

When this bill was first introduced during the 106th Congress, we reported that Medicaid allotments fell far short of meeting the needs of indigent populations in the Territories, and because of depressed economic conditions, high unemployment rates and the rising health care needs of growing indigent populations, the reliance on Medicaid assistance continues to surge way beyond the Federal cap and beyond the Territorial Government's ability to match Federal funds.

In Guam, for example, for fiscal year 2000, Medicaid assistance was capped at \$5.4 million. However, the Government of Guam, because of the emerging population, spent approximately 3 times that amount to serve the medical needs of the people of Guam. For fiscal year 2001, the Medicaid ceiling is capped at an additional \$200,000 at \$5.6 million. However, the estimated cost to provide medical care to Guam's needy today is approximately \$27 million over that amount, resulting in a dramatic overmatch for the Government of Guam, way beyond any match that is expected of any State jurisdiction.

I fear the squeeze will even be greater as the Government of Guam implements the President's tax cut plan which has a deep impact on the economies of Guam and the Virgin Islands. These two U.S. jurisdictions have tax systems which mirror the Internal Revenue Code of the United States, which means whatever tax policies are implemented on the Federal level automatically take effect at the local level, even without consulting us. The Government of Guam has no surplus to cover the anticipated \$30 million shortfall in revenues which will occur resulting from this tax cut.

Thus, the struggle to provide medical services to Guam's needy will be more than the local economy can bear. Lifting the Medicaid caps for territories and changing the Federal Territorial matching rate currently set at 50-50 would provide relief to the neediest populations of the Territories.

This legislation proposes that the Federal Territorial matching share be set at the share of the poorest State, which is currently a 77 to 23 Federal-State match. Congress must consider the reality that Territorial Governments have not shared in the same economic prosperity which has been experienced in the U.S. mainland, and should recognize this by changing the matching rate.

I stand here this evening to urge my colleagues to join in support of H.R. 48. Health care is an issue of importance to every American, whether they reside in the 50 States or the U.S. Territories. Resolving Medicaid issues in the Territories is a step in the right direction towards providing much needed health care relief for Americans, no matter where they live. We are all one country when it comes to responsibilities like service to our country. We should all be one country when it comes to realizing benefits and services like health care.

#### CORRECT UNEQUAL TREATMENT AMERICANS IN THE TERRITORIES RECEIVE FROM MEDICAID PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) is recognized for 5 minutes.

Mrs. CHRISTENSEN. Mr. Speaker, I rise today to join my colleague from Guam in once again speaking out against the unequal treatment that the American citizens in the Territories receive from the Medicaid program. By virtue of where we live and only by virtue of where we live, low-income Americans in the territories are not able to receive the full benefits of the Medicaid program.

For the residents of my district, the U.S. Virgin Islands, in order for a family of 4 to qualify for medical care under Medicaid, the maximum salary that a family can earn is \$8,500 a year, one-half of the Federal minimum wage. By contrast, in year 2002, all States at a minimum will provide Medicaid for all children 19 years old and younger living in families at or below the poverty level at \$17,050 for a family of 4, more than twice that amount.

Historically the Government of the Virgin Islands matched the Federal contribution with a combination of cash and in kind. When the value of both is added, it equaled and many times exceeded the Federal contribution. While this resolves the Federal requirement on paper, it has created a financial havoc for the Territorial hospitals and clinics that really incur the cost of in-kind services but never get reimbursed.

Because of the cap and 50-50 local match, the local Virgin Islands Government also bears the brunt of the cost of the Medicaid program contributing 66 percent or more on average, adding to the burden of the Territory.

In addition, because our hospitals do not get DSH payments to supplement the large amount of low-income patients that we serve, this creates an additional financial burden on the Territory's hospitals; and compounding this dilemma is the fact that the Virgin Islanders, nor do the residents of Guam, get SSI benefits, which means that our disabled citizens are also excluded from the benefits of this program, again just because of where we live. I place emphasis on "where we choose to live" because the fact that all a low-income Virgin Islands resident has to do to receive SSI or full Medicaid benefits is to move to Miami or New York where a growing number of our residents now reside. We would prefer to keep our poor, sick and disabled residents at home instead of sending them to these districts because of an inequity in the law.

Moreover, it is plain wrong that families must move away from their homes and friends in order to receive a benefit that their fellow citizens on the mainland do not have to leave their home to receive.

Why does this unequal treatment exist? The answer most given is that the Territories do not pay Federal income taxes, but it is not as simple as that. The fact is that people who receive SSI and themselves in the States do not pay Federal taxes because they do not earn enough money.

This Congress in their wisdom, through the earned income tax credit and other tax credits, allow low-income Americans to pay very little Federal taxes. But these same citizens, like my constituents, all pay Social Security and Medicare payroll taxes for which there are no credits or exemptions.

How is it that one group of American citizens, or even residents who are not yet citizens, can receive medical care even though they do not pay Federal taxes while another group does not. Likewise when my constituents are called to serve their country when we are at war or even when we are not, they are not asked whether they pay Federal taxes; and we serve willingly and proudly and in large numbers.

Mr. Speaker, a recent report, the Access Improvement Project of the Virgin Islands, revealed that great disparities exist for Medicaid eligible children in the Virgin Islands compared to the continental United States. The report shows that while the Nation as a whole spends an average of \$76 for EPSDT screening per Medicaid eligible child, the U.S. Virgin Islands only spent \$1.20. Additionally, the total Medicaid expenditures per child also shows an astonishing disparity. In the age group 15 to 20, national Medicaid expenditures were approximately 599 percent more than what is being spent in the Virgin Islands. We also received a 50 percent match, despite a State like Mississippi where the average income is \$1,500 higher than ours. They receive 80 percent match. And the Virgin Islands Medicaid program cannot provide wheelchairs, hearing aids or prosthetic devices, and only provides physical and occupational therapy to a limited degree because of the limited funding.

Mr. Speaker, the gentleman from Guam (Mr. UNDERWOOD) and I pledge to work to remove the Medicaid cap and to right this injustice on behalf of the poor and disabled in our districts. I hope that our colleagues will agree that it is not right to penalize American citizens of similar circumstances only because of where they live, and that they will join and support our efforts.

