

outstanding woman who will be recognized this Saturday, February 10, with a special Honor Dance for her years of service to American Indians and to our country. This dance honors what is perhaps one of the most impressive and prestigious achievements of Lorena DeRoin's lifetime: becoming the first and only American Indian ever to serve as president of American War Mothers.

American War Mothers is a national, patriotic organization dedicated to recognizing mothers whose children have served in the military. As national president, she is able to expound on years of experience leading women in both state and local chapters of the organization.

Born February 9, 1915, in Red Rock, Oklahoma, Mrs. DeRoin has made her mark as an American Indian and a patriot. She belongs to the White Pigeon Clan of the Otoe-Missouria Tribe. In 1962, she joined Otoe War Mothers, a local chapter of American War Mothers. During her years of service, she worked on all standing committees and then became president of the chapter. She is also retired from the Bureau of Indian Affairs as an employee of the old Chilocco Indian School.

Showing her dedication to our country, she has served as Mistress of Ceremonies for three separate years on Mothers Day at Arlington National Cemetery and laid the Wreath at the Tomb of the Unknown Soldier.

Mrs. DeRoin's contributions to our community and our country are an example of true servant leadership. Oklahoma is fortunate to count Lorena DeRoin as one of our own. It is my privilege to recognize her accomplishments and to also wish her a Happy Birthday. •

REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT—PM 4

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Iraq that was declared in Executive Order 12722 of August 2, 1990.

GEORGE W. BUSH.
THE WHITE HOUSE, February 8, 2001.

REPORT ON THE TAX RELIEF PLAN—MESSAGE FROM THE PRESIDENT—PM 5

The PRESIDING OFFICER laid before the Senate the following message

from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

Enclosed please find my plan to provide needed tax relief to the American people. Over the last several months, the economy has slowed dramatically. I believe that the best way to ensure that our prosperity continues is to put more money in the hands of consumers and entrepreneurs as soon as possible. I look forward to working with the Congress to enact meaningful tax cuts into law.

GEORGE W. BUSH.
THE WHITE HOUSE, February 8, 2001.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. WYDEN (for himself and Mr. BURNS):

S. 285. A bill to amend the Federal Water Pollution Control Act to authorize the use of State revolving loan funds for construction of water conservation and quality improvements; to the Committee on Environment and Public Works.

By Mrs. FEINSTEIN:

S. 286. A bill to direct the Secretary of Commerce to establish a program to make no-interest loans to eligible small business concerns to address economic harm resulting from shortages of, and increases in the prices of, electricity and natural gas; to the Committee on Banking, Housing, and Urban Affairs.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 287. A bill to direct the Federal Energy Regulatory Commission to impose cost-of-service based rates on sales by public utilities of electric energy at wholesale in the western energy market; to the Committee on Energy and Natural Resources.

By Mr. WYDEN (for himself and Mr. LEAHY):

S. 288. A bill to extend the moratorium enacted by the Internet Tax Freedom Act through 2006, and encourage States to simplify their sales and use taxes; to the Committee on Commerce, Science, and Transportation.

By Mr. SESSIONS (for himself, Mr. GRAHAM, Mr. BINGAMAN, Mr. FRIST, Mr. GRAMM, Mr. HUTCHINSON, Mr. MURKOWSKI, Mr. BREAUX, Mr. SHELBY, Ms. COLLINS, Mr. HELMS, Mr. INHOFE, Mr. ROBERTS, Mr. SANTORUM, and Ms. LANDRIEU):

S. 289. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for education; to the Committee on Finance.

By Mr. DODD (for himself and Mr. SHELBY):

S. 290. A bill to increase parental involvement and protect student privacy; to the Committee on Health, Education, Labor, and Pensions.

By Mr. THOMPSON (for himself, Mr. FRIST, Mrs. HUTCHISON, and Mr. GRAMM):

S. 291. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for State and local sales taxes in lieu of State and local income taxes and to allow the State and local income tax deduction against

the alternative minimum tax; to the Committee on Finance.

By Mr. CLELAND (for himself and Mr. WYDEN):

S. 292. A bill to amend the Internal Revenue Code of 1986 to expand the enhanced deduction for corporate donations of computer technology to senior centers and community centers; to the Committee on Finance.

