

emergency access provision of the Patients Bill of Rights.

Mr. President, I don't know how you can say it any more clearly than that. Our version of the prudent layperson standard for emergency services is the right one for several reasons:

(1) It's patient-centered; (2) It's comprehensive; (3) It promotes coordination of care with the patient's health plan; (4) It decreases overcrowding in our nation's emergency rooms by requiring timely decisions; (5) And last but not least, it saves money.

Frankly Mr. President, I am puzzled by the fact that my Republican colleagues oppose this language. I can't understand why they oppose extending protection for emergency services to all Americans with health insurance. Shouldn't we do the right thing, and approve the real prudent layperson standard?

I urge my Republican colleagues to allow us to have an open debate on the Patients' Bill of Rights. We need to have this debate. Americans want protections in their health plans. Americans want a system that balances the needs for access, quality, and cost-control for their health care.

I am confident that we will have this debate. The last thing any of us want to do is put up barriers for patients who need medical care during an emergency.

Mr. President, this legislation removes barriers and allows patients to get the care they need, providers to deliver care in a timely fashion, and health plans the opportunity to coordinate care efficiently. I am confident that when we have this debate, we will be able to come together and pass the real prudent layperson standard for emergency services.

Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from North Dakota is recognized.

#### DEVILS LAKE

Mr. DORGAN. Madam President, I come to the floor today to speak about Devils Lake in North Dakota. Most people don't know about Devils Lake. It is one of only two lakes at the bottom of a closed basin in the entire country. One is the Great Salt Lake, the other is Devils Lake. Devils Lake has a basin about the size of the State of Massachusetts tucked inside the borders of North Dakota.

To set the stage, North Dakota is ten times the size of Massachusetts. Devils Lake has been subject to chronic emergency flooding now for many years. That flooding in Devils Lake over recent years has caused absolute chaos for the folks who live in that region of northeastern North Dakota.

This is a lake that has risen about 25 feet in 7 years. In the past 60 years, it has risen nearly 50 feet. If you were a family living in Minnewaukan, ND, it wasn't too long ago that you lived 7

miles away from a lake. But recently I was standing in Minnewaukan, and the lake is right up to the back yards of that community. In 7 short years, people who lived 7 miles away from the lake now find the lake flooding their property.

The cost of this flooding, in human terms, is massive. The lake continues to rise in a manner that is uncontrolled, and the question for the Corps of Engineers and the Federal Government is: What do we do to respond to the threatening rise of the lake that has occurred in recent years and threatens a fairly large city in North Dakota? It threatens to cut off one region of our state from emergency services and the normal commerce of daily life. It inundates roads, railways and utilities.

In response, over \$300 million has been spent in that region raising roads and relocating people and building dikes—doing all the things necessary to combat the flooding. This is a different kind of flood, unlike a river flood, where we see a picture on television of a swollen river moving very rapidly and causing chaos with houses floating down the river. The lake flooding here has come, and it has stayed, slowly destroying homes and businesses. It is causing major problems.

One of the plans with respect to this Devils Lake flooding has been to build an outlet. We are building dikes to protect cities and protect roads. We are raising roads, using roads as dikes. We are doing all of these things over recent years.

One of the pending proposals is to build an outlet to take a small amount of pressure off the lake. The challenge is that there is no problem-free place to put the water. You could put some of it in the Sheyenne River, which goes down to the Red River and up into Canada. An outlet to the Sheyenne River can provide relief but must be well-managed to avoid causing problems for others. We don't want to solve a problem by creating a problem for others. The question of building an outlet has been a very difficult and sensitive one.

By the same token, most everyone believes it is an emergency and we must use a comprehensive strategy to try to take some pressure off this lake, including upland storage in the upper part of the basin and building an outlet to take some pressure off the lake. However, all of the plans and work to build an outlet have been for naught at this point, because the Corps of Engineers is at odds with itself on the question of whether an outlet should be built.

I came to the Senate floor to put in the RECORD two things. One is a "Draft Summary Document for the Report to Congress on the Emergency Outlet from Devils Lake, North Dakota, to the Sheyenne River, North Dakota." This was prepared by the St. Paul District Office of the Army Corps of Engineers. I requested this be made available to me by the Department of the

Army's Corps of Engineers Division Office in Vicksburg, MS.