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#### NATIONAL ENERGY POLICY

The SPEAKER pro tempore (Mr. KENNEDY of Minnesota). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. McINNIS) is recognized for 60 minutes as the designee of the majority leader.

Mr. McINNIS. Mr. Speaker, before I start this evening on the main subject

of which I intend to spend the majority of my time on, I want to tell you that today I had a visit from the Future Farmers of America, several young people from Delta, Colorado; Cortez, Colorado; Dove Creek, Colorado. As many of you know, my district is the Third Congressional District of the State of Colorado. That district basically consists of almost all the mountains of the State of Colorado.

It is refreshing to have young men and women like this and young men and women of the different groups, not only Future Farmers of America but the different groups that come in to see us, the leadership groups and so on. It does tell you that there is a lot of promise with this new generation, that there is sure a lot more going in favor of that generation than there is going against it. So I felt pretty good. It recharges somebody in my kind of position to see that the generation following behind us, which is something that we become very dedicated to, because, after all, whether you are a Democrat or a Republican, regardless of where you fall down on the issues, if you really looked at the heart of why most of us are here, it is because we do care about the greatest country on the face of the earth and we do care about being able to hand this country over to a generation that will deliver the same kind of promise to this great country as have the previous generations.

With that, Mr. Speaker, I want to address this evening energy. We have got to talk about energy. I will tell you why I am concerned about what is happening with energy. We are actually seeing energy prices begin to drop. In fact, energy prices are dropping rather dramatically here just in the last couple of weeks. My concern about energy becoming more affordable, which of course benefits all of us, is that we begin to forget the shortage of energy that we have had in the last several months, that we begin to forget the necessity to conserve and to continue to conserve, not just for the period of time that we had the shortage but for the sake of future generations like these Future Farmers of America that were in my office today. I think that we have to adopt permanent conservation methods for future generations as an investment. It is an investment in the future. I think we have to stand up to some of the realities of the shortages that were created over here in the last year. Why did they come about? What is happening? What are we going to do to secure this Nation's future as far as its energy needs?

As the price begins to fall, people begin to take energy and push it off their plate. It is not such a priority. Gasoline alone has fallen 20, 30 cents a gallon in my district. By the way, if my colleagues happen to be anywhere in the United States where gasoline has not dropped in price, they better take a look at the operator, because somebody is making a lot of money. Natural gas prices have begun to drop

fairly dramatically. Electric prices have begun to drop rather dramatically. Why? Because, number one, we are coming out of the winter season, obviously we are into summer right now but, two, the supply is beginning to catch up with the demand. Why is it beginning to catch up with the demand? One, we have had increased production overseas, and, two, people are beginning to exercise energy conservation, so the demand and the economy has brought that demand down. In other words, conservation and the slowness of the economy have begun to bring the demand down while the supply goes up. So as supply and demand come closer together, that is where your price matches. If in fact at some point it looks like supply will exceed demand, in other words, you have more than you can sell, prices drop rather dramatically.

So this summer the good news is we are going to have reasonable gasoline prices so that you can go on your summer vacations and you can go to work, et cetera. But I do not want that to hide the necessity for each and every one of us in here to continue to take a look at what is necessary for this country to conserve and to continue to look for resources that we think are necessary so that this country can stay on an even keel with the needs that it has in the future. It would be a dramatic mistake, a dramatic and serious mistake, for us to assume that everything is fine once again and we go whistling off into the forest. In fact, that was a warning, a warning shot that was fired over our bow, so to speak, in the last few months. It was a message to us that we need to look with an approach utilizing common sense of, one, how can we conserve, number two, probably more important than anything I have discussed so far this evening, the importance of having an energy policy for this Nation.

Let me spend just a few moments on the energy policy for this Nation. The problem in the last 8 years under the previous administration is that we really never had an energy crisis. During the Clinton days in office, there never really was an energy crisis. So as a result, that administration never really did set forth on trying to come up with some type of energy policy. Why? When you decide to come up with some kind of energy policy, that is controversial. You take a lot of heat. Because if you want to have a good energy policy for this Nation, you need to put all of the issues on the table. You need to talk about hot subjects like ANWR. You need to talk about hot subjects like nuclear utilization of energy. You need to talk about hot subjects of where you store waste. You need to talk about and have some discussions with the auto manufacturers about increasing the mileage that we get on our cars. A lot of those conversations are going to be the subject of very heated debate as this administration, the Bush administration, begins to put

together an energy policy. So it is a debate that any smart politician would like to avoid. Why take the heat when you do not really have to? If the energy prices are reasonable, in fact, they were not only reasonable over the years of the Clinton administration, they were cheap, why take on the heat of dragging this country through the debate of an energy policy?

Well, things have changed. We know, of course, in the last 5 or 6 months, it seems only a few weeks after President Bush and Vice President CHENEY took office, that we began to feel a shortage. They did not run from it. That is important to note. I have seen a lot of criticism lately of our President and our Vice President, most of it quite unjustified but nonetheless it is out there. Criticism about how dare they say we go and look for future energy resources. How dare they say a program that has not worked in 20 years have its budget cut? What is this new administration thinking by putting on the table the different areas of energy and energy reserves in this country and at least asking the question, should we or should we not drill, for example, in those particular areas? Should we or should we not begin to take a second look at nuclear and say maybe we ought to consider it, like France, by the way, of which most of the energy in Europe, by the way, is generated by nuclear. Some of the conservation methods. It is controversial to go out to those car manufacturers and say, we need better mileage for those vehicles.

But this administration was willing to do it. Not only because they have had to. And, by the way, now that energy prices are dropping, the political heat on coming up with an energy policy is not near as great as it was just 3 weeks ago. Just 3 or 4 weeks ago when the prices were still up there, the heat was fairly extensive in these chambers. But what really will test us is if we are willing to continue to work with the President and the Vice President in putting together an energy policy despite the fact we are not under a lot of heat in these chambers to do exactly that. And I think we have an obligation to do that. Because, as I said, in those last few months what came over the bow of our ship was a warning shot. It did not hit the side of the ship. Our economy did not sink as a result of this energy. We have had some blackouts in California but that really focuses more on negligence by the leadership out in California. It did not occur in 49 other States, by the way, which does make California stand out, saying, "California, 49 States must be doing something right. You must need to adjust something you're doing."

