

SEC. 19. STUDY OF NATURAL GAS RESERVE.

(a) FINDINGS.—Congress finds that:

(1) In the last few months, natural gas prices across the country have tripled.

(2) In California, natural gas prices have increased twenty-fold, from \$3 per million British thermal units to nearly \$60 per million British thermal units.

(3) One of the major causes of these price increases is a lack of supply, including a lack of natural gas reserves.

(4) The lack of a reserve was compounded by the rupture of an El Paso Natural Gas Company pipeline in Carlsbad, New Mexico on August 1, 2000.

(5) Improving pipeline safety will help prevent similar accidents that interrupt the supply of natural gas and will help save lives.

(6) It is also necessary to find solutions for the lack of natural gas reserves that could be used during emergencies.

(b) STUDY BY THE NATIONAL ACADEMY OF SCIENCES.—The Secretary of Energy shall request the National Academy of Sciences to—

(1) conduct a study to—

(A) determine the causes of recent increases in the price of natural gas, including whether the increases have been caused by problems with the supply of natural gas or by problems with the natural gas transmission system;

(B) identify any Federal or State policies that may have contributed to the price increases; and

(C) determine what Federal action would be necessary to improve the reserve supply of natural gas for use in situations of natural gas shortages and price increases, including determining the feasibility and advisability of a Federal strategic natural gas reserve system; and

(2) not later than 60 days after the date of enactment of this Act, submit to Congress a report on the results of the study.

SEC. 20. STUDY AND REPORT ON NATURAL GAS PIPELINE AND STORAGE FACILITIES IN NEW ENGLAND.

(a) STUDY.—The Federal Energy Regulatory Commission, in consultation with the Department of Energy, shall conduct a study on the natural gas pipeline transmission network in New England and natural gas storage facilities associated with that network. In carrying out the study, the Commission shall consider—

(1) the ability of natural gas pipeline and storage facilities in New England to meet current and projected demand by gas-fired power generation plants and other consumers;

(2) capacity constraints during unusual weather periods;

(3) potential constraint points in regional, interstate, and international pipeline capacity serving New England; and

(4) the quality and efficiency of the Federal environmental review and permitting process for natural gas pipelines.

(b) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Federal Energy Regulatory Commission shall prepare and submit to the Senate Committee on Energy and Natural Resources and the appropriate committee of the House of Representatives a report containing the results of the study conducted under subsection (a), including recommendations for addressing potential natural gas transmission and storage capacity problems in New England.

Mr. LEAHY. I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate now be in a period of morning business, with Senators speaking for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 21, THE SOCIAL SECURITY AND MEDICARE LOCK-BOX

Mr. DASCHLE. Mr. President, earlier today, Senator LIEBERMAN became a cosponsor of S. 21, the Social Security and Medicare Lock-Box bill that I introduced earlier this year. Senator LIEBERMAN was an important supporter of this legislation last year. Unfortunately, in spite of the fact that this bill received 60 votes in the Senate, Republicans opted to prevent the bill from becoming law.

However, given the fact that some in the administration and the other side of the aisle have indicated they may not support protecting Social Security and Medicare trust funds, it is even more important that we enact this legislation. I look forward to working with Senator LIEBERMAN and all the others who have supported the idea that Social Security and Medicare funds should be used for these programs and these programs alone.

EDUCATIONAL EXCELLENCE FOR ALL LEARNERS ACT

Mr. REID. Mr. President, today, I am cosponsoring S.7, the Educational Excellence for All Learners Act. This bill increases school capacity, makes schools accountable for results and ensures increased student achievement. S.7 ensures that the federal government uphold its commitment to the local school districts to fully fund the IDEA program.

S.7 also promotes literacy by increasing the funding for the Reading Excellence Act. Another area in great need for resources in our educational system is teacher training. Senator CONRAD and I have proposed legislation that is included in S.7 which would provide federal support for teacher technology training to better prepare teachers to teach technology to our children.

But, I am gravely concerned that we will not have the resources that will be needed to properly fund our obligations to education—and give back to the American family. A tax cut of the magnitude that George W. Bush is pushing will not only eliminate any increase in funding for the military—as President Bush announced a few days ago—but it will also eliminate any increase in funding for the education of our children.

I say to President Bush—we should not leave our children behind. I am not saying that Democrats do not support a tax cut. To the contrary. However, the difference between Democrats and Republicans is that Democrats are un-

willing to jeopardize the domestic dividends that will materialize over the next generation for the health and education of our families.

Specifically, we have to have a fiscally responsible tax cut that allows us to protect social security, provide a prescription drug benefit, fund education, ensure a strong and stable military, and continue to pay down the debt. Paying down the debt is better than a tax cut because it provides a more direct and efficient mechanism to stimulate the economy through lower interest rates, lower inflation and higher family incomes.

