

SBA asserted that the first three recommendations and the summary paragraph in its response should be redacted due to the "deliberative process privilege," and for the first recommendation they also included the bank examination FOIA exemption and privilege. The deliberative process privilege is exemption (b)(5) of the FOIA and covers "inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency." It traditionally covers the advice, recommendations and subjective evaluation that agency staff make in the performance of their duties. In this case, the public can see from the release of this information how the SBA and its OIG were interacting in the investigation of SBA's failed oversight of BLX, a lender making Government-backed loans. Regarding the "bank examination" FOIA exemption (b)(8) and privilege claim, that exemption only pertained to a portion of recommendation No. 1, for which SBA indicated it believed it could approve the release of an unredacted version.

SBA claims that the deliberative process privilege exemption applies because the OIG is a part of the agency. However, we believe that applying the exemption to the OIG—which is an independent office created within the SBA by law to conduct and supervise audits, inspections, and investigations relating to SBA programs and supporting operations; and to detect and prevent waste, fraud, and abuse—in the blanket manner SBA has done has the potential to render the OIG useless. If the deliberative process privilege exemption is as broad as SBA asserts, then the recommendations in the reports that preceded this one, as well as the two recommendations in the BLX report it did not redact, should have also been redacted. If that were the case, there would be virtually no use in having an OIG.

We are very concerned that the SBA's actions in redacting key information and recommendations in the BLX could undermine the future authority and efficacy of the OIG. The OIG is an independent office created within the SBA by law to conduct and supervise audits, inspections, and investigations relating to SBA programs and supporting operations; to detect and prevent waste, fraud, and abuse; and to promote economy, efficiency, and effectiveness in the administration and management of SBA programs. According to the SBA Web site, the SBA inspector general "keeps the SBA Administrator and the Congress fully informed of any problems, recommends corrective actions, and monitors progress in the implementation of such actions."

To resolve this situation, the committee has engaged in staff discussions

with OIG and OGC with the intention of coming to an agreement with the OGC on additional portions of the report that could be released. However, OGC has simply not been responsive. Even when made aware of the committee's concern about the adequacy of its response, in subsequent followup by the committee, OGC did not address critical issues and did not agree to make any new releases of information. It also continued asserting Executive Privilege which, as the committee has previously pointed out, must be, and has not been, asserted by the President personally.

Therefore, to put an end to this matter, the committee is putting on the record some information that was withheld to serve as an example of a process gone wrong that prevented accountability in Government by keeping from the public information about the oversight capabilities of an agency that, though comparatively small, can have a huge impact on our economy. BLX made over \$76 million in fraudulent Government-backed loans despite SBA's oversight of their lending activities. More transparency, not less, is called for to explain to the American people what happened and how it will be prevented in the future.

Without objection, I ask to have the redacted portion of the OIG's recommendations printed in the RECORD.

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

We recommend that the Associate Administrator for Capital Access take further action to mitigate the risk posed by BLX and to promote consistent and uniform enforcement actions by:

1. Setting specific performance goals and target dates for BLX to demonstrate improvement. At a minimum, the goals should require BLX to obtain a risk rating of at least "3."
2. Reducing the guaranty percentages for all new loans originated by BLX, until such time as BLX has demonstrated the required level of performance.
3. Suspending BLX's delegated lending authorities until the goals in recommendation one are met.

The SBA's comments on those recommendations were completely redacted. These sentences are from the first paragraph of the section that summarizes the SBA's response.

SBA management partially agreed with recommendation 1, neither agreed nor disagreed with recommendation 2, provided a conflicting and unclear response to recommendation 4, and disagreed with recommendations 3 and 5. Management noted that it recently created a new Office of Credit Risk Management (OCRM) out of the former OLO, which is now responsible for lender oversight.)

While the former BLX's bankruptcy makes the contents of the report moot to that particular company, we want to set the record straight on how this matter was handled so that, hopefully, SBA will handle such reports with more openness in the future.

Thank you, Mr. President.