The key here is that while we got a warning shot, let us not ignore it. I have got some ideas this evening and some things I would like to go over with my colleagues. This evening, my remarks really are going to focus on what I call common sense and resource development. It does not read common

sense of resource development. It reads common sense, resource development. In other words, we have got a lot of conservation, for example, and that is the first one I have got down here. Conservation.

Let us talk about conservation for a couple of minutes. There are a lot of commonsense things in conservation that we can use. And it does not create a lot of pain with the American people. As I have said numerous times on this House floor, the average American driver that owns an automobile, you do not have to change your oil every 3,000 miles. Now, you may have been convinced by marketing efforts that your engine is going to fall out of your car or the engine is going to blow up if you are not down there at Quick Lube getting your oil changed every 3,000 miles, but the fact is if you read the owner's manual, you are going to discover that your car only needs its oil changed maybe every 6,000 miles. In some cases 7 or 8 or 9,000 miles. Now, you can begin to become a participant in this conservation by simply changing your oil when the owner's manual tells you to change it. That is not painful to the American people. It is not painful to my colleagues. That is what I call common sense. That is an example of common sense approach to our resource development that we need. Part of that resource development is conservation.

There are a lot of other things. Of course the simplest thing that anybody can think of which absolutely causes you no pain is shut off the lights when you leave the room. Shut off the lights when you leave the house. I said the other day in Europe, when you go into a hotel in Europe, you actually have a little card. When you walk into the room, you slide that card into a slot. As long as that card is in that slot, your hotel room lights are on. But as you leave the hotel, you pull the card out and the lights go off so you do not forget to leave lights on in your hotel room. Does that cause you any pain? No. Does it impact your life-style in a negative fashion? No. In fact, it will actually save you money if you do this in your own home, watch out to turn out those lights, and it also helps you become a reasonable and responsible participant in conservation efforts. That is a key part, I think, in resource development.

Some people would like you to believe that the only way you can have resource development is to exclude conservation, that when the President and the Vice President talk about resource development, that they have ignored conservation, they have drawn a line through it. That is just political propaganda. That is all that is. It is bogus. I have talked to the Vice President. I know what the President's policy on energy is and conservation plays an important part in it. But the President and the Vice President have had enough courage to say, look, you cannot do it on just one of these elements alone. You cannot make up the gap

that we have or the gap that we might have in the near future simply through conservation. You can make a significant dent in it, but you cannot make it up with just simply conservation. Nor can you make it up with alternative forms of energy.

I want to point out that if you go all throughout the world, you pick every alternative form of energy you can find, solar, wind, other types of renewable energy generation, take a look at that. If you took all of that renewable alternative energy in the world and you applied it all to the United States, in other words, only the United States got that alternative energy, that would only meet at the most 3 percent of our needs. That is not going to be an answer, but it is an important part of the answer. It is a critical piece of the puzzle when combined with conservation.

Then you have got to take a look at other renewables. What is a good renewable source out there that generates electricity and provides recreation and provides fisheries and prevents flooding and allows us any other number of benefits? Hydropower. Now, I speak of hydropower with great admiration because I come from the West. My family has had many generations on both sides out of the mountains in Colorado. The mountains in Colorado, believe it or not, it is an arid area. I think almost half the geographical area of the country only gets about 14 percent of the water. Out here in the East, in some areas you sue to get rid of the water. You try and shove the water over on your neighbor's property.

Out in the West we need storage. We have about 6 weeks every year out in the West, out in those Rocky Mountains, you have all been out there, you have skied in my district, Aspen, Vail, Telluride, Beaver Creek, Steamboat, Glenwood, Durango. You have skied out there. You think the snow never ends. You think there is lots of moisture out there. First of all, we do not need the moisture in the winter. We need the moisture primarily for agriculture, municipal use, et cetera. For about 6 weeks as that snow melts off those high mountain peaks, and my district happens to be the highest district in the Nation, as the snow melts into that cold water and comes rushing down, for about 6 weeks we have all the water we want. But we do not exactly, because we have not figured out that direct connection with the good Lord, we do not know how to time that. We cannot control the timing of that. Sometimes it comes early, sometimes it comes late. Mostly it comes early. So we have to have the capability to store it. So while we are storing that water, water which we have to have, remember that in the West we have got to store it, not only just for flood control but for our drinking water. So why not while we are storing the water use the renewable assets of the water and generate electricity.

I am going to show you exactly how hydropower works here in just a few

minutes. It is probably the cleanest energy generator we have got out there. What we do is we take the water as it drops, we grab that energy from the water as it goes down, we spin a generator and we create electricity. Keep in mind one thing with hydropower, when we have a generator, a turbine, that is natural gas. We use a fuel. We have to use natural gas.

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So we consume one part of our environment to create the electricity. Same thing with coal generation. On coal generation facilities, we burn coal to spin that turbine to create electricity, but hydropower is different. On hydropower, we do not use any fuel. We do not have to consume any natural gas. We do not have to consume any coal. It is in the water, and it is in the drop of the water. That is where we pull our energy from so it makes a lot of sense. You keep going on here, oil and gas.

I read a very interesting poll today, or saw a poll. I do not know whether it was taken today but I looked at it on the computer.

By the way, speaking of computer, if you want to help conserve just go on to search and hit "conservation ideas." I pulled up 19,000 hits. I did not look at each hit but up came 19,000 hits on conservation ideas. So your computer really at home can help you help us conserve energy in this country.

I took a look at the words that have negative thoughts to them in regard to energy-related. I can say that oil and gas has a pretty negative connotation to it. Same thing with coal, same thing with nuclear. There are some people out there, again using strict rhetoric, political rhetoric in a lot of occasions, will lead you to believe that, look, exploration for oil or natural gas or nuclear generation for electricity or hydropower, that that is bad; that we can get our power by simply conserving or simply using alternative or solar. Do not buy into this argument that solar is going to replace at least in the near term, and near term meaning the next 10 to 20 years, do not buy into that argument that solar alone is going to do it. The reason we all do not have solar generation in our homes today, although a few of them have it with those panels on the roof but it is not very efficient and it is not very effective. That is why most homes do not have it.

