’s Landing. It has been there well over 100 years. We were going to have to close it. The Governor assigned me to look at that and the complaints we were getting. We prevailed on the Park Service not to close it. They said we were going to have a 100-year flood. I went and talked to people and they said they had never known that much rain coming down that canyon: The Federal Government, they don’t know what they are talking about. Does not rain much. I understand. This isn’t something I am proud of, but it is something that is a fact. It rained. It rained in a very small area. It rained very hard. But all of that water dumped down this canyon, and people looked up and they saw a wall of water 100 feet high coming at the town. It washed cars away. It killed seven people. We never found the cars and mobile homes that washed away.

In southern Nevada, again Nelson’s Landing—but in Las Vegas we have had floods that have been just as devastating. We have not lost at one time seven lives but we have lost lives.

Caesar’s Palace, this great resort—I can remember rains that washed away everything in the parking lot. It was just washed away as if they were toothpicks.

The Tropicana-Flamingo Wash in Nevada is the fastest growing community in the Nation. We have been able to save lives and save the amounts of property by virtue of the fact that we have flood control projects going on there as we speak. It has cost a lot of money, but we have saved a lot of lives; and that is for what the Federal Government has an obligation, to assist local governments. There has been local money put in it, too.

The Everglades: I have seen the Everglades. I really do not understand them because I understand the desert. I understand aridity. I understand when it does not rain. I am happened out of my little home in Searchlight I have creosote bushes that are not very tall that are 100 years old. They do not grow very much. So I do not really understand the Everglades. I am fascinated by them. But it is water intensive. It is as water intensive as the desert is not water intensive.

We have worked hard with the Senators from Florida on a project-by-project basis to take care of that. It is now huge priority not only of the Congress, as it has been in the past, but of the administration. I think part of that could be that Jeb Bush is Governor. It does not matter. It is an important project that the Federal Government should be involved in—and we are. There is a lot of money in this bill for the Everglades.

Not far from where we stand is the Chesapeake Bay. Books have been written about the Chesapeake Bay. It is a wonder of nature. But because of the growth that is occurring in this area, the Chesapeake Bay has been threatened. The health of that great body of water has been threatened. It affects Maryland and Virginia very much. The bay is threatened as a natural resource.

Senators MIKULSKI, SARBANES, WARNER, and ALLEN have aggressively sought money to restore that waterway to what it used to be so oysters can be harvested there and not make people sick. The oyster industry in Maryland and Virginia, but it has not been as huge recently because of the condition of that bay. The restoration of the beds at relatively low cost, we believe, will ultimately generate hundreds of millions of dollars in economic benefits and jobs. This is a water project.

The Port of Los Angeles: We move from the Chesapeake Bay 3,000 miles to the Port of Los Angeles. The administration had made a decision to stretch this out. The problem we have found with these promises is that even though it sounds OK, you stretch it out and it winds up costing much more money. You are better off doing less projects and doing them well. Congress has funded this project very aggressively and has saved the Federal Government 25 percent of the total project cost and has accelerated the economic benefits to California.

So these are just four examples of water projects. But there are many more. We have worked together with our members, our Senators, and, of course, many requests from people in the House, to do what we could with these projects.

Even with the additional funding the committee has added, we are still hundreds of millions of dollars shy of current year levels. We are also shy of the House mark. The other body was able to artificially raise their numbers for the Foreign Bureau by moving defense dollars in these nondefense accounts. We cannot do that. Under Senate rules, we cannot do that. In my opinion, not only the budget resolution but common sense does not allow us and should not allow us to move these funds back and forth.

But I will say to everyone who is listening, in the past, the water numbers have always gotten better for everyone as we have moved along the process; that is, we hope we can do a better job than we get to conference. There is no guarantee of that, but we will work on that.

Our bill provides about $25 billion in budget authority and approximately
$24.7 billion in outlays. When you work with Senator DOMENICI, you always have to make sure the outlays are smaller than the budget authority. This bill exceeds the President's total request by $2.6 billion.

Let’s talk about a few of the areas. The Army Corps of Engineers: The Senate bill provides $1.3 billion, which is $605 million above the President's request but $236 million below the current year level. Due to the funding constraints, this bill contains no new construction starts and no new environmental infrastructure projects.

The intent in drafting the bill was to continue to focus on ongoing construction and operations and maintenance projects at appropriate levels. The committee is eager to avoid stretching out schedules and costs on projects that are already underway. Any new construction starts will have to be considered in conference. We will do what we can at that time.

A lot of people are very concerned about things they want to do. I have a lot of familiarity with the Bureau of Reclamation because they have had such a big presence in the State of Nevada. The very first project in the history of the Bureau of Reclamation was called the New Lands Project in 1902. It took place in Nevada. It is still there. The Senate’s bill provides $884 million, which is $64 million above the President’s request and $67 million above the current year level.

This funding for the Bureau is higher than it has been for many years. It is higher because of CALFED. This is a big project in California. It is a reclamation project. The State of California has spent billions of dollars on it already. The House put nothing in the bill, but Senator DOMENICI and I put $40 million in this bill for the CALFED and CALFED-related projects. The subcommittee has funded CALFED-related projects using existing authorities under other accounts. Senators Feinstein and Boxer have both been very tireless advocates for the Bay-Delta Program. Senator DOMENICI and I are both delighted to provide substantial funding.

The Department of Energy: We in Nevada have great familiarity with the Department of Energy. Nevada has been the place for 50 years where almost 1,000 nuclear devices have been set off in the desert—most of them underground but not all of them. I know about the Department of Energy. This bill contains over $20 billion for the Department of Energy. This is $2.1 billion over the level of the President’s request and $1.9 billion over last year’s level. Most of this additional funding is being used to provide adequate funding for the National Nuclear Security Administration, to enhance funding for the Environmental Management Program, and to add funding for the renewable energy program.