Incidentally, Vicksburg, MS, has jurisdiction over North Dakota. Now, Lord only knows how that can happen. Tell me how it makes sense for a general sitting down in Vicksburg, MS, to tell us about lake flooding in North Dakota. But that is the way it is and the way the Corps is organized.

The St. Paul district, which has spent a great deal of time on this issue, prepared this document. I want to read just a bit from the document. The St. Paul district says pointedly that we face emergency conditions. This is the Corps of Engineers, St. Paul office:

Clearly we face emergency situations and we need to proceed.

The St. Paul division further says:

Further study and analysis are not reasonable responses to what is truly an emergency situation. What is required is a proactive, multifaceted emergency flood damage reduction plan to protect not only Devils Lake but the region. The lake is within a single Probable Maximum Flood (PMF) event of overtopping the levees protecting the City of Devils Lake, and for the first time in recorded history, the lake is within single PMF event of spilling into the Sheyenne River . . . . Any project that would prevent the natural overflow would be justified by economics and from a human health and safety perspective.

Accordingly, the St. Paul District recommends immediate action leading to the construction of an emergency outlet.

The Mississippi division, which has charge of the St. Paul division, is 1,500 miles away. The general at the Mississippi division and his staff have come up with a completely different perspective. They are farther away, spend far less time on this issue, and know much less about the issue. The Mississippi commander wrote a letter to the North Dakota congressional delegation questioning the summary recommendations of the St. Paul office, which has done all of the work on this issue and whose experts judged there to be an emergency—one that justifies an outlet.

The Vicksburg office in Mississippi says that is not the case at all. They say they don't need an outlet. They say, first of all, they are not certain there is an emergency at all. They say an outlet is not necessary or appropriate. "Of the outlet plans reviewed, none of the outlet plans show benefits exceeding costs."

Incidentally, this computation by the Division "experts" wouldn't meet third grade math standards. They arbitrarily establish costs and benefits, but then leave out some of the real and major benefits. These benefits include, for example, not having to increase roads in order to keep roads open in this basin. Tens and tens and tens of millions of dollars are required to do that. But maybe if you have an outlet you don't have to do that.

The Corps of Engineers Division Office says: That is not the problem or the complication because we have

“principles and guidelines” to use for the computations. So we leave out large categories of costs avoided. Then they say the cost-benefit calculation does not work. The Mississippi division agrees with St. Paul that dikes should be built but only supports building an outlet subject to a favorable analysis.

In fact, the division doesn’t believe that an outlet is appropriate.

The St. Paul Corps of Engineers said: Yes to an outlet. They are the ones who know this region. They study it, and are in charge of it. Vicksburg, 1,500 miles away, says no.

When the Corps decided to move its office to Vicksburg, MS, I had a fit. I should have tried to put a wrench in the crankcase then, and I did not do everything I should have done—I admit. It didn’t make any sense at all to decide that the Corps of Engineers’ headquarters for a region similar to that ought to be in Mississippi, 1,500 miles away.

Here is the evidence. The evidence is that you have the Corps arguing with the Corps. The St. Paul office, which knows the subject best, says: Here is what ought to be done. It is an emergency. We support an outlet for the following reasons. Here is what we ought to do. The folks in Mississippi say: Gee. We don’t believe that at all.

The only reason I am putting two documents in the RECORD today by consent—I would like to include in the RECORD the summary document prepared by the St. Paul office of the Corps of Engineers and the letter sent to the congressional delegation by General Anderson, who runs the Vicksburg office of the Corps of Engineers—is that they directly contradict each other. Again, it is the same agency.

Let me use a couple of charts because I think it is useful to see.

This is the level of Devils Lake. You can see what is happening with this lake. This shows 1445.5 feet. It is actually now again up to 1447. So this chart is actually out of date in just a month or two. That chart shows what is happening to this lake.

Actually, the most appropriate chart to show for Devils Lake is a chart that I want to put up. This chart is actually a picture taken of a woman in 1993. If you look carefully, you can see she is standing at the bottom of the telephone pole in the Devils Lake area.