I can assure you that once somebody masters how to put that solar energy into a home to generate, for example, your electricity or to provide the energy needs that you have, we are going to go solar. That is where the market will take us. That is the beauty of the capitalistic market that we have. It will go for the best product but right now it is not the best product, and you are being led down a path without a good return at the end when people say that solar, or renewable energy, or other factors or even conservation will solve our problem.

The fact is, we have to have oil and gas until we are able to make some fairly significant technological advances in solar and other alternative fuels so that at some point in the future we can replace oil and gas, but today you need oil and gas. We have to face up to the fact that we have to have further exploration.

Here is a chart to give you an idea. This is energy production. It is a flat line at our growth rates last year, flat line energy production. This is energy consumption, the red line. Look at the angle of the red line compared to the flat green line. You say, all right, Scott, there is the energy consumption. There is the energy production. What fills in the gap? Well, what fills in the gap, of course, is foreign oil. We become more and more dependent on people like Saddam Hussein to provide for that gap.

Let us take a look. How do we close that gap? What do we do to minimize, to minimize this gap, to bring consumption in with production? That is, by the way, what brings your price down. Well, we can conserve and conservation will make a significant dent in that. Vice President Cheney has said that on a number of occasions. The President himself has talked about the importance of conservation, but it will not wipe out this gap.

Here is my angle with my pointer, conservation maybe brings it down maybe around like that. It will take care of a good chunk of that gray area but it will not take care of the biggest portion of it.

Then if we take a look at alternative energy like the solar and so on, maybe a little tiny fraction. Certainly, the technological advances we have today, for example, on solar or other alternative energy will not make at all the kind of dent that conservation will make but it will help a little. So after you take that into consideration you still have a significant gap here.

What does that significant gap represent? Well, it represents energy. It represents whether you have air conditioning for elderly people. It represents whether we have refrigeration for storage of food. It represents vehicles and I am not just talking about your car. I am talking about the ability for everything, to run ambulances, to drive semis, to move food from one point in the country to the other point in the country. I do not have to say what needs we have as far as oil and gas, but we cannot pretend to let it always happen in the other person's backyard. We cannot pretend that we do not really need to drill for oil and gas, that somehow oil and gas pipelines are going to fall out of the sky because we need it and we do not have to go through the pain of having to look for it.

The fact is, in this country, we have to continue to do that or we can make a conscious decision, as they did in California over the years, we can make a conscious decision not to explore for that and become dependent on other

sources. In other words, in the United States we can make that decision not to continue to explore for more oil and gas and to continue to become more reliant. The trade-off is we then become more reliant on foreign oil.

Now there are all kinds of risks to that and we ought to be aware of that. What happened in the State of California is they adopted a policy for many, many years, in fact ironically today the governor or yesterday the governor of California, Mr. Davis, switched on a new power plant. First one I think they have had in 13 or 14 years. Well, it is about time, California. It is about time, Governor, because the policy that California adopted was, look, let us deregulate and we do not have to build any generation in our State. We do not have to have natural gas transmission lines in our State. We do not have to have it in our backyard. Let somebody else do it. We will become dependent on somebody else. So that is a conscious decision that the leadership in California, by the way on both sides of the aisle, but today it is headed by the Democrats, but that was a decision made many years ago and it has been continued through the years, hey, let us not drill in our State; let us not build electrical generation in our State; let us not put a gas transmission line in our State here in California; let us depend on somebody else. They did that and look what happened. It went along real well for awhile until the person they depended on decided they wanted a little more for their energy and then pretty soon they wanted a lot more for their energy, and pretty soon the market changed.

The reason they wanted a lot more for their energy is if California did not want to buy it somebody else was willing to pay that price to take it. That is the risk of us in this Nation and for the future generations of becoming dependent on foreign oil. We can do it, but remember what happened in California could happen to all 50 of the States if in fact our dependency on foreign oil is some foreign dictator who overnight decides he is going to shut off the oil tab. That is why it is important within our boundaries to continue to explore our reserves.

Now does that mean explore our reserves at any cost? Of course it does not. You cannot go into Yellowstone or into a national park, into the Black Canyon National Park or up on the Colorado Canyons National Monument or the national conservation area. You cannot go up in there and explore. There is a lot of country, though, however, that we can drill in this country. I know it has a negative connotation to it. The easiest thing you can do on this House Floor is to stand up and say, we do not want to drill here; we do not want to drill there; we are against drilling; we are against any kind of exploration.

Leadership, however, requires that you stand up here and say, we need conservation; we need alternative fuel,

but we do have to continue to explore for oil and gas. We need to do it in an environmentally sensitive method, a responsible method, which not only mitigates the impact to the environment.

The days of mitigation for the environment are pretty well gone, where you go in and you have a project and you are supposed to mitigate for the environment. Those days are pretty well gone. We have now accepted the responsibility for future generations that we have a higher standard, not just mitigation but enhancement, enhancement of the environment. We have done this with wetlands. We have done it with our endangered species, any number of different things. We have actually, because we are concerned about the environment for future generations, we have lifted it to a higher standard, a standard which we think will be of benefit to future generations while at the same time allowing utilization, say, of a resource.

Well, let me go on here. We have a very negative connotation based on coal. Coal generates a lot of power in this country and it generates a lot of jobs in this country and it can be done in a doggoned responsible way. Now you have to exercise oversight over it.

I am not too sold on taking off a mountaintop, for example. I am not too sold on burning coal without the most modern efforts we have, the smoke stack technological instruments that we have, technological instruments that we have to clean that coal, to make sure that the area that comes out has a minimum impact on our environment if we are going to burn coal.

What we can do today? We can do a lot of that. Now some of my colleagues, because coal has a negative connotation to it, say shut it down. My guess is they are not relying on coal. My guess is they do not have jobs dependent on coal. My guess is they have never been in a coal-powered generation facility. That is a responsibility that each and every one of us have. In fact, it is incumbent upon us to go out when we talk about hydropower or when we talk against hydropower we ought to go look at a dam. You ought to go out and see what kind of impact, both negative and positive, it might have. We have to weigh it out. That is exactly what the President and the vice president have said on their energy policy. Put it all on the table. Put it down on that table. Then let us debate it. If it does not work, take it off. But everybody has an obligation to put their idea on the table so that we can have this debate, so that we can develop some kind of energy policy for this country.