IDAHOANS SPEAK OUT ON HIGH ENERGY PRICES

Mr. CRAPO. Mr. President, in mid-June, I asked Idahoans to share with me how high energy prices are affecting their lives, and they responded by the hundreds. The stories, numbering well over 1,200, are heartbreaking and touching. To respect their efforts, I am submitting every e-mail sent to me through an address set up specifically for this purpose to the CONGRESSIONAL RECORD. This is not an issue that will be easily resolved, but it is one that deserves immediate and serious attention, and Idahoans deserve to be heard. Their stories not only detail their struggles to meet everyday expenses but also have suggestions and recommendations as to what Congress can do now to tackle this problem and find solutions that last beyond today. I ask unanimous consent to have today's letters printed in the RECORD.

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

We have tried to have a fair amount of expendable income for emergencies and unexpected expenses, but with the rising gas prices we have seen this "buffer" disappear. We are both employed outside the home and must drive a fair distance to get to work. We have owned the same vehicles for over four years. We do not have a lot of options to lower our fuel costs. We cannot sell our home and move closer to our jobs. We cannot sell our vehicles and buy more fuel efficient vehicles so we are kind of stuck. For the first time in our lives, we have had to resort to putting gasoline on credit cards to get from paycheck to paycheck. It is not just the gas prices, but I have seen a 400% increase in my power bill that I have no explanation for. Nothing has changed in my usage and, in fact, I switched to a gas dryer to try to decrease consumption. But, last year my average power bill was \$30 a month. This year it is \$120 a month. Also, I have found that the \$100 per week I spend on groceries only buys half of what it used to. The rising gas prices have affected many areas of my life and my budget. In fact, my husband was asked to take a 10% cut in pay about two months ago because the construction company he works for was having a difficult time keeping up with rising costs in construction. It seems like every aspect of our lives is being affected by the rising gas prices, and we are powerless to do anything about it. What is even more frustrating is knowing that the problem could be remedied by the federal government if they would be willing to take action. There are options available to use our own resources and refuse to have an entire nation held prisoner by foreign oil. I am aware of the concerns by environmentalists, but I believe we have the technology to remove these resources with minimal effect on the environment. It is wrong to allow one group of individuals to have the power to adversely affect an entire nation just because they have the time and resources to scream in the government's ear while the rest of America is too busy just fighting to survive.

We are lucky because we have good-paying jobs and are able, so far, to absorb the cost.

But I worry about my children who are struggling to make ends meet and raising their children and are being forced sometimes to choose between buying food or paying their utilities and putting gas in their car to get to work. We all need help—now.

JANE, *Iona*.

Thank you for the opportunity to respond on the rising cost of gasoline, food, energy, etc. I am amazed at how much everything has risen in the past six months. My electricity bill is on level pay (I do not like surprises so I opt to have a set amount each month). This past month my level pay went up \$24 a month! I am already paying \$95 a month for natural gas to heat my home and water. Our city has just raised the cost of water, garbage and sewer by \$12 a month; at least that is how much my bill went up.

Gasoline—boy, where do I start! When it started going up three years ago, I started cutting back then; now there really is not a lot that I can do. I plan my day around where I need to go. I try to do everything in one day so that I am not running into town for one item. We are walking or riding our bikes to places that do not require us to carry a lot. If I have a doctor's appointment, I try to make other appointments the same day and spend the day going from one to the other—doing shopping, errands, etc. all in that day. It makes for a very long day, but then I do not drive anywhere for two or three days. I think it saves me in the long run. I do belong to a fitness club and try to carpool with my cousin to that. We take turns driving and if we have errands to do, we do them together if it is in the same area—saves us both on gas.

I have a small business where I have to travel to people's homes. I have had to charge a service call of \$25 if it is out of Pocatello. I used to give free estimates all around the area, but I cannot afford it any more. If the clients purchase from me, then I will apply the \$25 to their order. It is the only way I can afford to run my business. What else can I do?

My two adult sons purchased scooters three years ago and some of their friends at ISU laughed at them—now my sons are the ones that are laughing as their friends tell them how smart they were to get those scooters when they did, because the price of them have doubled! My husband rides his motorcycle to work (a 22-mile round trip) every day when the weather is good. It saves us about \$100 a month because we are not filling his truck up weekly.

I wish that the government would listen to the people, not those environmentalist wackos who are tree huggers. I want more refineries in our country. I want more drilling in our country. I do not like the fact that our money goes to those foreign countries who hate America! Why are we supporting them? They take our money, control the oil prices and are out to get us one way or another! We need to become independent of them—we do not need them—let's use the resources that are in our own country! Let us make America great and the super power we once was.