I want to show you where the lake is right now. It is not here. This is also out of date. This is 1445.5. The lake is now 1447 feet. It is above this chart. Here is where this woman would be in the lake at the moment with the lake somewhere around 25 or 30 feet above her head. This picture was taken in 1993.

That will describe to you what has happened here.

I mentioned to you that people who used to live 7 miles away from the lake 7 years ago now have a lake behind their homes threatening their houses. This doesn’t happen anywhere else in the country. It happens in the Great

Salt Lake and in Devils Lake. They are the only two closed basins in America in which you have this kind of flooding. The Great Salt Lake threatened a flood in a very dramatic way and receded. But Devils Lake continues to increase.

I want to show you what is happening. Every single year the Corps of Engineers says: Well, we were at 1437 feet, then the height of that lake. There is less than a 3-percent chance that it will increase. It increased up to 1443. Then they said there was a less than a 1-percent chance it would increase once more. Again, it increased up to 1444.7. They said that there was less than a 1-percent chance again, and it may well increase to 1447.5 by the middle part of this summer.

Every single year we are in a wet cycle, and this basin continues to flood and cause chaos for the people of that region.

Here is the cost. Here is what is happening to us and what happens with respect to this flooding.

At some point, this flows naturally across the divide out of the basin with the worst possible quality of water, with dissolved solids that create a terrible quality of water that everyone is afraid of. And it flows naturally across the divide at 1460, down into the Sheyenne River, up the Red River into Canada, causing very significant problem for major population centers.

That is why all of us have to be concerned about this.

Here is what the damages are when you have that kind of flooding. Again, it is not river flooding where a gushing river grabs a house and throws it downstream and you have dramatic pictures. It is a lake that gobble up a region, people, property, and hope inch by inch.

What is happening is the cumulative damages, as this lake goes up, are massive—about \$300 million to date, and the prospect is much more.

I ask unanimous consent to have printed in the RECORD the document that I asked the Vicksburg office to provide me which reflects the recommendations by the Corps of Engineers at the St. Paul office, and also the document that is offered by the general who is in charge of the Vicksburg office.

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

DRAFT SUMMARY DOCUMENT FOR THE REPORT TO CONGRESS ON THE EMERGENCY OUTLET FROM DEVILS LAKE, ND TO THE SHEYENNE RIVER,

(Prepared by the St. Paul District Office of the Army Corps of Engineers)

SUMMARY DOCUMENT

EXECUTIVE SUMMARY

Conditions in the Devils Lake basin have changed dramatically. The continued rise of Devils Lake has exacerbated the flooding concern around the lake. The higher lake level has created a situation where a single catastrophic event would overtop the levees protecting the City of Devils Lake and overflow to the Sheyenne River. This has serious

international, regional, and environmental implications. The strategies employed to date cannot be expected to provide a timely solution. Further study and analysis are not reasonable responses to what is truly an emergency situation. What is required is a proactive, multifaceted emergency flood damage reduction plan to protect not only Devils Lake but the region.

#### Current lake level situation

Devils Lake is now at the highest level (elevation 1445.5) in recorded times. Although the lake is a terminal lake, it has naturally spilled to the Sheyenne River several times in geologic history. The last spill was likely 800 to 1200 years ago. The 1999 forecast is for the lake to rise another 2 feet to elevation 1447.5 by August. The 1999 inflow is forecast to be the second largest on record even though the basin had a reasonably mild winter and near normal precipitation this spring. The lake level is extremely sensitive to small climatic shifts, which might be the case given the persistent wet cycle over the last 7 years. The continuing lake rise is necessitating additional emergency flood control measures to protect urban areas and transportation routes.

#### Current efforts

Solving the rising lake problem is not easy, and the pursuit of a single solution offers little hope. Currently, three separate flood damage reduction activities are being pursued—upper basin management, infrastructure protection, and a managed outlet. Numerous entities are pursuing water management measures to reduce runoff and store water in the upper basin. Infrastructure protection is being implemented by local counties and cities, the Federal Highway Administration, the North Dakota Department of Transportation, the Federal Emergency Management Agency (FEMA), the Bureau of Indian Affairs (BIA), the Corps of Engineers, and private citizens. To date, infrastructure protection—raising roads and levees and evacuating structures—has been provided in incremental steps that usually just stay ahead of the steadily rising lake, although in some cases the lake has risen faster than the level of protection.