As I said earlier, I am concerned that because energy prices are dropping that us, Mr. Speaker, in leadership positions will begin to say well, that is not as important as it was three or four months ago. Prices are down. Our constituents are not concerned. The complaints are not out there. Let us move

on to something else. We cannot do that. We just got a warning shot. Do not let that go unnoticed because of the fact that our energy prices have dropped.

Let me just reemphasize right here. I know I brought this chart up a couple of minutes ago but I just want to reemphasize one thing. That is our production. That is energy production today. That is demand. Now demand came down just a little but the fact is this is our projected shortfall, right there, projected shortfall. Every one of us can make that projected shortfall. We can drop that through conservation. We can drop it somewhat through alternative energy like solar, and we can also drop that shortfall by allowing continued exploration in this country under reasonable oversight, using common sense an enhancement to an environment. Now, it is very interesting to hear about people. I mentioned this the other day when I was making comments because I find it kind of ironic. I, of course, get out in the mountains. I love the mountains. Most of you who visit the mountains can understand that, but I have a lot of heritage and I feel a lot of deep bonding to my district, as do all of you with your districts. So I get out in the mountains all the time, and I was out talking with a mountain biker the other day. Now I mountain bike, too. I ride my bike and so I enjoy the sport a lot, but I was talking to a colleague of mine who was riding a mountain bike and they were complaining about the fact, boy, we cannot continue to drill, we cannot continue to use oil and gas, very negative about mining; you have got to get mining out of here; we cannot have mining. It is interesting comments from somebody on a mountain bike made of titanium.

I said to my friend, I said that bike you have got is one of the most technically advanced bikes in the world. That thing you can lift it, no matter how strong you are, even a child can lift that thing up it is so light. But you know why that is? Because we have mines, we have minerals. We are able to have oil and gas production. We are able to come up with things like this device which, by the way, utilizing your bicycle is a good way to conserve. In fact, by using that resource we in the long run can use less of it by developing something like a bicycle that is comfortable to ride and a bicycle of which people can recreate on without having to use a gasoline-powered engine, for example.

The fact here is, look at this, our demand for product, this is our demand for product right here. U.S. crude production, these bars right here of production, that is production, 1990, 1991. This right here is the petroleum demand. Take a look at what demand has done to production. When you have that kind of gap, your price skyrockets. That is the kind of gap that begins to lead to a crisis.

Now we did not have an energy crisis this last few months, with the excep-

tion maybe in California, blackouts in New York. New York City may face some. We do have a drought up in the northwest on the Columbia River.

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Mr. Speaker, the fact is 49 out of the 50 States were in pretty good shape. We had an energy crunch, not an energy crisis. That energy crisis is just sitting out there waiting to fire right into the center of us, unless we do something to prepare for it.

I mentioned earlier if we make the conscience decision, which we are free to do, that is why we are on this floor, that is why we have this debate, if, in putting our energy policy together, as the President and Vice President have said we need to do, we need an energy policy, if my colleagues out here make a conscience decision not to have further exploration of our natural gas and our oil reserves in this country, only one thing can happen, you cannot fill the gap in with conservation. It helps, but it does not fill the gap.

You cannot fill the gap in with solar energy. The only way you can fill in the gap between supply and demand, when you decide not to drill or further explore in our country, is right here, foreign countries like Iraq.

Take a look at our dependence on Iraqi oil exports to the United States. Take a look at that line. The more you decide not to find alternative resources, the more you decide not to conserve in our country, so you have more consumption, the more you try and mess with the market, like price controls, and I am going to talk about that in a few moments, the more you become dependent on people like Saddam Hussein over here in Iraq.

That is not the answer. That is not the answer. That is what is going to lead us from an energy crunch to an energy crisis.

Mr. Speaker, let us talk for a moment about the State of California. I told you that I love the State of Colorado. I am very proud of the State of Colorado. I want you to know that I like the State of California.

California is a beautiful State and California has a lot of wonderful people in it. But, frankly, the California leadership has done a pretty poor job of planning for their energy needs. The governor of California and other elected officials, you are going to hear them blame everybody else for this. But the fact is, there are 49 States in this country that are not in the predicament that California is in.

Lightning did not just strike California and they got picked out of the bunch for this to occur. California brought it on themselves. We have several things we ought to discuss since California brought it on themselves.

Number one, a fair question for us to ask to California, to ask the governor of the State of California, "what are you doing to pull yourself up by your bootstraps?" In other words, that word called self help, what are you doing,

California leadership, to pull your people in that State out of the energy crisis that you have?

We have to be careful. I am critical of the governor of California, whom, by the way, has blamed everybody else but himself. I never heard him once say that he accepts at least a part of the blame for their shortage out there. That is why I am so critical of the leadership of the State of California.

I want to tell all of my colleagues that we are very dependent on that State. It is not a foreign country. We should not walk away from California. It is a State. We have an inherent obligation to help California. That help should not come without some kind of matching grant, so to speak, matching effort.

They have to make their own effort, but when you look at it from an economic point of view, California is the sixth most powerful economy in the world, we better not walk away from them; not only do we have what I think is an obligation to help California because they are a State. They are our brothers. They are our sisters. They are our neighbors. They are a State of the United States.

We do not walk away when another State is in trouble, so we also cannot walk away from California, because California is the sixth most powerful economic unit in the world.

What does California have to do to get help from the rest of us? First of all, California, and I hope the governor of California has an opportunity to visit with me at some point, you have a lot of power generation facilities to be built in your State. You cannot continue to demand energy and have energy demand continue to grow while at the same time say "not in my backyard."

You cannot continue to depend on people outside your State lines to supply your generation inside your State, unless you want to subject yourself to the ups and downs of price fluctuations. That is exactly what happened.