Senator DOMENICI and I have received a letter signed by nearly two-thirds of our colleagues calling for more money for the nuclear weapons program. Our bill takes care of that. Our bill provides $435 million, or $160 million above the President’s request and $60 million above the current year level. In a year when our Nation has struggled with energy production and distribution issues, I am pleased to be able to enhance funding levels for these important research and development issues.

Consistent with the budget resolution, this bill provides $6.1 billion to the National Nuclear Security Administration for stockpile stewardship activities. This funding is $705 million over the President’s request and $1.05 billion over the current year level. I am only going to speak a little while about the National Nuclear Security Administration, known as NNSA. I defer to Senator DOMENICI on this subject.

Senator DOMENICI was the primary congressional architect of the creation of the National Nuclear Security Administration because he tirelessly got it authorized and has been dogged in his pursuit of funding to make sure that this important organization gets the resources it needs to succeed. To his credit, he convinced his colleagues on the Budget Committee that the safeguarding and rehabilitation of the Nation’s nuclear weapons was a critical issue that has been underaddressed and underfunded in recent years. Senators Byrd and Stevens followed up with appropriation resources designed to support the levels in the budget resolution.

This morning I spoke to the interns for Senators Lincoln and Hutchison of Arkansas. I don’t know how many of them are here, but a lot of young men and women. One of the young people asked me: What do you think is the most important problem facing the world? I thought for a minute. I said: Nuclear weapons. I really do believe that with the deteriorating condition of the former Soviet Union, Russia’s nuclear stockpile, and the responsibilities we have, that is a very important issue. I can’t think of anything more important for my grandchildren than to make sure they live in a safer world.

One of these weapons that we control and certainly one that the Soviet Union controls could accidentally go off. It would be devastating. It would make Chernobyl look like nothing. Chernobyl was just a nuclear reactor gone bad. We are talking about a nuclear weapon gone bad. I believe that is the No. 1 problem facing the world. We have a number of different ways of addressing it. We have to spend more money to make sure we are efforts being made for a nuclear shield for this country. But what we are talking about in this bill is doing what we can to make our nuclear stockpile safe and reliable. Our bill spends some money, maybe not enough, to work on the Russian nuclear cuts, of course if we’re able to do that.

I have to admit, I was a skeptic when Senator DOMENICI and others approached me about the creation of this autonomous organization several years ago. I thought it was a partisan ploy to embarrass the Administration. But as it turned out, it is working very well. I have come to believe Senator DOMENICI was right.

One of the people who has done a good job of convincing me of that is the person running that agency. We as a country, as a world, are so fortunate that a retired general would take charge of this operation. He believes in it. He is a very competent, dedicated, patriotic American. With him heading this office, we should all go to sleep at night resting well that everything possible is being done to make sure we do have a safe and reliable nuclear stockpile. I am going to do everything I can to give him the resources he needs to do his job. He has a job that is very difficult.

I am also, of course, holding him accountable for getting the job done. I have been a long-time critic of cost overruns and management incompetence within the weapons complex. I know General Gordon will take these enhanced resources and use them to get some fresh blood and fresh thinking going on within the Department of Energy.

I am not going to go into more detail. I know Senator DOMENICI will speak about this, since this is his so-called baby. It has grown up and is about to become a teenager. It is something to which the Senator can speak with more authority than I.

Finally, I am very pleased to report that the committee has made great strides in restoring and enhancing the devastating cuts made in the Environmental Management Program at DOE. This Senate bill provides $7.23 billion, $900 million above the President’s request and $650 million above the current level. The biggest beneficiaries of these additional clean-up dollars are the Hanford, Washington site, hundreds of millions of dollars; Savannah River site, almost $200 million, that is in South Carolina; Idaho, over $150 million; Ohio and Kentucky, tens of millions of dollars.

As with water programs, I realize there are never enough resources we can spend to clean up the legacy of the cold war and other activities, but we have done our best.

These are some of the highlights, from my perspective, of this bill. It is a bill I have learned to like. It is a bill I have grown to understand. I have grown to acknowledge the importance it has to our country. I hope my colleagues will realize the hard work we have worked on this legislation.

Senator DOMENICI and I would like to have a cutoff time for the filing of
amendments. We tried tomorrow at 11 and 12, and we have received objections to that. We are here. If somebody wants to offer amendments, they can certainly do that. They have to have offsets or figure out some way to fund them because we are down to the nubs. We have no more money. If people don’t like the way we have worked the bill, it is their privilege to come forward with amendments.

I do think it would be in everyone’s interest to have a finite list of amendments filed at an appropriate time. If anyone has any suggestions when that should be, Senator DOMENICI and I are open for discussion.

THE PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me first acknowledge the wonderful cooperation, 1968, was extremely wet. I had been chairman and this Senator as ranking member. I believe under the circumstances and considering the variety of things this subcommittee has to fund, we have done a pretty good job. I could offer for more understanding than I have received from the distinguished Senator, the chairman of this subcommittee.

I believe our staff has worked together, and I hope I have been equally considerable and concerned about issues of importance to the good Senator from Nevada.

As a result of this effort, we are together in trying to get this bill passed and get it off to conference and getting these issues resolved as soon as possible.

Let me say to my good friend, he was talking about a flood that occurred in the State of Nevada in one of those dry rivers where for most of the year no water is in it but then you have a little cloud burst up in the mountains and these dry rivers turn into flooded, huge water resources plowing down the hills right into housing. In our State we call these dry rivers a Spanish name, “arroyos.”