This year, the Corps of Engineers is completing the final authorized raise of the levees protecting the City of Devils Lake to elevation 1450 with top of levee at 1457. FEMA issued a “Continuous Lake Flooding Waiver” in 1996, 1997, and 1998, which changed their policies to allow for buyouts of properties expected to be affected by the forecasted lake rise. A waiver for 1999 is being sought. Highways 19, 20, 57, and 281 have been or are being raised by the North Dakota Department of Transportation. Emergency actions are being pursued for other communities by the State, counties, and Corps of Engineers. Agencies have worked with the Spirit Lake Tribe to try to protect infrastructure on tribal properties and keep transportation routes to and from the Spirit Lake Reservation open.

In response to the Energy and Water Development Appropriations Acts of 1998/99, the Corps of Engineers is also investigating the possibility of developing an emergency outlet from Devils Lake to the Sheyenne River. That authorization is contingent upon there being an emergency declaration and that the project is technically sound, economically justified, environmentally acceptable, and in compliance with the National Environmental Policy Act (NEPA). There also need to be assurances that the discharges from the outlet will not violate the 1909 Boundary Waters Treaty with Canada. A report to Congress is required on the findings of the outlet investigations, which is the purpose of this document.

*Preliminary report to Congress findings*

The concept of an outlet from Devils Lake has been the subject of several studies. To meet water quality standards in the Sheyenne River and Red River of the North, the only viable plan appeared to be an outlet from the fresher, west end of this saline lake. However, the effectiveness of even a west end outlet is limited because the salinity constrains the rate of releases in order to meet the downstream water quality standards.

A plan developed by the Corps of Engineers in December 1998 indicated that, to be effective in lowering or controlling the rising lake levels while meeting downstream water quality standards, the outlet would have to remove fresh water from the basin before it mixed with Devils Lake water. Studies since December have concentrated on freshwater alternatives that would allow a higher discharge that stays within the water quality and channel capacity constraints on the Sheyenne and Red Rivers.

The constantly changing lake level, flood protection measures, and other circumstances combined with current Corps policies and principles and guidelines have made it challenging and virtually impossible for the hydrologic, economic, and water quality modeling and analysis to keep ahead of events. Consequently, an economically justified solution concentrating on the damages prevented within the basin has been elusive.

Findings from these recent studies indicate that an economically feasible solution cannot be developed using the current economic and hydrologic models. Benefit-cost ratios vary from 0.12 to 0.72 depending on what assumptions for a without-project condition are used. Also, a outlet of 300 cubic feet per second (cfs) has limited effectiveness in terms of reducing peak lake levels, although the maximum drawdown in the lake could be as much as 8 feet. These results, however, do not take into account downstream benefits from an outlet's reduction in the probability, severity, and duration of natural spills to the Sheyenne River.

Of the five separate criteria set forth by Congress for outlet authorization, all but two could be met, assuming satisfactory consultation with the State Department and satisfactory completion of the NEPA process. The current analysis shows that economic feasibility is lacking, and due to the extremely controversial nature of the emergency outlet and many outspoken opponents, a consensus on environmental acceptability would be extremely difficult to achieve.

*Reframed problem*

With the release of the April 1999 forecast by the National Weather Service (NWS), the flooding problem has changed from protecting the properties around the lake to also protecting the region from a natural overflow from Devils Lake to the Sheyenne River. The lake is within a single Probable Maximum Flood (PMF) event of overtopping the levees protecting the City of Devils Lake and, for the first time in recorded history, the lake is within a single PMF event of spilling to the Sheyenne River.

A natural overflow to the Sheyenne River could cause catastrophic flooding and water quality effects for residents along the Sheyenne and Red Rivers. Ecosystem impacts of a prolonged spill would be devastating. Computer simulations show that an overflow could exceed the Sheyenne River's channel capacity by a factor of more than two and the river's sulfate standard by a factor of more than seven. In addition, should the water flow out naturally, erosion would cut into the divide and increase the discharge and downstream effects even further.