I wonder why the car manufacturers do not design a car that gets better gas mileage! I know that the technology is there. I heard about 25 years ago that a gentleman had developed a car that got better gas mileage and the car manufacturers and gas companies paid him millions for his plans and the rights to them and he sold them to them. So I think that car manufacturers are in cahoots with the gas companies too!

Another thing—we do not need to help those countries that hate us. Stop sending aid to countries that want us dead! Let them help themselves—we have our own problems here that we really need to take care of—do not worry about these other countries—take care of us!!

DEBBIE.

Thank you for your concerns. It is appreciated. High fuel prices have affected every single item we purchase and everyday living. We spend roughly around \$500 per month just traveling to work and back home. We only travel when it is absolutely necessary. We had planned a family reunion in Washington State this summer, but have cancelled due to the higher and ever increasing cost of fuel. We turn off our oil furnace unless it is too cold that we cannot get by with extra blankets. Our heating fuel cost for 1½ month is up to \$668. Food and necessities are up 20% from four months ago, on most items. Clothing prices are up as much as 40% on some items. Everything is costing more.

I am employed with a state entity. I received a 4% increase, which I am grateful for, just enough of an increase to cover the increase in cost of our health insurance. As you can see, it does not cover the cost of inflation. My husband and I now worry if we are going to have to save less for our retirement in order to just live!

Our children have families of their own. It is even harder for them. Even though Idaho has increased the wages, it still does not seem to be in line with the continuing increases in the cost of living. I do not see things getting any better in the near future. In fact, I feel they will just get worse.

ANNA.

This e-mail is in response to your recent e-newsletter on energy prices.

Stories: Our church is investing in modern, high-efficiency heating and improved insulation including blinds over windows that we believe will reduce energy use and cost. The downside is that the money for these improvements and high energy costs will not be spent on community mission work in Pocatello and beyond.

Individual persons and families we know are changing habits. We held a group discussion at worship to invite ideas and solutions. Examples are: more use of bikes with emphasis on Pocatello Free Bikes (rebuilt by teenagers) for people with less money for new bikes; more thoughtful planning of shopping trips such as combining stops rather than multiple home-store trips; use of mass transit and calls for more organized carpooling in Pocatello; calls for coordination between bus fleet operators (Pocatello, School District 25, ISU, etc.) to increase flexibility and service. We all lose some choices in how we use our time.

Some commuters (Pocatello to Blackfoot or Idaho Falls) are looking for work closer to home. Pocatello is a poor city with average per capita income only about ¾ the national average. Workers who accept lower pay in Pocatello to compensate for high motor fuel costs simply reduce the disposable income in town. The long-term effect will be local businesses further in decline (or not growing and expanding) and a shift of economy to grey-market (you help me fix my car; I'll help fix your deck) that is outside normal commerce and taxation. So this impact will begin to reduce government income.

There is more discussion among thoughtful people about sustainability than I have heard in years. People are asking questions

about an energy-intensive economy that will reveal massive cheap energy misuse and waste in the agriculture system; considering community design around live-work-play areas as opposed to commuting; and raising concerns that short-term greed in the energy economic system will lead to further economic class division and injustices. Congress cannot allow our economy to decline to a survival of the richest over the general public without inciting class warfare. We are seeing the beginnings of mass protest worldwide—trucker strikes, etc.

Thoughts on Congressional priorities.

Short-term: Get the Department of Energy to be pro-active. US-DOE has lots of information on their web site but little seems to be circulating in terms of press releases, supplements to K-12 or university education, advice to businesses about how to conserve and make better energy investments leading to sustainability.

Do not give blanket permission to energy companies to use non-renewable resources (e.g. drilling on land, off-shore, sensitive areas, dirty coal, etc.) until a parallel energy use reduction for sustainability system is working. Using our children's and grandchildren's resources to feed the pig of US energy consumption levels and obscene energy company profits now would be immoral.