In my home city of Albuquerque, I was pleased to serve 4 years as the city councilman, sort of chairman of the commission, which made me the closest thing to a mayor as you could have. I remember one Sunday afternoon in the year 1968, I was extremely wet. I had just been on this council as chairman for awhile. It started raining Sunday afternoon. I called up one of my good friends on the city council who knew more about the details of the streets and everything else than anybody in the city.

I called him up and said, “Harry, this rain is coming down in the wrong places; something is going to happen.” He said, “Where are you?” He picked me up and we rode around. Rain kept coming down harder and harder, and these dry rivers started to show a little trickle. Four hours later, we were riding the streets of Albuquerque and big manhole covers over the tunnels that carried water underground to avoid floods were standing or dancing on those manholes up 4 or 5 feet and stood them up while the place got flooded. We saw more and more of them. I told my friend, “This is a real problem.” He said, “No, things will be all right.” Finally 2 hours later, we got a call from the police chief. He said that in one whole piece of our city, maybe as many as 10,000 homes were under water. They had water in the kitchens, close to the tops of the stoves. It was a gigantic flow of water that came down these dry arroyos.

I remember coming here with a group of Albuquerqueans. I was city councilman then. We appeared before the Public Works Committee, which had to authorize it, and it is the way it went to get appropriated. We came up to ask if the Federal Government would expand a program that was about to run out so we could build these rivers so they would be safe. Now if one flies over Albuquerque, as you approach the airport you see two giant cement waterways that are around the edges of the town—huge. They catch the water in these dry rivers up by the mountain and run them down these no longer dry rivers, but they are cement-lined ditches. Water comes down, and now you can be riding around and your commissioner friend Harry can say, “It is raining hard, Mr. Chairman,” and you can say, “It might hurt something else, but it won’t flood anymore.”

That is the kind of thing we pay for in this bill for hundreds of places across America. We hope we get them before they flood, but sometimes we don’t. Sometimes we pay for them after they flood. But to make sure we are not building white elephants, we require a very substantial match. The community has to come up with money. That is the way we finally decide it must be important, because they are not just asking us to have a construction project, they are going to pay for part of it.

My good friend, the chairman, outlined water issues. Clearly, there is no end to the requests in our country for this. But we have the rule that we don’t fund them unless they have been authorized. The committee has to work on them and have hearings. That bothers a lot of our Senators because there is such a backlog of existing authorized programs that we don’t catch up very often. We have many billions backedlogged that we can’t pay for. But we will keep working on it.

Overall, the proposed fiscal year 2002 energy and water bill is a very fair and balanced bill that makes important investments in our national security, our energy security, our economic prosperity, and in the health of our environment. This bill is an important step in implementing the President’s National Energy Policy.

The Senate bill as total provides $25 billion in budget authority and approximately $23.7 billion in outlays. The bill exceeds the President’s request by $2.6 billion, and exceeds the House bill by $1.4 billion. Without going into detail about all of the many great things in this bill, I would like to focus my remarks on two broad areas: (1) What this bill does for our energy security, and (2) What this bill does for our national security.

For our nation’s energy security, this bill represents a major step in fulfilling the President’s commitment to a balanced and diversified energy policy—particularly in the area of expanding the supply of clean energy from renewable sources and nuclear power.

But, that the policy fails to address the possible threat of global warming.

The policy is so clear on the first point that those who argue simply haven’t read it. There are more policy recommendations impacting conservation and efficiency than supply. Over $6 billion in proposed tax reductions are targeted at conservation and efficiency.

Furthermore, the whole policy is based on substantial gains from improvements in conservation and efficiency. If we maintained the current ratio between energy demand and the growth in domestic production, we would need 77 percent more energy in 2020 than we are producing today—77 percent more. The National Energy Policy recommends conservation and efficiency measures that would reduce the required increase by over half—resulting in us only needing to produce 29 percent more energy by 2020. That is a substantial but necessary commitment to conversation and efficiency.

Let me turn to that second myth, that the policy doesn’t address the possible threat of global warming. Once again, those who have read the policy shouldn’t make that statement. The policy has strong support for clean energy sources.

Renewable sources are encouraged in many ways, including tax credits for wind, biomass, solar, and the purchase of clean fuel vehicles. The policy supports a major research program in clean-coal technologies, advocates increased funding for renewable energy R&D and recognizes nuclear energy for its very positive environmental benefits.

It is in these last two areas, renewable energy and nuclear energy, that
The energy and water bill takes a major step in implementing the President's national energy policy.

The clean energy programs are funded in this bill at $435 million. That's $60 million and 16 percent above the current year level. There's no question that renewable sources can and should play a larger role in our energy supply, and this budget will accelerate progress towards that vision.

Within that renewable budget, several programs are slated for major increases. Just to give a few examples:

Research on hydrogen-based technologies is up almost 30 percent over last year. That research may lead to decreased use of petroleum products in transportation, certainly a critical goal.

Research on high-temperature superconductivity is boosted by almost 20 percent. That's a technology that may enable dramatic reduction of losses we now experience in electric transmission lines and motors.

Geothermal research is 20 percent above the last year level, and wind systems are up more than 10 percent.

Nuclear energy received significant increases as well in this bill. I strongly agree with the President's National Energy Policy in its recommendation supporting the expansion of nuclear energy in the United States. Nuclear plants offer emission-free power sources, help maintain diversity of fuel supply, enhance energy security, meet growing electricity demand, and protect consumers against volatility in the electricity and natural gas markets.

This bill pushes nuclear power forward with a number of important initiatives:

The bill includes $19 million for university research reactor support—an increase of $7 million over current year—to make sure our country has the educational resources necessary for an economy that continues to rely substantially on nuclear power.