Although, the downstream damages have not been quantified, it is expected that any project that would prevent the natural overflow would be justified by economics and from a human health and safety perspective. The problem now becomes one of dealing with the emergency in time to allow for final design and implementation of a plan before it is too late. To determine the urgency of taking action, the Corps of Engineers analyzed when action would be needed to prevent a natural overflow to the Sheyenne River assuming a continuation of the average net inflow to the lake over the last 7 years and assuming a 2-year construction period. Using this approach, construction should have begun at lake elevation 1441.8 to prevent a PMF from overflowing naturally and at 1451.3 to prevent a natural spill from a Standard Project Flood (SPF). To prevent overtopping of the City of Devils Lake levee system by an SPF, construction would need to begin at lake elevation 1448.0, 0.5 foot above the 1999 forecast lake level. This incites that plans and specifications for both an outlet and a 3-foot raise of the city's levee should begin immediately to allow for a construction start early in 2000.

To demonstrate how quickly the situation is deteriorating, in February 1999, the Corps of Engineers was working on a plan to divert water from Devils Lake to the Stump Lakes. This plan made sense on the basis of the NWS's initial forecast of a 1446.0 peak lake level. Using the Stump Lakes' storage could limit Devils Lake's near-term rise and buy time to deal with the emergency outlet situation. However, at the NWS's 9 April 1999 revised forecast for a peak lake level of 1447.5, Devils Lake will begin a natural spill to the Stump Lakes, and if Devils Lake continues to rise next year, implementation of this plan may not be a prudent or practical option. Having possibly missed the window of opportunity for a diversion to Stump Lake emphasizes how important it is not to miss the window of opportunity for an emergency outlet that might prevent the lake from overtopping the city's levee or spilling uncontrollably to the Sheyenne River.

*Report to Congress*

This summary report to Congress has been prepared to present the most recent findings regarding the emergency outlet to the Sheyenne River and to discuss the changing conditions at Devils Lake that warrant a new fast-track approach. Hope, incremental solutions, and constrained measures are no longer an acceptable course of action. The report proposes a solution and a timetable capable of dealing with this evolving emergency situation; details are being worked out. The plan would involve six actions:

Building a west-end outlet with a discharge rate between 500 and 600 cfs to help prevent lake rises; however, this outlet would not be capable of keeping up with inflow from an extreme event.

Raising the height of the City of Devils Lake levee.

Developing a contingency plan for an emergency spillway consisting of a controlled and armored outlet from the east end of Devils Lake into the Sheyenne River to prevent a natural overflow from eroding and causing a catastrophic spill.

Revising Public Law 84-99 Flood and Coastal Stream Emergency Act policies to better deal with the flooding problems on the Spirit Lake Reservation.

Continuing emergency actions at Churchs Ferry, Minnewaukan, and other communities within the Devils Lake basin on an as-needed basis.

Mitigating downstream flooding caused by operation of the outlet.

By implementing the above actions, the risk of the catastrophic damages to the Dev-

ils Lake region as well as the risk of significant damages along the Sheyenne and Red Rivers would be substantially reduced. If no action is taken, the decision to accept the consequences is implicit. Further study and analysis is not considered an appropriate response to this emergency situation.

*Where do we go from here*

The resources of local interests are exhausted from 7 straight years of devastating floods in the Devils Lake basin. The local interests are tired of worrying about the rising lake, the loss of property, the evacuation of their neighbors, and the uncertainty of getting a solution through normal channels. They are proactively pushing for an answer, and they recently passed a resolution supporting local construction of an east-end spillway.

The North Dakota Congressional Delegation and the Governor consider Devils Lake to be one of the most important issues in the State and are working hard to try to solve the Devils Lake problem. The Corps of Engineers role has been to build levees, to protect urban areas, and to study the problem and a possible outlet. But the focus has been on solving the internal flood problem to the Devils Lake basin. Now, with a natural spill to the Sheyenne River being a statistical reality, the focus must change to do what is necessary to protect the region from a disaster by treating the situation as a real emergency.

We first need to use latitude that the Corps of Engineers already has to develop plans and specifications for an outlet, a levee raise, a contingency plan for an emergency spillway, and protection measures for each community around the lake. Second, we need to use the Corps of Engineers emergency authorities under Public Law 84-99 to start construction of the levee raise and community protection measures as well as the west end emergency outlet using the shortest possible implementation methods. We also need to consult with the Council on Environmental Quality regarding concurrent compliance with NEPA. In addition, coordination between the State Department and the International Joint Commission regarding compliance with the Boundary Waters Treaty of 1909 should begin immediately.