We know that, as the Governor of Texas, President Bush made grand proposals, got just a little piece of what he asked for, and walked away declaring victory. He knows that he won't get all \$1.6 trillion of his tax cut. But he could have—the American people could have—a tax cut of \$900 billion. This amount exceeds the tax cut put forward by the Republicans in 1999 (that was \$792 billion)—less than 3 years ago. A tax cut of \$900 billion provides immediate elimination of the estate tax for virtually all taxpayers (e.g., 95 percent of family farms and 75 percent of family businesses), complete elimination of all 65 marriage penalties, college tuition tax credits and child care credits. And, we can provide business tax cuts such as incentives for research and development and employee pension benefits.

The people of Nevada want a tax cut, I want a tax cut, and Democrats want a tax cut. But we should all remember—the people of Nevada want a strong educational system, I want a strong educational system, and Democrats want a strong educational system. Let us not leave any child behind in this tax and budget debate.

AMT REFORM

Mrs. LINCOLN. Mr. President, yesterday Senator LUGAR and I joined forces with a bipartisan group of Senators to disarm one of the quickest ticking time bombs hidden away in our tax code. Senator LUGAR and I were joined by Senators BREAUX, KYL, LANDRIEU, COCHRAN, and BAYH in introducing a bill to permanently provide tax protection for millions of taxpayers from the Alternative Minimum Tax.

The AMT was created to reduce the ability of some individuals to completely avoid taxation by using tax preference items excluded from the income tax. The AMT was first established in 1969 after the Secretary of Treasury testified before Congress that 155 high-income individuals had paid no federal income taxes in 1966. Over the years the AMT has been amended several times and has gone from what was essentially a surcharge on tax preference items to the current system, which is generally considered a separate tax system that parallels the regular individual income tax but having its own definitions of income, its own rates, and its own problems.

There are two basic problems with the AMT. Number one, there are many items considered in AMT determination that simply should not be there, and number two, the exemption amounts are not indexed. Last Congress I took the lead on combating the former problem, and Senator LUGAR took the lead on the latter. This year we have come together in a bipartisan way to fight both.

There are several tax credits, including the child tax credit which President Bush proposes to double and the Adoption Credit which Senator LANDRIEU is working so hard to revise and expand, that are considered preference items when determining AMT liability. These personal credits along with the standard deduction and the personal exemption can hardly be considered luxury preference items and including them in the AMT calculation goes against the spirit of the reform which brought about the AMT. The bill which I have introduced will permanently remove the nonrefundable personal credits, the standard deduction and the personal exemptions from the AMT formula. In short, Mr. President, no one should be forced into paying higher taxes because they took the Hope Scholarship Credit, the deduction for their spouse and dependents, or because they take the credit for the dependent care services necessary for keeping a job! It is time to permanently protect working families from having to choose between higher taxes and family credits.

The second provision of this bill increases the individual exemption amount for the AMT, and indexes it from here on out. This indexing will make sure that limits we set stay economically accurate as inflation reduces the value of the exemption over time.

I believe this plan is a comprehensive and bipartisan way to take on this issue and put it to rest for the long term. Even if we do not choose this approach, which I believe is the most effective and cost effective approach, something clearly has to be done now or the AMT will explode in the coming few years. According to research by the Joint Tax Committee and the Treasury Department, the number of taxpayers affected by the AMT is expected to balloon from 1.3 million in 2000 to 17 million by 2010. That is almost 16 percent of all taxable returns! A return, by the way, which takes on the average 5 hours and 39 minutes to fill out. Of those 17 million taxpayers, 4.5 million are expected to be taxpayers who have to give up part of their tax credits to avoid the AMT tax liability. That is wrong and hard working middle-income families deserve better.

I ask my colleagues to take a fair look at this legislation and let's work together to put the AMT back into reason.

TAX CUTS

Mr. WELLSTONE. Mr. President, a study by the Center on Budget and Pol-

icy Priorities just came out. I want to read one statistic. This is Bob Greenstein's organization. Bob received one of those McArthur genius grants. He deserves it. This data on the tax cuts is so important. It says:

An estimated 12.2 million low- and moderate-income families with children—31.5 percent of all families—would not receive any tax cut from the Bush proposal

Approximately 24.1 million children—33 percent of all the children in the country—live in these families, and among African Americans and Hispanics, the figures are even more striking: 55 percent of African American children and 56 percent of Hispanic children will receive no tax break at all because it is not refundable. We have to live up to our words of "leave no child behind."