The bill also includes $9 million—an increase of $4 million over current year—to expand a program to improve the reliability and productivity of our 103 existing nuclear power plants.

The bill continues the highly successful Nuclear Energy Research Initiative (NERI) at $38 million—$3 million more than current year.

The bill provides $14 million—an increase of $7 million—to continue work begun last year on advanced reactor development, including research on generation IV reactors—reactors that will be passively safe, produce less waste, and reduce any proliferation concerns.

The bill provides $10 million for the Nuclear Regulatory Commission to prepare to license new nuclear power plants.

The bill continues an R&D program we started two years ago on ways to reduce the quantity and toxicity of spent nuclear fuel—called "transmutation". This technology, recently highlighted in the President's National Energy Policy, will be continued at $70 million in 2002.

Let me emphasize that I used the phrase "spent fuel" rather than "waste" to describe the materials coming out of our reactors. Right now our national policy calls for disposing of those materials as waste in a future repository. But we need to remember that these materials still contain 95 percent of their initial energy content.

I've been concerned for years that it is highly debatable for us to decide that future generations will have no need for this rich energy source. With improved management strategies, possibly involving reprocessing and transmutation, we can recycle that material for possible later use, recover far more of the energy, and dramatically reduce the toxicity and volume of the materials that are finally declared to be waste.

As a final thought on energy security, Mr. President, I want to share with my Senate colleagues a vision, which is encompassed in this bill and which I've shared with President Bush. We need to reach beyond the debate over Kyoto with a blueprint that provides the tools to combat global warming.

I'm convinced that we can have growth and prosperity in America without global warming.

And I'm equally convinced that we can help provide those same benefits for the world.

I propose that we provide worldwide leadership to eliminate the threat of global warming by a commitment to prosperity and growth through clean energy.

And I further propose that we accomplish this goal through partnerships with our friends and allies, especially those in developing countries.

I've specifically urged the President to lead this new initiative, to accelerate our own research and build international partnerships for joint development of all the clean sources of energy—renewables, clean fossil fuels, nuclear energy, and hydrogen-based fuels. Then as we transition to improved technologies in the future, our partner nations will also be building up their energy infrastructure with the latest and cleanest technologies.

Last year's energy and water development bill called for improvements in the federal government's role in international development, demonstration, and deployment of advanced clean energy technologies.

With this new bill and the President's policy, our nation is developing a suite of energy supplies that will provide us with clean, reliable, economic energy far into the future. But I continue to believe that we should be looking beyond our own borders.

I submit that we should be seizing every opportunity to help the developing nations around the world achieve much higher standards of living. They simply can't do that without reliable electricity supplies.

Each nation will make their own choices for fuel sources, expediting their economic growth. The abundant natural gas—and it will make a huge contribution to a cleaner future for our country. But every nation needs diverse energy supplies, not a singular reliance on one source. Other nations may be well positioned to exploit their solar or wind resources—through this program these nations can make the choices best for their needs.

The leadership shown by Senator BYRD on clean coal technologies matches this vision very well. Some other nation's have immense coal resources, through this vision they can benefit by Senator BYRD's efforts to advance clean coal technologies.

We can leave the poorest countries to their own resources to develop whatever energy they can, or we can offer substantial help to partner with these nations to help them develop sources that are not only reliable and reasonably priced, but also clean.

It's strongly in our self interest to do this. After all, we all share the same air. And in addition, countries with strong economies are our best choice for trading partners.

Mr. President, let me state again how proud I am to have worked on this bill with Senator REID. With this bill, we'll be making real progress on the technologies to fuel our, and perhaps the world's economies of the future.

For our nation's national security, this bill makes a major investment in solving serious problems in the nuclear weapons complex. With the leadership and resources included in this bill, many of those problems are going to get fixed.

The bill includes $6.05 billion for the nuclear weapons (stockpile stewardship) activities of the NNSA, that is $705 million over the President's request, $250 million over the House level, and $1.05 billion over the current year level.

I want to again commend Senator REID, and our full committee chairman, first Senator STEVENS and now Senator BYRD, for recognizing the serious problems in the nuclear weapons complex and providing the resources to fix those problems.

This bill makes three major improvements on the President's budget request for nuclear weapons.

First, infrastructure. We know from the subcommittee's hearing on infrastructure earlier this year, that our nuclear weapons facilities have degraded to the point that it will take billions of dollars to modernize for the future.

The average age of the facilities where we do nuclear weapons work is over 40 years.
We will need to spend an additional $300–$500 million a year for the next 17 years over currently planned levels to refurbish the weapons complex to perform its basic mission. These expenditures will be required even if the nuclear stockpile is dramatically smaller. If we do not take action on these infrastructure problems immediately, we will not be able to meet the Department of Defense schedules for refurbishing three main weapons systems representing over 50 percent of our stockpile. We will not have the scientific facilities required to certify weapons. Our technicians and scientists will continue to work in unsafe facilities—increasing health risks and the number of safety related shutdowns.

Although the work must begin immediately, the budget request included no funds to begin such an initiative. Therefore, the bill before the Senate includes $300 million to begin a major facilities improvement program in fiscal year 2002 at facilities in South Carolina, Tennessee, Missouri, Texas, New Mexico, Nevada, and California.

The second major improvement on the administration’s budget request is that the bill provides additional funding to rebuild current weapons. The average age of weapons in the stockpile is now approaching 18 years—most were designed for a life of no more than 20 years. Many weapons components degrade substantially over time and have to be replaced. The Joint Department of Defense/NNSA Nuclear Weapons Council has recognized the fact that most of our weapons will have to be rebuilt, but funds were not requested to do so.