DEPARTMENT OF THE ARMY, MISSISSIPPI VALLEY DIVISION, CORPS OF ENGINEERS,

Vicksburg, Ms, June 17, 1999.

Hon. BYRON L. DORGAN,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR DORGAN: This is in response to your letter dated June 10, 1999, concerning an outlet for Devils Lake. I have sent this same response to Senator Conrad, Representative Pomeroy, and Governor Schafer. The Corps recognizes that emergency conditions exist within the Devils Lake area. We will continue to respond, to the limit of our authority, to minimize damages within the basin. While I understand your concern and frustration in finding a timely remedy for this rising lake, I have not reached a conclusion that an outlet is a necessary or appropriate solution to the recent rise of water in Devils Lake.

Our analyses and my recommendations will be contained in an Interim Report to Congress that will be completed by St. Paul District and submitted in mid-July for Headquarters, U.S. Army Corps of Engineers and the Assistant Secretary of the Army for Civil Works' review and approval. For your convenience, I have enclosed a copy of my recommendations. I have recommended that we complete the Final Report to Congress, which will include analyses of several alternatives, including outlet plans. One of those

plans will have an objective of holding the lake at elevation 1454. The Final Report to Congress will contain a fully coordinated Environmental Impact Statement. It will also address the other criteria of the Energy and Water Development Appropriations Acts of 1998 and 1999.

The recently completed Technical Report is the product of a joint Division and District team that looked into the timing and consequences of an uncontrolled overflow from Devils Lake into the Sheyenne River. Due to time constraints, that report relied heavily on the data and analyses contained in the Limits Study completed by St. Paul District in 1998. The Technical Report did not analyze the benefits of lowering the lake. There would be minor benefits from the re-emergence of some of the abandoned secondary roads, but since they were not considered in the Limits Study, these benefits were not included. Some benefits would also result from return of submerged agricultural lands to productivity. However, in accordance with the Limits Study, we assumed that these benefits would be negated by the salinity of the saturating water, which would preclude an early return to productivity. If all the cropland and fallow acreage between elevations 1440 and 1447 were returned to productivity, the average annual benefits would be about \$1 million.

As to the hydrologic modeling, it is important to note that the inflows were assumed to equal those experienced during the recent wet period from 1993 through 1998. Thus, a high inflow rate to the lake has been assumed in the Technical Report analysis. Even so, this results in the lake taking longer to rise to higher levels than previously estimated because the recent hydrologic modeling results utilized in the Technical Report are based on a more accurate estimate of future evaporation as the lake rises and its surface area becomes much greater.

The analytical tools used in the Devils Lake study are designed specifically for the unique system at Devils Lake. This, unlike a riverine system, has no outlet and the lake levels are not independent of each other from one year to the next. For example, the model used to estimate the probability of future lake levels, given the current level of the lake, is uniquely suited for a closed basin such as Devils Lake. It has limitations in that following the snow melt and spring runoff each year, the probability of future lake levels must be recomputed. This is required because it is not possible to accurately forecast snow pack and spring runoff for the next year, which will produce next year's lake level.

I appreciate your continued interest in this effort and look forward to working together to solve this most unfortunate problem.

Sincerely,

PHILLIP R. ANDERSON,  
Major General, U.S. Army,  
Division Engineer.

Enclosure.

#### RECOMMENDATIONS

1. Establish six (6) feet of freeboard as design standard for advance measures on Devils Lake.
2. Immediately proceed with necessary reports to include NEPA compliance and PCA Amendment to raise Devils Lake Levee to TOL 1460.
3. Following completion of necessary reports and PCA, raise Devils Lake levee to TOL 1460.
4. Complete Interim Report to Congress within 30 days for submittal to HQUSACE and ASA(CW). Interim Report will target holding lake level at elevation 1454 or lower.
5. Complete Final Report to Congress with analyses of several alternatives, including

outlet plans. One of those plans will have as an objective holding the lake to elevation 1454. The Final Report to Congress will include a fully coordinated Environmental Impact Statement. The Report to Congress will also address the other criteria of the Energy and Water Development Appropriations Acts, 1998 and 1999. Subject to analyses favorable to an outlet, plan completion of the Report to Congress to allow initiation of P&S if the lake approaches elevation 1452 (about 2005) and construction if the lake approaches elevation 1453 (about 2006).