California deregulated, well, not really deregulated. They called it deregulation. They sold their generation outside. Outside owners run it, because they thought they could save money by buying the spot market, which means the prices go up and down by the hour in power, by the hour in electrical power.

They thought they could outsmart the market. What did they do? They bought spot power. The people now control the power, the price goes up. You have to be able to build your own resources within the State of California.

I know that California is now looking at that. They opened their first power plant in 13 years, as I understand it, as I mentioned earlier in my comments, yesterday or today. That is good; not enough, but it is good. You are headed in the right direction.

Mr. Speaker, I want my colleagues from California to know that the rest

of us feel an obligation to help your State. But, by gosh, California, you have to help yourself. You have to allow some natural gas lines. You have not allowed a transmission line, not natural gas to your house, but a transmission line to move large volumes of natural gas in 8 years.

You have put price caps. That is one of the problems I am going to go through in a little more detail. Let us just real quickly go to that while we are on the subject.

Let us talk about price caps. I can tell you in fairness of disclosure, I am a student of Adam Smith, the Wealth of Nations. That is the capitalistic system where you have supply and demand. You have to have some oversight so you do not have monopolies, but you have to be careful of abuses, and I understand that. You have to understand, especially in the government, we are not business experts in the government.

None of us are business experts. In fact, a lot of us in these chambers, I happen to have been, but a lot of the people in these chambers have never operated a business.

Where do you think we develop the expertise to go into the marketplace which has been tested in this country for hundreds of years? Where do you think we can go into it and decide that government manipulation of the market is for the benefit of the consumer, then, in the end, how to beat the market?

The government never beats the market. Let us take a look at how they think they can. Price caps. You know what makes me upset about price caps right off the bat? I am a big proponent of conservation. Price caps encourage waste. Price caps do not encourage conservation.

It is like leasing. I will give you an analogy here. It is like you own a house and you rent the house to a tenant. You rent it to somebody and you say to the person you are renting to, look, you pay me \$500 a month rent for the house, and, by the way, I will pay all the utilities.

Do you know what is going to happen with the person that is renting your house since you are paying their utilities? The air conditioning will be set at 50 in the summer, and the heat will be set so high in the winter you will look over at your house and you will see the windows open so they can get rid of the heat.

Price caps encourage waste of energy. Take a look. Price caps are bad for consumers, the economy and the environment.

The polling in California, and maybe throughout the country, but 70 percent of the American people say they like the idea of price caps. That is where leadership comes in. That is where we as leaders have to say, look, on the short-term basis, you are asking for a short-term return and a long-term risk.

The risk is substantial. The risk is substantial that more waste will occur.

Mr. Speaker, the risk is substantial that you cannot artificially hide prices. I know it is painful.

Let me say we do not have price caps in Colorado. Do you know what has happened to my wife and my family here in the last 6 months? We have conserved energy. Why have we conserved energy? Because we did not have price caps.

Do you know that not having price caps what happened to our bill? Our bill went through the ceiling with our natural gas bill. We were stunned. We got a \$500 natural gas bill one month and you want to bet that we did not start conserving immediately. Of course, we did.

If we would have had a price cap where it said, look, no matter how much you use, we are only going to have to pay a cap of this amount, it defeats the purpose.

It is a manipulation of the market. That never has happened in the history of this country. I know it is popular. I know it is popular. Seventy-five percent of the people support it.

I am telling you, take a look at the history. Seventy-five percent of you supported it, but there has never been successful price caps in the history of this Nation ever.

It is always popular when it is suggested, because, of course, it is only suggested when prices go up. But it has never, ever worked. That is where we have a leadership obligation to at least stand up to the popular opinion and say, I know we want to jump on board, but before we do jump on board, take a look at what the long-term risk of putting price caps on it does.

Price caps impede energy conservation and drive away new energy supplies. Some have called for regionwide price caps, including costs-of-service ratemaking. That is part of California's effort. Simply put, wholesale and retail price caps prevent markets from working properly.

It is a manipulation of the market and is a politically expedient solution that has exaggerated problems that they are supposed to fix. Price caps create an imbalance between supply and demand by preventing utilities from passing along market prices.

Retail price caps disrupt the natural relationship between supply and demand and prevent markets from operating efficiently. It eliminates incentives for conservation and harms the environment.

Retail price caps eliminate consumers' incentives to conserve in times of tight supply, because consumers are not paying the true cost of the electricity, for example. Without incentives to reduce consumption, older, dirtier plants are kept running longer.

Let me say that price caps sound good, but think about it. If you artificially keep the price low, you are not putting the investment out there that you need for further supply and reserves for further supply exploration.

If you keep price caps, you have no encouragement at all for people to con-

serve because they are not feeling the pain in the price. As I mentioned earlier, the primary reason I would like to say is because we wanted to do the right thing and so on.

In fact, I think all of us would admit that the primary drive outside of the State of California, where you do not have price caps, the primary drive for conservation was the fact that because we did not have price caps, our bills went through the roof. You can bet that the energy conservation immediately went into place.

Mr. Speaker, I hope that as prices begin to drop that all of us continue our responsibility for energy conservation.

Let me just summarize my position on California. California is a very important State. We cannot walk away from them. They are a State after all.

They are the sixth most powerful economic power in the world, but California has to deploy or employ their own self help. They should not look at the other 49 States, which, by the way, are not in the situation California is, because they did not say "not in my backyard," because they did not refuse to allow generation plants in their State, because they did not refuse to allow gas transmission lines in their State, but California cannot expect the other 49 States to bail them out.

We ought to help, but California has to pull itself up by its own bootstraps. California, from an agricultural point of view, from any number of different point of views, is critical for the economy of this country, but, by gosh, the leadership out there in California has to quit shifting the blame to everybody else and accept the fact that this is going to be a painful process, that you are going to have some trade-offs.

You are not going to get electricity without electrical generation plants. You are not going to have natural gas without natural gas transmission. That is the point I am making about California.

Let me talk for just a moment here about another common sense approach, and that is hydroelectric, hydropower electricity conservation combined with common sense. Worldwide, 20 percent of all electricity is generated by hydropower.

We are the 2nd largest producer of hydropower in the world. Canada is first. Hydropower makes a lot of sense. Let us take a look at how hydropower works. It is really pretty simple.