Therefore, the bill includes an additional $290 million in fiscal year 2002 to get the weapons complex back on track to rebuild current weapons on the schedule required by the Department of Defense.

The third major improvement on the President’s request is that this bill fully funds pit production on the required schedule. Technicians and scientists will continue to work in unsafe facilities—increasing health risks and the number of safety related shutdowns. We must soon have the capability to produce plutonium pits for weapons, a capability we lost when Rocky Flats was closed down in 1989. Plutonium pits are the “triggers” for nuclear weapons, that occasionally must be replaced. Today, we are the only nuclear power without the ability to produce them. The budget request puts off indefinitely our ability to deliver a certified pit to the military, but this bill adds $110 million to get the program back on track.

Finally, there are a series of programs at NNSA that may be just as important to eliminating or controlling the global nuclear danger—these programs are to reduce the threat of nuclear weapon proliferation around the world.

The administration proposed deep cuts in this area for fiscal year 2002, even though a blue-ribbon review led by Senator Howard Baker and Lloyd Cutler recently concluded that the most urgent unmet national security threat to the United States today is the danger that weapons of mass destruction or weaponizable material in Russia could be stolen and sold to hostile nations and states used against American troops abroad or citizens at home.

The report also concluded that . . .

Current nonproliferation programs of the DOE have achieved impressive results thus far, but their limited mandate and funding fall short of what is required to address adequately the threat. I am pleased that this bill adds over $110 million to the important nonproliferation work the NNSA carries out in Russia and other countries of the former Soviet Union. These programs to control the material and expertise necessary to make weapons of mass destruction address problems identified as “the most urgent unmet national security threat to the United States today.”

Once again, Senator Reid, I want to commend you for a balanced approach. I do not agree with every aspect of the bill, but I cannot urge with the fair manner in which you have put it together. I strongly support the bill, and urge all Members of the Senate to do likewise.

Let me proceed as quickly as I can to summarize this bill. First, I am very pleased to join with Chairman Reid in considering this fiscal year 2002 Energy and Water bill. I note that in the chair is a new Senator. I would think that he might wonder what in the world is an appropriation bill called Energy and Water. Well, my good friend, the new Senator from New Jersey, will never sit down and rationally decide what is in this bill. It has been divided between the House and Senate as one of the 13 subcommittees of appropriation, and there is no rationale to it. In it we fund water development projects, flood protection projects, the harbors and rivers that need the Federal Government to help. But on the other end, believe it or not, the entire nuclear weapons development, preservation, and research for nuclear weapons is also funded in this bill. It doesn’t come under the rubric of energy. Why is that? It is here because that kind of activity was brought to the Energy Department when the Energy Department was created. This subcommittee pays for that.

So, overall, this is a very balanced bill. It covers what I have alluded to, I have great detail with me about what has concerned us and why we have had to fund the part of this that is for nuclear weaponry at a higher level than the President. I am very hopeful that the staff at the White House and the staff at OMB, who have looked at this since putting their budget out, will understand that some of this new money we had to put into the part of this bill that concerns itself with a safe and reliable nuclear stockpile. And remember, Mr. President, every time you say that, you can read my mind, and you can say, without underground testing, because we have voted not to test underground. If you test, it makes it much easier to determine safety, to determine reliability. But we have determined we are not going to do that, and still we are going to spend money and put the finest resources in America to work on the science and physics and computerization part of maintaining this very, very serious and almost unbelievable thing called the American nuclear weapons stockpile. My good friend, Senator Reid, has been a marvelous student of this. We have all had to learn together. I have more of a genuine parochial reason, because the nuclear weapons complex is frequently called the nuclear laboratories—not exactly the right name—are in my State. There is Los Alamos. Everybody knows that is where we did our first nuclear weaponry work—where the worst weapon was designed—Mt. St. Helen. There are great researchers who are on the cutting edge of much of the science of the future in terms of energy needs and the like. So that is in this bill.

And then, obviously, since it is an energy bill, it has an awful lot in it about the energy research and development that is occurring in the Department of Energy. First, let me quickly say that part of this is the implementation of energy policy.

We are still waiting around to debate and pass judgment on whether we are going to have some tax incentives that the President asked for in terms of developing new and different kinds of energy called “renewables,” or whether or not we are going to decide to open up more of the public domain to the development of gas and oil; in this bill, we get along with getting some of these things paid for and done, which everybody knows we should be doing. But it is most interesting—and this is an opportunity to speak for a moment about the President’s energy policy in one regard. There is a lot said about: what about conservation, and what about saving our energy? I am reminded that in preparation for this activity, in marking up this bill, I chose to read the President’s policy in its entirety. I want to cite one piece, because there is a lot said about there not being enough conservation in this policy, not enough things that push us to conserve and save. Well, I have come to the following conclusion, and if I am wrong, anybody that would like to read the policy and discuss it, I would be glad to do so.
As this energy policy tells us what we need in the future, up to the year 2020, it tells us that we could have to produce 77 percent more to meet our needs over this next 20 years—just for reasonable needs. But would you believe that a huge portion of that possible need is projected to come from conservation and saving energy, such that, of the 77 percent, only 20 percent is from new production? So if you do the arithmetic and subtract them, it is pretty obvious that there is a very large amount that is expected by way of either legislation or conduct in our country to save and conserve energy, along with increasing production of various types of energy.

Let me talk about one. I am very pleased that both Senator Reid and I and our staffs worked very hard on what’s called reasonable energy programs. Because of the Senator’s dedication and us working together on this, we are funding the renewable energy programs at $335 million in this bill. That is 16 percent higher than this year. There is no question that renewable resources can and should play a larger role in our energy supply, and we push that or accelerate that in this bill. Within this renewable budget, several programs are slated for major increases, and I am going to tick some of them off.