By Mr. HARKIN (for himself, Mr. DURBIN, Mrs. CLINTON, Mr. DORGAN, and Mr. KENNEDY):

S. 293. A bill to amend the Internal Revenue Code of 1986 to provide a refundable tax credit against increased residential energy costs and for other purposes; to the Committee on Finance.

By Mr. SANTORUM (for himself and Mr. KOHL):

S. 294. A bill to amend the Agricultural Market Transition Act to establish a program to provide dairy farmers a price safety net for small- and medium-sized dairy producers; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KERRY (for himself, Mr. LIEBERMAN, Ms. SNOWE, Mr. BINGAMAN, Ms. LANDRIEU, Mr. JOHNSON, Mr. DOMENICI, Mr. LEVIN, Mr. WELLSTONE, Mr. JEFFORDS, Mr. HARKIN, Mr. SCHUMER, Mrs. CLINTON, Mr. KOHL, Mr. EDWARDS, Mr. LEAHY, Mr. BAUCUS, Ms. COLLINS, Mr. SMITH of New Hampshire, Mr. DODD, Mr. L. CHAFEE, and Mr. BAYH):

S. 295. A bill to provide emergency relief to small businesses affected by significant increases in the prices of heating oil, natural gas, propane, and kerosene, and for other purposes; to the Committee on Small Business.

By Ms. COLLINS:

S. 296. A bill to authorize the conveyance of a segment of the Loring Petroleum Pipeline, Maine, and related easements; to the Committee on Armed Services.

By Mr. SCHUMER:

S. 297. A bill to put teachers first by providing grants for master teacher programs; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MCCONNELL (for himself and Mr. DODD):

S. 298. A bill to amend the Internal Revenue Code of 1986 to allow non-itemizers a deduction for a portion of their charitable contributions, and for other purposes; to the Committee on Finance.

By Mrs. MURRAY:

S. 299. A bill to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SCHUMER:

S. 300. A bill to amend the Higher Education Act of 1965 to provide for an increase in the amount of student loans that are eligible for forgiveness in exchange for the service of the individual as a teacher; to the Committee on Health, Education, Labor, and Pensions.

By Mr. THOMAS (for himself, Mr. CRAIG, Mr. CRapo, Mr. MURKOWSKI, and Mr. ENZI):

S. 301. A bill to amend the National Environmental Policy Act of 1969 to require that Federal agencies consult with state agencies and county and local governments on environmental impact statements; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WYDEN (for himself and Mr. BURNS):

S. 285. A bill to amend the Federal Water Pollution Control Act to authorize the use of State revolving loan funds for construction of water conservation and quality improvements; to the Committee on Environment and Public Works.

Mr. WYDEN. Mr. President, 25 years after enactment of the Clean Water Act, we still have not achieved the law's original goal that all our nation's lakes, rivers and streams would be safe for fishing and swimming.

After 25 years, it's time for the next generation of strategies to solve our remaining water quality problems. We need to give States new tools to overcome the new water quality challenges they are now facing.

The money that has been invested in controlling water pollution from factories and upgrading sewage treatment plants has gone a long way to controlling these urban pollution sources. In most cases, the remaining water quality problems are no longer caused by pollution spewing out of factory pipes. Instead, they are caused by runoff from a myriad of sources ranging from farm fields to city streets and parking lots.

In my home State of Oregon, more than half of our streams don't fully meet water quality standards. And the largest problems are contamination from runoff and meeting the standards for water temperature.

In many cases, conventional approaches will not solve these problems. But we can achieve water temperature standards and obtain other water quality benefits by enhancing stream flows and improving runoff controls.

A major problem for many streams in Oregon and in many other areas of the Western United States is that water supplies are fully appropriated or overappropriated. There is currently no extra water to spare for increased stream flows.

We can't create new water to fill the gap. But we can make more water available for this use through increased water conservation and more efficient use of existing water supplies.

The key to achieving this would be to create incentives to reduce wasteful water use.

In the Western United States, irrigated agriculture is the single largest user of water. Studies indicate that substantial quantities of water diverted for irrigation do not make it to the fields, with a significant portion lost to evaporation or leakage from irrigation canals.

In Oregon and other States that recognize rights to conserved water for those who conserve it, irrigators and other water users could gain rights to use conserved water while also increasing the amount of water available for other uses by implementing conservation and efficiency measures to reduce water loss.