I ask unanimous consent that this study by the Center on Budget and Policy Priorities be printed in the RECORD.

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

[From the Center on Budget and Policy Priorities, Feb. 7, 2001.]

AN ESTIMATED 12 MILLION LOW- AND MODERATE-INCOME FAMILIES—WITH 24 MILLION CHILDREN—WOULD NOT BENEFIT FROM BUSH TAX PLAN

(By Isaac Shapiro, Allen Dupree and James Sly)

About 12 million low- and moderate-income families with children—nearly one in every three U.S. families—would not receive any assistance from the tax provisions that President Bush is likely to send to Congress on February 8. An estimated 24 million children under age 18—one in every three children—live in these families.

For certain groups, the proportions of families and children not benefitting from the plan are higher. A majority of black and Hispanic children live in families that would not benefit from the plan. For these families and their children, the tax package neither raises after-tax income nor reduces their frequently high marginal tax rates.

This analysis investigates these figures in more detail and then examines the reason that so many families and children do not benefit—the families have incomes too low to owe federal income taxes. This leads to a discussion of whether families that do not owe income taxes should benefit from a large tax-cut proposal and the extent to which they owe taxes other than income taxes, most notably the payroll tax.

WHO WOULD BE EXCLUDED?

We examined the latest data from the Census Bureau to estimate the number of families and children under 18 who would receive no assistance from the Bush tax plan. The data are for 1999. We examined the Bush plan as proposed in the campaign and recently introduced by Senators Gramm and Miller; our analysis considers the effects of the plan as if it were in full effect in 1999.

The findings of this analysis are consistent with an independent analysis of who is left out of the Bush plan that has been conducted by researchers at the Brookings Institution and with data from the tax model of the Institute on Taxation and Economic Policy. The findings of the Brookings researchers (as part of a general analysis of tax ideas to assist working families that will be published later this week) and the unpublished data from the Institute on Taxation and Economic Policy both indicate that nearly one

in three families would not receive any assistance from the Administration's proposal.

The key findings of our analysis include:

An estimated 12.2 million low- and moderate-income families with children—31.5 percent of all families—would not receive any tax cut from the Bush proposal. Some 80 percent of these families have workers.

Approximately 24.1 million children—33.5 percent of all children—live in the excluded families.

Among African-Americans and Hispanics, the figures are especially striking. While one-third of all children would not benefit from the Bush tax plan, *more than half* of black and Hispanic children would not receive any assistance. An estimated 55 percent of African-American children and 56 percent of Hispanic children live in families that would receive nothing from the tax cut.

Of the 24.1 million children living in families that would receive no benefit from the tax cuts, an estimated 10.1 million are non-Hispanic whites, 6.1 million are black, and 6.5 million are Hispanic.

Even the Bush proposal to double the child tax credit—the feature of his tax plan that one might expect to provide the most assistance to children in low- and moderate-income families—would be of little or no help to many of them. This proposal would provide the largest tax reductions to families with incomes in the \$100,000 to \$200,000 range and confer a much larger share of its benefits on upper-income families than on low- and middle-income families.

Under the Bush plan, the maximum child credit would be raised from \$500 per child to \$1,000. Filers with incomes in the \$110,000 to \$200,000 range would benefit the most from this proposal because the proposal raises the income level above which the child credit phases out from \$110,000 to \$200,000 extending the credit for the first time to those in this income category. For many of these relatively affluent taxpayers, the child credit would rise from zero to \$1,000 per child. By contrast, millions of children in low- and moderate-income working families would continue to receive no child credit, or their credit would remain at its current level of \$500 per child or rise to less than \$1,000 per child (because their families would have insufficient income tax liability against which to apply the increase in the child credit).

As a consequence, Institute on Taxation and Economic Policy data indicate that when the increase in the child credit is fully in effect:

Some 82 percent of the benefits from the child credit proposal would accrue to the 40 percent of families with the highest incomes. Only three percent of the benefits from this proposal would accrue to the bottom 40 percent of families.

The top 20 percent of families would receive 46 percent of the tax-cut benefits from this proposal, a larger share than any fifth of the population would receive.

WHY FAMILIES WOULD NOT BENEFIT

During 2000, Bush campaign officials touted their tax-cut plan as benefitting lower-income taxpayers substantially in two key ways—by doubling the child credit to \$1,000 per child and by establishing a new 10 percent tax-rate bracket. Some married families also would benefit from the plan's two earner deduction. None of these features, however, affect a family that has no income tax liability before the Earned Income Tax Credit is computed.

A large number of families fall into this category. As a result of the combination of the standard deduction (or itemized deductions if a family itemizes), the personal exemption, and existing credits such as the child tax credit, these families do not owe