Hydrogen-based technology is up 30 percent over last year. Some people think this whole area of hydrogen-originated energy sources is one of our real solutions to clean and healthy production of energy without having any adverse impact on global warming. The research may lead to a decrease in the use of petroleum products in transportation.

We also have superconductivity and geothermal, both have 20 percent increases. All of these can have an incremental positive impact on helping us meet our energy needs without having a major impact on global warming in the future.

Incidentally, the President has suggested we should move ahead with nuclear and not abandon it. Nuclear energy has received a significant increase in this bill. I strongly agree with the President’s national energy policy and his recommendations supporting the expansion of nuclear energy in the United States.

I will state once—and if I have a chance I will do it a number of times—nuclear power in its current form and future generations, new generations, of nuclear powerplants do not contribute to global warming. In other words, the future is protected from the global warming pollution that comes from many of our traditional energy sources so that the destruction, development, and research in the areas of nuclear power can move us ahead in such a way as to provide energy for growth, development, and prosperity for America and for our industrial friends in the world and, yes, indeed, for those countries which do not yet have much of an economic base.

We can produce clean energy for the future. With renewables, nuclear, and other forms of energy joining together, we can say to the world: You can grow and prosper. The poor countries will have an equal opportunity to do that, and we will not have to reduce growth, we will not have to put on caps, we will just have to use our ingenuity and science better.

There are a number of things we did to let America take a good, solid look at what the next generation of nuclear powerplants or even the next one after that might look like and how it will help.

I want to share with my friend, Senator Reid, and those who are paying attention to what we are doing today, a portion of my comments today which I choose to call “Reaching Beyond Kyoto.” I, frankly, believe the President of the United States has a rare opportunity to lead the world beyond Kyoto.

I say to my fellow Senators, I have talked to the President about this very issue. I have suggested it is a rare opportunity for him to lead the world in reaching beyond Kyoto, and I will talk about that for a minute.

This is a vision, and part of it is in this bill because this is what we do in this bill. It says that we need to reach beyond the debate over Kyoto with a blueprint that provides tools to combat global warming. Further, we should ask the world to join as our partners and move ahead.

I am convinced we can have growth and prosperity in America without damaging the planet. I am also convinced we can help provide these same benefits for the world. I propose we provide worldwide leadership to eliminate the threat of global warming by a commitment to prosperity and growth through clean energy, and I further propose we accomplish this goal through partnerships with our friends and allies, especially those in developing countries.

I have specifically urged the President to lead this new initiative to accelerate our research and build international partnerships for joint development of all clean sources of energy—renewables, clean fossil fuels which our distinguished chairman of the Appropriations Committee, Senator Byrd, alludes to frequently as it relates to coal—nuclear energy, and hydrogen-based fuels.

As we transition to improved technologies in the future, our partner nations will also be building up their energy infrastructure with the latest and cleanest technologies. And, yes, there is no question, then, that we can send a message that the poor countries in the world can grow and prosper. As a matter of fact, they, too, can participate in this abundance of growth and prosperity for their people without adverse effects on global warming.

Last year’s energy and water development bill called for improvements in the Federal Government’s role in international development, demonstration, and advanced clean energy technologies.

With this new bill which is before the Senate, and the President’s policy, our Nation is developing a suite of energy supplies that will provide us with clean, reliable, economic energy for the future.

I continue to believe we should be looking beyond our own borders. I submit that we should be seizing every opportunity to help the developing nations around the world achieve much higher standards of living. They simply cannot do that without reliable electrical supplies. I believe we can help them with this global approach of partnerships around the world to develop this technology and produce the next generation of nuclear powerplants. But we should not start on that path unless we set the goals for achievement of what they will look like, what they will do, and what they will not do.

It is the same with clean coal technology. Set the goals and then let’s achieve them in this world so we can all grow and prosper. We all know we have an abundance of energy supplies in our country. We have natural gas. And it will make a huge contribution for our country. But every nation needs diverse energy supplies, not a singular reliance on a single source.

Leadership has been shown by Senator Byrd with clean coal technologies that match this vision very well. Some nations have immense coal supplies. Through this vision, they can benefit by Senator Byrd’s efforts to advance clean coal technologies. Through this bill, we can fund renewables and ask our President to join worldwide with efforts to push renewables even more and to greater ends. And it is the same with all of those energies that have no effect, no impact on global warming.

I can say, it may very well be, within a very short period of time, a nuclear powerplant will be developed. It will be a small little plant instead of a thousand megawatts. It might be 50 or 100 megawatts. It will be a module. It will be self-contained. It will have no chance of having a meltdown. Just by the physical facts about its evolution and development it cannot, it will not. We might not have to touch it for 25 or 30 years.

Those are things we can work on as a criteria for development and growth and then see our great scientists in the private and public sector, with others in the world, to achieve this goal. What a great opportunity in the midst of a world that is frightened about whether...
we can grow, whether poor people can get rich, where the poor countries have to remain undeveloped because they cannot afford to keep the global warming. We will say we can all grow and prosper. America hasn't stopped growing and prospering, but we can do it without affecting global warming if we just say let's take a lead, let's do this, let's ask our greatest companies, our best laboratories, our greatest scientists, led by America, let's put some money in each year in a consortium-type arrangement to get this done.

If I sound like I am excited about something, obviously for some of you I have not even yet reached anything like an excited pitch, but in any event, I am because I believe it is a rare opportunity to take the genius of science—and I might say, I have a bias here, but I think it will work. I think we have nuclear power for a reason. I don't think we have developed nuclear power to throw it away. I believe we can develop another generation of nuclear power plants that can help this entire world prosper and put global warming behind us.