The Federal government can play a role in helping meet our nation's changing water needs. In many Western States, water supply problems can

be addressed by providing financial incentives to help water users implement cost effective water conservation and efficiency measures consistent with State water law.

And, we can improve water quality throughout the nation by giving greater flexibility to States to use Clean Water Act funds to control polluted runoff, if that's where the money is needed most.

Today, I am pleased to be joined by my colleague, Senator BURNS, in introducing legislation to authorize the Clean Water State Revolving Fund program to provide loans to water users to fund conservation measures or runoff controls. States would be authorized, but not required, to use their SRF funds for these purposes. Participation by water users, farmers, ranchers and other eligible loan recipients would also be entirely voluntary.

The conservation program would be structured to allow participating users to receive a share of the water saved through conservation or more efficient use, which they could use in accordance with State law. This type of approach would create a win/win situation with more water available for both the conservers and for instream flows. And, by using the SRF program, the Federal seed money would be repaid over time and gradually become available to fund conservation or other measures to solve water quality problems in other areas.

My proposal has the support of the Farm Bureau, Oregon water users, the Environmental Defense Fund, and the Oregon Water Trust.

I urge my colleagues to support giving States greater flexibility to use their clean water funds for water conservation or runoff control when the State decides that is the best way to solve water quality problems and the water users voluntarily agree to participate.

Mr. BURNS. Mr. President, I am pleased today to join my colleague from Oregon, Senator WYDEN, in introducing the Water Conservation and Quality Incentives Act. This bill aims to authorize the use of State revolving loan funds for construction of water conservation and quality improvements. Senator WYDEN and I have worked together to bring some common sense improvements to the existing revolving fund program. One of the big changes we would like to see will encourage additional conservation of water resources by the many irrigation districts in the Nation. Every Montanan understands that water is the lifeblood of our State, and I am glad to be working on this bipartisan effort to more effectively use this vital resource.

This bill will encourage water conservation by providing the opportunity for loans to be made to irrigation districts from the State revolving funds. These loans will be used to construct pipelines and develop additional conservation measures. In the West,

irrigators are by far the largest water users. They use the water to produce the many agricultural products we enjoy in this country. Between the water source and the field, a large portion of the water used in irrigation is displaced due to seepage as the water flows through the canals and ditches. The water is not lost, since it seeps into the soil and assists in the overall soil moisture, but it makes for an inefficient system because it is not immediately available to the irrigator.

One of the reasons this is damaging to producers is the fact that in most irrigation districts, irrigators pay for water that is released to them whether it makes it to the crop or not. Displacement of this water does not help a producer's bottom line. At a time when prices are low and markets are questionable, it is important that we give tools to the producer to make sure they have every opportunity to stay in business.

Water saved under the proposal in this bill will not only assist the producer in water and cost savings, but will also make certain the future of water in the many rivers and streams in the west. Efficient irrigation systems make good environmental sense because the more water you have to pump out of a river, the less water there is left for the fish and animals that depend on it as part of their habitat.

This bill creates a win-win situation both for water users and for the multiple users of water in our states, particularly Oregon and Montana. We have an opportunity here to do something useful and worthwhile for the irrigators and also for those who enjoy fishing, boating and other instream water uses. I thank Senator WYDEN for his work on this measure and I am pleased to work with him on this issue of great importance.

By Mrs. FEINSTEIN:

S. 286. A bill to direct the Secretary of Commerce to establish a program to make no-interest loans to eligible small business concerns to address economic harm resulting from shortages of, and increases in the price of, electricity and natural gas; to the Committee on Banking, Housing, and Urban Affairs.

Mrs. FEINSTEIN. Mr. President, I am very proud today to introduce legislation designed to help small businesses hurt by the power crisis in the Western United States.

This bill authorizes funds for the Economic Development Administration to operate a revolving loan fund to assist small business owners in California and other States affected by the shortage.

This fund will help dozens of small manufacturers with so-called "interruptible contracts" that have been forced to lay off employees and, in many cases, close their doors.

Interruptible contracts are defined as price discounts to users who agree to

reduce consumption during peak demand periods.