6. Continue to define trigger points for other actions around the lake. Provide incremental protection for Churchs Ferry, Minnewaukan, Spirit Lake Nation, and other communities in accordance with PL 84-99 and in coordination with local, State and other Federal interests.

Mr. DORGAN. Madam President, I see the Senator from Mississippi, Mr. COCHRAN, is on the floor. I don't know whether he is prepared to call up the bill or speak on the bill. If not, I was going to speak for an additional 5 minutes, but I certainly don't have to do that. I will defer at this point, if the Senator from Mississippi is ready to take up the bill.

#### EXTENSION OF MORNING BUSINESS

Mr. COCHRAN. Madam President, if the Senator will yield, I have been told that it has been cleared on both sides of the aisle to continue morning business until 3:45 under the same terms with equal division of time between both sides.

I ask that we extend by unanimous consent morning business until 3:45 p.m.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

#### INTEREST RATES

Mr. DORGAN. Madam President, if the Senator from Mississippi is prepared to speak on something, I would be happy to defer. I want to speak for 5 minutes on something that is going to happen, perhaps, in a day or so. I have spoken about this a great deal. That is the question of interest rates and the Federal Reserve Board that will be meeting this week.

We are told that the Federal Reserve Board will almost certainly increase interest rates later this week. I thought it would be interesting to include in a discussion on the floor an analysis of what has happened to the rate of inflation in this country.

Interest rates are still at a rather high rate after adjusting for inflation. The economic rent for money is still very high given the historic American standards. The inflation rate—especially the core inflation rate—has dropped very dramatically in recent years. Incidentally, despite all the predictions by all of the best economists at the Fed and elsewhere, they used to say if you penetrate through 6 percent unemployment you clearly have massive inflation problems. You just can't

have low unemployment and low inflation.

The economy, of course, confounded all of them. I think part of the reason was the models are all wrong. The models reflect traditional economic theory, and that doesn't account for the global economy in which producers produce anywhere they want in the world at lower costs and, therefore, put downward pressure on wages in the industrialized countries. But despite that, even if the models are wrong, what has happened is that as unemployment has reduced in this country and come down rather dramatically over the years, so too has inflation.

Looking at the rates of inflation, the Consumer Price Index, going back to 1990, we were at 6 percent, then down to just over 3 percent, under 3 percent, and down under 2 percent. The fact is inflation is well under control. The downward pressures that the global economy has put on wages in this country, I think, will continue to keep the rate of inflation well under control.

The Federal Reserve Board has a different set of circumstances it will evaluate. The Federal Reserve Board is an interesting board. It was created in the nineteen-teens. President Wilson and those involved promised the country: We are not and will not ever create a strong central bank. We just won't do that.

For many years, of course, the Fed has had a central banking function that has been enormously strong, and largely unaccountable. Some people think that is a virtue to be unaccountable to anything or anyone else in the country so it can run monetary policy as it sees fit, unlike others who are involved in the executive and legislative branch running fiscal policy.

The Federal Reserve Board is made up of a Board of Governors. We have one seat vacant. We have one seat that is being vacated. It is also joined in the Open Market Committee by a rotating group of members of the presidents of the regional Federal Reserve banks. The presidents of the Federal Reserve banks are hired and retained by their boards of directors who are their bankers in their regions. Despite the fact they are not confirmed by anyone and are accountable only to the bankers and boards of directors in their region, they come to town on a rotating basis with the Board of Governors' to vote on interest rate policy.

The Fed will probably, the day after tomorrow, decide it should increase short-term interest rates again. I don't agree with that. I think it is a terrible decision to make. I don't think any evidence that justifies a hike in rates. Some of my colleagues come to the floor and say: What are you talking about? Mr. Greenspan ought to be credited for the great economy.

In my opinion, this nation's economic performance—if you review the record—is in spite of the estimates by Mr. Greenspan and the Federal Reserve Board. They insisted we could not