Then we can ask, what is next? What have to be next are growth and opportunities, and not just for us. We say to the world, let's be free. But, we don't want people to think we are for them but not for us. We are for them being free and affluent, to grow and have what we have. It cannot be done without better sources of clean energy. I believe this bill has things in it which, if put together by the President in a partnership arrangement, I think we could see real daylight and perhaps might be able to set some goals.

My last comments will be very brief and have to do with national security. As I mentioned, what is a particular bill, energy and water. Who would guess that sandwiched between those two words, energy and water, are the U.S. national security interests in nuclear weapons.

We have a national policy, voted on this Senate floor on an amendment by the distinguished Senator Hatfield from Oregon, we don't test our nuclear weapons underground nor do we test them at all. We don’t do that anymore. That used to be the easy way. I say that because it is, it is easy. That is the way we used to determine reliability and safety. We don't do that anymore. We don't test underground. We have something to take its place. We have a whole body of science and computerization that we put together. It is now in the Department of Energy, and it has reached major nuclear laboratories. We fund a program called science-based stockpile stewardship. Stockpile is the nuclear weapons stockpile. We fund a part of the Department of Energy that is called the NNSA. My good friend, Senator Reid, alluded to it when he spoke of creating this new institution within the Department of Energy, reporting only to the Secretary. In a very real way he’s making sure we do a better job with what we spend on this stockpile. None-theless, we have to spend money on it. The biggest difference between our budget and the President’s budget is what to do with replenishing some of the physical facilities that are now old and broken down that are part of this NNSA.

This bill says, let’s get started in multiyear repair and replenishing of some of the facilities that are nearly 50 years old in which we ask the world’s greatest scientists to work to help and it programs much of this very difficult job. It will take many years to replenish these physical facilities, these laboratories.

In addition, there are specific items such as major improvements in the laboratory production of tritium. You simply must soon have the capability to produce plutonium pits for weapons, a capability we lost when Rocky Flats was closed in 1989. We had to put extra money in this bill, in order to keep that program on the calendar on which it is expected to be. We have put those funds in because we know they are needed. Add it all up and we have a very well rounded bill covering mundane things as well as the complex and difficult.

In closing, let me say, that as part of this Department of Energy, we have developed some great research laboratories and not just those created and involved in nuclear work. There are many others that work on various aspects of research. In America, most in the fields of energy, but not all, where some of the very best scientists in the world and some of the very best basic science research activities take place.

In summary, we think we have a bill that takes care of, as well as possible, water resource needs of our country. It takes care of the basic energy needs we can promote through the Energy Department in moving ahead with another generation of nuclear reactors. And it is on renewables. Through this bill and another dealing with cleaning up our coal so we can use it cleanly, we can have a prosperous future without having a negative impact on global warming and the future of our country and the world’s people. We think we have done that fairly well.

We have spent more than the President asked. We hope we will be able to explain to the White House and OMB why this was done. We still have time after the bill is debated to do that. In the meantime, as the amendments come forward, perhaps the White House will have some suggestions. I hope they don't ask us to change our vision. I think the vision in this bill is to move ahead with new sources of energy, to get rich in the world.

I yield the floor.

Mr. REID. We are on the energy and water bill. I know the Senator from Arizona wishes to speak.

Mr. KYL. I want to take 30 seconds to compliment the Senator from New Mexico, and then I will ask unanimous consent to speak for more than 5 minutes in morning business.

Mr. REID. My friend from Oregon also wishes to speak for 20 minutes in morning business. I ask that the Senator from Arizona be recognized to speak for up to 10 minutes in morning business. I believe that the Senate of Oregon be recognized for up to 20 minutes.

Mr. DOMENICI. Reserving the right to object, Mr. President, what are you thinking in terms of the bill?

Mr. REID. I will visit with you now.

Mr. DOMENICI. I yield the floor.

Mr. REID. We are on the energy and water bill. I know the Senator from Arizona wishes to speak.

Mr. KYL. I am happy to yield.

Mr. DOMENICI. I should have mentioned in my remarks, one of the Senators who has helped me in the many months that we engaged in trying to make the Department of Energy more focused with reference to our nuclear weapons problems was the distinguished Senator from Arizona. I thank him for that help. We are not over that
hurdle yet. Indeed, General Gordon and that semiautonomous agency have not been totally formulated. They are not grown up yet and are still walking along, maybe comparing it to high school and the eighth grade. They still have to get the diploma. This bill should enhance it or give them some of the tools they claim they need.

In the meantime, I thank the Senator for his observations and comments regarding a world beyond Kyoto. Clearly, if we do this right, we can have an abundance of energy and there need be no atmospheric pollution; we can do it another way. Clearly, we can get it done.

I thank the Senator for his observation.

Mr. REID. Will the Senator yield?

Mr. KYL. I yield.

The PRESIDING OFFICER (Mrs. CLINTON). The Senator from Nevada.

Mr. REID. The Senator from Arizona missed my brief statement today about how I had become a late believer in the work that he and Senator DOMENICI had done. I am a Nuclear Regulatory Commission Administration. As you may recall, last year I fought that initially. As I said to Senator DOMENICI, I thought it was being done, initially, for reasons other than what it turned out to be. I commend the Senator from Arizona--I have already done that to Senator DOMENICI--for the great work being done by General Gordon and the people working with him. It certainly has been a step in the right direction.

With the deep concern I have with the nuclear arsenal, I think there is nothing we could be more devoted to than making sure General Gordon has enough money and general resources to do what he has to do which is so important.