□ 2000

Here is a dam. You have to have a dam. As I mentioned earlier in my remarks, out in the west, for example, we have got to have the capability to store the water. Here in the east, you need dams to control flooding. You also need storage water.

But in this country, our dams provide us a lot of generation of electricity. Remember, with hydropower, we do not have to have a coal burning facility. We are not using natural gas. In fact,

we are not using any fuel at all to generate electricity. This is a renewable resource.

What we are grasping, what we are grabbing is the energy that is created as a result of the fall of the water. You put the water here, it ends up here, and the energy that is created between the two points is what we grab to spin a turbine to create electricity. That is exactly what hydropower is about. That is the beauty of the nature of this thing. It is a renewable resource.

The storage of the water that is necessary provides for recreation. In fact, our largest recreational water body in the West is Lake Powell. That provides for a tremendous amount of family recreation. It provides for fisheries. It helps us control floods, et cetera, et cetera.

So the water comes in, the water drops through, turns the turbine here, and the turbine generates the electricity, and out it goes on these power lines. But do you know what? You have got to be able to let these power towers come. You have got to be able to allow transmission lines come into your area. You cannot always think that the burden is going to be on your neighbor's property. You cannot always think that the burden is going to be on every other State of the union, which is exactly the policy that the leadership in California adopted. That is why one out of 50 States has got a real serious problem.

Now, up in the northwest, of course, the Columbia River is way down because of the drought. I think, frankly, going back to California, you have got to commend the people in California. In the last month, we have seen a tremendous amount of conservation in California.

I think because they have some of these price caps and they are also selling bonds, they are indebting future generations to pay for this generation's use of power. Talk about unfairness. For years here, when I was in the Congress, we talked about how future generations do not deserve the debt that we are putting on them, that we should balance the budget.

In the State of California, they are using the power today, and they are selling bonds, they are indebting their State and letting future generations pay for the power. That is not right. We ought to absorb the pain as we go.

It is the same thing with hydropower. You have to have transmission towers. There is a lot of common sense that can be deployed here that will give us results where one State does not suffer at the expense of other States, where some people do not suffer at the expense or benefit at the expense of other people. There is a lot we can do.

Let us take a look at, real quickly, hydropower. This is a very important statement that I wanted to cover. Take a look at what utilizing hydropower does, this first statement. Hydropower is clean. It is clean. It prevents the

burning of 22 billion gallons of oil or 120 million tons of coal each year.

The hydropower that we have in place in this Nation, we are the second largest user in the world. Canada is the first, our utilization of hydropower saves us and prevents the burning of 22 billion, 22 billion gallons of oil, and 120 million tons of coal. That is a lot of coal that we do not have to burn because we have used a common sense approach and we have built hydropower.

Now, as with exploration of coal, as with conservation, you need to use a reasonable approach and you need to use an approach that is sensitive to the environment. I do not propose for a moment that we go out and build a dam anywhere we want to build a dam, but I do propose that we do not reject it on its face.

I do propose that hydropower be something that we consider, that it go on the table for this energy policy that we have all determined is absolutely necessary for future generations of this country. Our leadership obligations require us to begin and complete the process of an energy policy.

Take a look at what it does. Hydropower does not produce greenhouse gases or other air pollution. We have heard a lot about air pollution. We have heard a lot about greenhouse gases. Hydropower does not produce that. Hydropower leaves behind no waste. Think about it. When you burn gas or oil or any other resource, you leave some waste. Hydropower, you do not leave any waste. The water goes through, turns the turbine, generates the electricity.

Reservoirs formed by hydropower projects in Wisconsin, for example, have expanded water-based recreation resources. It is renewable, and it is common sense. That is the kind of policy that we have to put in place for energy in this country.

Let me just kind of summarize my comments this evening and what I think is essential. First of all, I pointed out at the beginning in my remarks energy prices are beginning to drop. In fact, it is my prediction that we will actually have an electricity glut, an electrical glut here in the next year or so.

Believe it or not, last year we had 158, now this is not in California, but throughout the rest of the Nation, we had 158 new generation plants come online last year, 158. What you have been reading in the media or hearing from some of the political rhetoric is that there had not been any electrical generation facilities. We had 158.

In fact, if we build out everything that is planned for the next 5 years, if you take weekends out, we will have a new generation facility open every day for the next 5 years if you do not count weekends and if all of those projects that are planned are built out. We are going to have an excess of electric generation, but that is part of the market. It will work itself out.

But the key is this, you cannot have good energy policy by having artificial

price on the product. You cannot have price caps. I know it is popular. I know it is the politically correct thing to be talking about.

I know I am going against the wave of popular thought, but the reality is, by going out and selling bonds or by putting an artificial cap or a price, one, you do not help at all in conservation, you encourage waste; and, two, somebody has to pay for it.

Remember basic accounting. Every time you have a debt, you have a credit. Every time you have a credit, it has got to balance out. Every time you sell something at an artificially low price, you have to subsidize it. Somebody is paying for it. In California, they are selling bonds to raise the cash to buy the electricity that is being used today. Those bonds are going to be paid by the working people of tomorrow. A little unfair, a little inequitable in my opinion.

But to come back to my main point, we have an obligation to help California. California has an obligation to help itself. We have an obligation in this country to conserve. That is part of it.

Probably the most important poster is this poster right here because I think this diagram illustrates our energy production if it is going to remain flat. I think it will go up a little, but if it is going to remain flat, and our energy consumption is going to continue to climb at that angle, we are going to have this projected shortfall. Common sense will allow us to fill in that shortfall. Remember, we have got to fill in all the blue on this chart. Common sense allows us to do it.

How do we do it? Conservation will fill in a part of that chart. Alternative fuel like solar generation or alternative generation will fill in a little gap of it. But the rest of it, it is going to have to be filled in by further exploration of natural gas resources or nuclear resources or coal resources.

We can combine. Our answer is not any one of those things I mentioned, not coal, not nuclear, not conservation, not solar. None of those standing alone can solve the energy crisis that we could have in the future. Certainly it is not solving the energy crunch that we have today.