Do more to expand public education around energy and resource conservation for a sustainable US energy future. This should be a crash project. I wrote to you, Sen. Craig and Rep. Simpson recommending that the 2005 Federal Energy Bill include funding for education. There is not a penny. So market forces (AKA Greed) are driving the energy train now. Coordinate all the players in the energy mess: governments (federal, state, and local); corporations and other businesses; non-government/non-profit organizations (information and advocacy, compassionate action for impacted people); and, organized crime (like Enron-thinking companies who are taking windfall profits). Use principles of social marketing that uses commercial advertising/marketing tools to sell products but for common good purposes (anti-smoking, AIDS prevention, etc.)

Longer/long-term: Get the Department of Energy to be pro-active in developing policy and programs. These folks have not developed viable federal energy policy or jawboned to reduce corporate greed for decades. For example, technology and policy for nuclear power developed into the 70s simply died in favor of status-quo non-renewable resource use and shift of food production (corn) to energy. If the nation could build nuclear bombs and nuclear submarines in crash projects in the past, the nation can do it again!

Support the next President of the United States in collaborating with other nations about energy sustainability worldwide through the United Nations. Revitalize and support treaties and alliances among groups willing to sacrifice and change to achieve sustainability on the planet. Without this effort there will be conflict and violence over competition for dwindling non-renewable resources. Competition for Iraq oil is the tip of the iceberg here.

Actively promote public education, research and development for the two major non-polluting energy sources: nuclear power and solar power. Support renewable energy research into smaller make-a-difference energy contributions such as wind, tidal, geothermal, etc. Support research in related technology such as: high-MPG vehicles, innovative mass transit, and improved batteries to store solar/wind energy, easy-to-use

sensors for home and business energy audit (thermal/electrical waste). Pay for energy research by cutting back on spending for fear reduction by violence—reduce military missions in Iraq and Afghanistan and shift to political, diplomatic, economic efforts with other nations involved.

Use the national energy crisis as a lever to re-think the role of corporations. Once corporations were set up to help remove liability from individuals so they would take risk, invest, and build enterprise for America and Americans. Over the past few decades, corporations have lost their social responsibility and think of top management and shareholders as the only stakeholders worthy of decisions. But corporations are the nation's best hope for good jobs and 'doing well by doing good.' If you folk cannot help get corporations back into part of the American dream for all Americans then the masses will push for government shift toward socialism. I lived and worked in the UK for many years and know the stifling effect of an entitlement mentality.

LAURENCE.

I am a Federal Police Officer, and I work at the Department of Veterans Affairs hospital in Boise. I live 50 miles from the VA, so I have a daily commute of 100 miles. My wife and I would consider moving closer to Boise; however, she is a federal employee at the Mountain Home Air Force Base. She has a 20-mile daily commute (roundtrip). I prefer for her to have a shorter commute than me.

We do see the effects of the higher gas prices. I drive a 2002 Ford Ranger 4X4. I never wanted to own a full-size truck, and I am glad I bought the Ranger. However, the best mileage I can get is about 21 mpg. I would hate to sell my truck, because we need it for working on our land. Besides that, it is tough to get a load of lumber at the Home Depot in a little economy car. So, I eat the gas prices and continue to work at my good federal job. We are cutting back on some of the things we like to do, such as go out to dinner, golf, and travel. These are all things that help the economy, and we enjoy doing them. But something has to be done, hence the cutbacks. I am also spending the night in Boise at least one night a week so I can avoid the commute, and the gas station. I do not like being away from my family, but it is another sacrifice I have to make to save at the pump.

I hate to think about the future, as the price of gas will be passed down to food, clothing, and other essential elements of life. I pray that the government will open up drilling, build more refineries, and start building more nuclear plants. We need to cut our ties with OPEC and other corrupt oil-producing countries.

Congress, please help us!

GREG, *Mountain Home.*

I am happy to see you working on the renewable energy efficiency caucus. For 28 years before recent retirement, I founded and owned the first solar electricity equipment business in Idaho, providing electric systems for homes located beyond the reach of power lines, of which there are many in our state. My own home has been primarily powered by solar and wind since 1978.

I would like to point out that Idaho drivers actually do have some important choices available which you did not mention at the start of your newsletter where you said we have no choice but to keep driving. The choice of exactly what vehicle we drive, as well as consolidating travel for efficiency can cut family fuel costs by 25% or more.