But while companies can withstand infrequent power interruptions, the fact is that California has been hit hard by the electricity crisis and the service interruptions have come far too frequently.

Today, even small business owners who chose not to join the interruptible list—and opted instead to brave the higher gas and electric bills—have found the price spikes too much to handle.

Sadly, many of these firms have discovered that they too are being forced to shut down because they can't pay their electricity bills. Here are a few examples of companies that have been affected:

A small business owner in San Diego operating a fluff-and-fold laundry facility was forced to close when his December electricity bill jumped fourfold to \$4,000. At this time last year, his monthly bill was roughly \$1,000.

The Saint-Gobain Calmar company—a plastics manufacturer in Los Angeles with roughly 300 employees—has been forced to stop production 22 times in the past six months because of the business' "interruptible" status. Although the company has been able to avoid layoffs up to now, the owners say the outlook is not good.

Another example is the McKoen and Associates potato-flake plant in Tulelake, California. The owner of the facility says he may be forced to lay off about 100 employees permanently due to the mandatory shut downs.

While all California companies, both large and small, are feeling the crunch of the power shortage, smaller firms are taking a larger hit because these companies pay a larger percentage of their budgets to energy and gas bills.

Small businesses, classified as those with 500 workers or fewer, employ 37 percent of the California's total workforce.

This current power drain has led to higher costs for businesses throughout the Northwest.

Some aluminum and paper manufacturers in Washington and Oregon have already been forced out of business—and they are not alone.

The bill I am introducing today authorizes \$25 million for a revolving no-interest loan fund to be operated by the Economic Development Administration.

The bill allows small businesses, as defined by the Small Business Administration to be eligible for loans if their monthly gas or electric bills are at least double what they were a year ago.

If a company's gas bill, for example, was \$4,000 in the months of January, February, and March 2001 and the company averaged only \$2,000 in January, February, and March 2000, that company is eligible for a loan.

The legislation will allow small business customers of the Pacific Gas and Electric Company, Southern California Edison, or San Diego Gas and Electric

who are not covered by a State-mandated cap to apply for the no-interest loans to stave off lay offs, re-hire employees, and keep their facilities up and running.

Small business that were covered by a State cap on energy expenses will not be eligible for the loan program.

The bill is designed to help both small business owners who opted for the "interruptible list" and those who tried to brave the cost spikes and failed.

The legislation will not affect those who are not covered by a State mandated program that caps retail electric commodity rates.

I believe this measure will be of great assistance to the hundreds of small businesses in the Western region that are facing skyrocketing costs for power.

I urge my colleagues to join me on this important legislation to help keep these hard working businessmen and women from being forced to lay off employees and close their doors.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 287. A bill to direct the Federal Energy Regulatory Commission to impose cost-of-service based rates on sales by public utilities of electric energy at wholesale in the western energy market; to the Committee on Energy and Natural Resources.

Mrs. FEINSTEIN. I rise today to introduce a bill to direct the Federal Energy Regulatory Commission to institute cost-of-service based rates with a reasonable rate of return on energy produced in the western energy market.

I had planned on introducing this bill as an amendment to the pipeline safety bill but I understand that the chairman of the Energy and Natural Resources Committee, Senator MURKOWSKI and the ranking member of that committee, Senator BINGAMAN, would be amenable to scheduling a hearing on this bill before the end of the month, if the legislation is introduced as a stand-alone bill rather than as an amendment to the pipeline safety bill.

After the hearing, I intend to exercise my right under the rules of the committee to ask that the chairman put this bill on the schedule for markup.

Mr. MURKOWSKI. I remain concerned about the energy crisis that is affecting not just California but other Western states as well. I am willing to hold a hearing on your legislation during the week of February 26, right after the Senate recess.

I cannot commit to a markup of the bill, but I expect that the Senator's legislation will be given its due consideration by the committee in a timely manner.

Mr. BINGAMAN. The situation in California is very serious. It is now affecting not only the price and supply of electricity in California but the price and supply of electricity throughout

the West. It poses a grave danger to the economy of the nation as a whole. The State of California is doing what it can to cope with this crisis. It is past time for the Federal Energy Regulatory Commission to use its existing authority to bring wholesale prices under control.

I commend the Senator from California, Senator FEINSTEIN, for her initiative in crafting the bill, and the chairman of the Energy Committee, Senator MURKOWSKI, for agreeing to give us a hearing on it.