But combined, when you combine conservation with alternative fuels, with renewable energy like hydropower, with further oil and natural gas exploration, when you put that combination, you can construct a model. You can construct a model that can deliver the energy needs to this Nation without requiring undue sacrifice on the lifestyles of the people of this Nation. You can create a model that will provide energy for future generations.

After all, our discussions on this floor, our discussions are not just focused on this generation. This generation has an obligation to think about future generations. We have an obligation to provide energy just as much as we have an obligation to provide a

strong defense, just as much as we have an obligation to provide a strong educational system.

It is no less of a responsibility to take a look at our future energy picture than it is to take a look at education or health care or any other issue you want to talk about for future generations. We have that opportunity today.

So I would urge my colleagues that, even while the price of energy is dropping, we have an obligation to continue to urge people to conserve. We have an obligation to continue to try and assist our colleagues in California and every other State in this country, to say just because energy has become more affordable does not mean that our energy crunch does not still exist.

We have got to plan for the future. We had that opportunity today in our hands. Now it is going to require leadership. It is going to require an energy policy which we have not seen for 8 years.

We have got a President. We have got an administrative team and many of my colleagues on both sides of the aisle that are prepared to put together an energy policy. That debate has already begun. Now we need to take it to its logical conclusion, and that is to come up with a policy for this generation and future generations of this country in regards to energy.

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#### REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 933

Mr. JEFFERSON. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 933.

The SPEAKER pro tempore (Mr. KENNEDY of Minnesota). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

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#### DIGITAL DIVIDE ELIMINATION ACT OF 2001

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. JEFFERSON) is recognized for 5 minutes.

Mr. JEFFERSON. Mr. Speaker, I am here today to discuss the digital divide that is plaguing our country and to garner support for legislation my colleagues and I have introduced to help alleviate this crisis, H.R. 2281, The Digital Divide Elimination Act of 2001.

Computers are becoming the crucial link to education, information, and to commerce. For all Americans, personal and economic success will depend on having the ability to understand and use these powerful information tools. However, according to the Department of Commerce, less than 10 percent of households with income below \$20,000 own computers or have used the Internet, an absolutely alarming statistic. Unless this changes, these poor families in both urban and rural areas will be left behind.

Educators and industry leaders alike realize a serious problem associated

with the digital divide and are taking steps to bring computer technology to schools and libraries across America. We, as public officials, applaud these efforts. However, these efforts are not enough.

If we are going to truly give every American access to technology and improve the way our children learn, the Federal Government must join in to bolster these efforts and, more importantly, to help extend technology and technology access to every home in America. Only then will these children and their families gain an appreciation for technology and the Internet in the home, unfettered by the constraints of an institutional setting.

The legislation my colleagues and I have reintroduced this year provides additional tax incentives to induce private companies to donate computer technology and to induce poor families to purchase computers.

First, the legislation increases the special deduction for computer donations from three-fourths of the computer's sales price to the higher of the full sales price or its manufacturing cost. For example, if the manufacturing cost of a computer is \$500 and the sales price is \$1,000, the charitable deduction is increased from \$750 to \$1,000.

The special deductions for computers has already induced computer manufacturers to donate thousands of computers to schools across America. Now, as a result of this provision, computer manufacturers will have an even greater incentive to donate unsold computers because they can deduct the full value of the computer.

In addition, non-manufacturers will also have a greater incentive to donate computer equipment even where the depreciated cost of the computer exceeds its market price. Under current law, it is more economical for many non-manufacturers to throw away used computers than to donate them to charity because they can take a higher tax deduction for disposing of the computer than for donating it. That is clearly bad tax policy. Thankfully, this provision will change that result.

Second, the legislation will extend the special computer deduction through 2004 and expand it to include donations, not only to libraries and training centers, but also to nonprofits that provide computer technology to poor families. Nonprofits such as Computers for Youth in New York City have placed computers into the homes of hundreds of low-income families. We need to encourage similar efforts by nonprofits across the country. Only then can we make our mutual goal of bringing technology into every home in America a reality.

Finally, the legislation will provide a refundable credit equal to 50 percent of the cost for computer purchases by families receiving the earned income tax credit up to \$500. While the cost of computers and Internet access are dropping, the cost of computers still

remains a barrier for many low-income working families. Returning half of the cost of the computers to these families will go a long way towards helping working families help themselves and provide a brighter future for their children.

□ 2015

In fact, the \$500 refundable tax credit makes computers more affordable than ever for the working poor. Here is an example. In the June 17 edition of The Washington Post, which I have an example of here, Circuit City advertised a Pentium II computer for \$1,099. The price is slashed by the manufacturer and retail rebates to \$499. With this \$500 tax credit, the actual cost of that computer would be reduced to nothing, a free computer to a poor family. Computer companies and retailers will get business from a segment of the population that did not have affordable access before, and the working poor will receive affordable access. It is a win-win situation.

Mr. Speaker, bringing technology to all our children is key to our Nation's future and prosperity. I implore my colleagues to recognize the long-term negative impact that could result from not eliminating the digital divide and urge their support of this legislation. Together, we can ensure a much brighter tomorrow for our children and give them the tools necessary to compete and lead the next generation to an even brighter future.

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#### HMO REFORM

The SPEAKER pro tempore (Mr. MCINNIS). Under the Speaker's announced policy of January 3, 2001, the gentlewoman from California (Mrs. CAPPS) is recognized for 60 minutes as the designee of the minority leader.

Mrs. CAPPS. Mr. Speaker, I rise this evening to speak about the need for a strong and enforceable patient's bill of rights for the American people.

I am one of three nurses currently serving in the House of Representatives, and there are other health professionals of all stripes among my colleagues, from doctors to public health specialists and microbiologist, from psychologists and social workers to psychiatrists. Together, in all of our experience and training, we know that we need to pass a real patient's bill of rights, a bill of rights that offers the American people real protection from the hard edges of managed care organizations or HMOs.

Tonight we are going to share with our colleagues our firsthand experiences and make the case for the Ganske-Dingell bill. We have seen firsthand the damage caused by the excesses of the bean counters and the men in green eyeshades when they are too aggressive in containing costs. These bureaucrats have often done real harm to real people when they have taken on the role of medical professionals. Those of us here in Congress