Traveling in Europe and Central America one sees many fuel-efficient vehicles that are not even available to Americans: the small diesel flatbeds that carry more weight than a pick-up truck and use less fuel to do it (they are slower going up hills). While traveling in Ireland and England for a month last year, we did not see even one standard pick-up truck, for the reason of fuel efficiency. And I did see many quality small cars and scooters that are not imported to the US, such as a motor scooter with seat back and roof by BMW.

I would also question whether your efforts to stifle climate change legislation in trade for avoiding high fuel costs in the short term make economic sense in the long-term interests of US citizens. If what is said of climate change effects comes to pass, those with credentials to know have shown that taking no action to mitigate those effects now may not be in the best interests of the country or our descendants. Please consider the long range balance of benefit here.

I have watched inventors working on their own electric cars (Orin Bridges, now deceased, here in Sandpoint converted his car to electric plug-in and drove it 15 miles to town and back in the 1990s, and recharged it from solar panels on the roof of his mountain house). I have seen buses of college kids come through teaching classes on bio-diesel, which powered the bus they traveled in, also around year 2000. And for decades I sold and installed solar electric modules as the most economical power option for people living over half a mile from the nearest power line.

Now that world fuel production has not increased for three years running and fuel demand and prices are rising, we are seeing tremendous mainstream progress in looking at sustainable fuel sources and independence from imported oil. Please check the January edition of Scientific American for a national solution for the electric grid that uses technology available today, and costs no more than the Iraq war has cost to date.

STEVE.

TRIBUTE TO CENTRAL HIGH SCHOOL

Mr. LEVIN. Mr. President, I have the honor of rising today to recognize an important part of Detroit's public education, my alma mater, Detroit Central High School, which is celebrating the 150th anniversary of its opening.

Since 1858, when the first 24 students entered a single classroom, thousands of students have passed through its doors. It was originally conceived to help prepare students to study at the University of Michigan, then just a few decades old itself. Today, Central has been continuously accredited by the University of Michigan for more than 135 consecutive years.

It has occupied the current location at Tuxedo Avenue and La Salle Boulevard for more than 80 years. I was fortunate to study and walk the halls there for 4 of those years.

Central alumni have gone on to win a Nobel Prize and win Grammy Awards; make countless contributions to the Detroit community and to Michigan; own professional sports teams and play professional sports; and fight on behalf of our Nation in war, sometimes making the ultimate sacrifice.

In all these pursuits and many more, Central alumni have been challenged to live up to our school's motto, adopted in 1861: Carpe Diem, "seize the day." Our experiences at Central have helped prepare us to do that.

Recently, Central has faced challenges unparalleled in the school's history. School budgets are tighter than ever, standardized tests offer frustrating assessments of progress, and dropout rates and graduation rates alike moved in the wrong directions. But, thanks to the hard work and commitment of over 1,000 current students and teachers, in the past few years Central has begun an impressive turnaround that is heartening to us alumni.

I offer my congratulations on this 150th anniversary and every hope that Detroit Central High School will continue to provide excellent education and imbue students with the skills and outlook to seize the day and find success in school and in the years that follow.

TRIBUTE TO JUDGE AVERN COHN

Mr. LEVIN. Mr. President, I rise today to recognize a great citizen of Michigan, the Honorable Avern Cohn. Avern has distinguished himself as a leader among leaders in Michigan's legal community and the Michigan community at large. Later this month Avern's synagogue, Congregation Shaarey Zedek, will offer a tribute to him and I am honored to join in recognizing his many accomplishments and contributions to our community life that he has so strengthened and supported.

Professionally, for nearly three decades Judge Cohn has served on the U.S. District Court for the Eastern District of Michigan. He currently serves as the Senior Judge, a position he has held for the past nine years. His quick wit and sharp mind have left a lasting impression on the countless attorneys who have argued before him. Throughout his career, Avern's guiding beacon has been justice, and his legacy is one of true independence and impartiality.

Avern's commitment to justice in Michigan has extended well beyond his courtroom. He is a past director of the Detroit Bar Association, a former trustee of the Detroit Bar Foundation, and served as director of the American Judicature Society. Before he was appointed to the court, he led a successful private practice that continues to flourish today. He also served the people of Michigan in an array of positions including as chairperson of the Michigan Civil Rights Commission, chairperson of the Detroit Board of Police Commissioners, and as a member of the Michigan Social Welfare Commission.

As a member of the board of trustees of Shaarey Zedek, a former president of