ECONOMIC GROWTH

Mr. LOTT. Madam President, we have seen for the past year a reduction in the growth rate of our economy. The world is experiencing a global economic slowdown. The tax cut signed into law in June contained compromises to make the tax cuts in the lowest bracket retroactive to January 1. We are also going to begin to see the tax reduction cleats in the American people's hands by the end of this month. Perhaps there has never been a better-timed tax cut. The dollars we are returning to the taxpayers and the rate cuts that will allow them to keep a little more of their own hard earned salaries will provide some stimulus to keep the economy from falling further behind.

I reject the advice of those who say that now is the time for the government to try and take more money out of the American workers' pay envelopes. Nothing could be worse for a weakening economy. In fact, I believe that now is the time to find more ways to encourage economic growth. The tax cut provides some immediate stimulus and in the long-term some permanent economic growth. But we need to look at ways to kick-start the supply side of the economy. One possibility is to cut the capital gains tax rates. I will be pursuing this effort in the coming weeks and months. Nothing is more important than to get our economy moving again at full speed.

My friend Jack Kemp authored a most interesting and compelling article a couple of weeks ago in the Wall Street Journal. Thirty years ago when I came to Congress I first met Jack. He was then and continues to be a person who is not afraid to challenge the common norms of economic thought. In the 70's Jack led the charge for tax rate cuts to get the economy moving. We have too easily forgotten the hopelessness that many Americans felt in the late 1970's facing stagflation with no idea of how to turn the flagging U.S. economy around. Now we face a problem of global slowdown. Jack suggests an answer. Many will try and dismiss his proposal. This is a debate that needs to continue.

We need to get the American economy running at full speed. The tax bill was the first step. Getting the economy back to full growth will be my primary focus.

I ask unanimous consent that the article by Mr. Kemp be printed in the RECORD.

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

[From the Wall Street Journal, June 28, 2001]

OUR ECONOMY NEEDS A GOLDEN ANCHOR

(By Jack Kemp)

How many more dashed hopes and false recoveries must we experience before politicians and monetary authorities accept the fact that our inability to manage flat currencies is causing the global economic slowdown? They have pursued interest-rate reductions to kick in, yet more than six months after the Fed began lowering rates the economy continues to weaken. Waiting for the recently enacted tax cuts to provide “stimulus” will prove futile as well. The economy does not suffer a lack of consumer demand. There is more money in people's pockets which will not revive the supply side of the economy.

UNPRECEDENTED EXPERIMENT

Ronald Reagan once said he knew of no great nation in history that went off the gold standard and remained great. Since Aug. 15, 1971, when the U.S. ceased to redeem dollars held by foreign governments for gold, we have put that thesis to the test. For the first time in human history, not a single major currency in the world was linked to a commodity. Economist Milton Friedman called this the “unprecedented” and said it was to be a “long-term viable alternative.” “The world,” he said, “needs a long-term anchor of some kind.”

In the short term, at least, he was vindicated. In the monetary system of floating flat currencies with the stroke of a pen, President Nixon touched off a world-wide inflation that lasted through the ’70s and early ’80s.

Yet America recovered to preside over the demise of world communism, and overcame the rising inflation and unemployment of “stagflation” to enjoy an unparalleled 18-year expansion of economic expansion. Today, the U.S. is at the pinnacle of its power and enjoying its greatest prosperity ever.

Are Messrs. Reagan and Friedman wrong? I don't think so. If the U.S. has so far come out on top in this experiment, it is only because other countries' economies have suffered more from floating currencies.

Once the U.S. government ceased redeeming gold at $35 an ounce, its price quadrupled on world markets to $140 to reflect the dollar's diminished value. By breaking the gold link, the Nixon economic team forced the unwanted liquidity pouring out of the Fed—which had thus far built up in the Eurodollar market and in the portfolios of foreign central banks—to remain inside the U.S. economy where it would manifest itself in price inflation. Robert Mundell was the first to predict, in January 1972, that a dramatic rise in the price of oil, with general inflation to follow.

Where the rest of the economics profession believed the Arab oil-producing states for quadrupling the oil price in 1973, Mr. Mundell and those supply-siders who followed his intellectual lead knew that gold's quadrupling had led the way. To restore the gold link, “bracket creep,” capital formation stopped in its tracks, and it soon took two workers to produce the same income that one had been able to before floating currencies. The stagflation that had its roots in leaving the gold standard was compounded when Congress and three different presidents tried to fight it with wage and price controls and high marginal tax rates.

But discretionary monetary policy is Janus-faced, and instead of too much liquidity in the world economy we now have too little. Deflation began in 1996 when the Fed tightened monetary policy to combat some inflation it had created attempting to offset the economic drag of the Clinton tax hikes. A rising dollar then caused the dollar pegs of emerging economies to snap, set off the Asian, Brazilian and Russian economic melt-downs, and caused the price of oil and other commodities to collapse. Oil producers took a two-year holiday from drilling, which in turn created an oil shortage and drove energy prices sky high.

Now, the energy-price hikes are working their way through the economy and are misconstrued by the Fed as inflation. Once again, central bank errors in the discretionary management of floating flat currencies have put the entire world economy at risk.

The Fed has cut interest rates 275 basis points since the start of the year, but the price of gold is still down to about $272 from $385 in 1986, having fallen $5 yesterday alone on the Fed's announcement that it was lowering the fed funds rate another 25 basis points. Commodity prices are near their lowest levels in 15 years, and the foreign-exchange value of the dollar has suffered. Yet central banks of all major currencies since the Fed began its interest rate-easing cycle.

Without a gold standard, the Fed has no means of determining how much liquidity markets demand, and all it does by targeting interest rates is guess how much liquidity to inject or withdraw to counteract mistakes it made earlier. The Fed is in the same way as mimicking the mistakes of the Bank of Japan made when it lowered interest rates to zero.