By Mr. SESSIONS (for himself, Mr. GRAHAM, Mr. BINGAMAN, Mr. FRIST, Mr. GRAMM, Mr. HUTCHINSON, Mr. MURKOWSKI, Mr. BREAUX, Mr. SHELBY, Ms. COLLINS, Mr. HELMS, Mr. INHOFE, Mr. ROBERTS, Mr. SANTORUM, and Ms. LANDRIEU):

S. 289. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for education; to the Committee on Finance.

Mr. SESSIONS. Mr. President, I rise today to discuss the concept of prepaid tuition plans and why they are so critically important to America's families. As a parent who has put two children through college and who has another currently enrolled in college, I know firsthand that America's families are struggling to meet the rising cost of higher education. In fact, American families accrued more college debt in the 1990's than during the previous three decades combined. The reason is twofold: the Federal Government subsidizes student debt with interest rate breaks and penalizes educational savings by taxing the interest earned on those savings.

In recent years, however, many families have tackled rising tuition costs by taking advantage of prepaid college tuition and savings plans. These plans allow families to purchase tuition credits years in advance. Families are able to pay for their child's future college education at today's price. Currently, 48 states have or are in the process of creating a tuition savings or prepaid tuition plan. These plans are extremely popular with parents, students, and alumni. They make it easier for families to save for college, while at the same time taking the uncertainty out of the future cost of college.

My home State of Alabama was one of the first in the nation to establish a prepaid college tuition plan. Nearly 50,000 Alabamians are currently enrolled in the Prepaid Alabama College Tuition Plan. Families across the State of Alabama are setting aside a few dollars each month to pay for the future college education of their child. Alabama is not the only success story, 18,000 children have been enrolled in the College Savings Iowa plan.

Mr. President, 2,500 families in Montana are saving for their child's college education through the Montana Family Education Savings Program:

13,000 are enrolled in the Alaska Advance College Tuition Plan; 100,000 are

participating in the Texas Tomorrow Fund; 7,000 children have accounts in the West Virginia Prepaid College Plan; 38,000 have joined the Maine Next Generation College Investing Plan; over 10,000 parents have contracts in the Mississippi Prepaid Affordable College Tuition Program for their children.

As you can see, people across the country are wisely taking advantage of these plans. Congress has supported participating families by expanding the scope of the prepaid tuition plans and by deferring the taxes on the interest earned until the student goes off to college. I believe that we must go one step further. That is why today, I along with Senators, BOB GRAHAM, COLLINS, BINGAMAN, PHIL GRAMM, FRIST, BREUX, SHELBY, HELMS, INHOFE, TIM HUTCHINSON, SANTORUM, MURKOWSKI, LANDRIEU, and ROBERTS are introducing the Collegiate Learning and Student Savings, CLASS, Act.

This is a common sense piece of legislation that will make the interest earned on all education tuition savings plans completely tax-free. Currently, the interest earned by families saving for college is taxed twice. Families are taxed on the income when they earn it, and then again on the interest that accrues from the savings. We strongly believe that this trend must no longer continue.

In order to provide families a new alternative, the CLASS Act will provide tax-free treatment to all tuition savings plans. This bipartisan piece of legislation is sound education policy and tax policy that provides incentives for savings rather than bureaucratic solutions. It is a small tax break—estimated at less than \$200 million over 5 years—but the CLASS Act will give families an extra incentive to be prudent savers for their children's education. Indeed, this small tax relief plan could produce billions in savings for college in the years to come. Many individuals have questioned whether these plans will benefit all types of students.

Let me say this, it is wrong to assume that tuition savings and prepaid plans benefit mainly the wealthy. In fact, the track record of existing state prepaid plans indicates that working, middle-income families, not the rich, benefit the most from prepaid plans. For example, in 1996 families with an annual income of less than \$35,000 purchased 62 percent of the prepaid tuition contracts offered by the State of Pennsylvania. In the same year, 71 percent of the 600,000 families participating in the Florida Prepaid College Program had an income of less than \$50,000. It is clear this plan is helping middle income families save for college.

In 1995, the average monthly contribution to a family's college savings account in Kentucky was \$43. These families in Kentucky are putting a few dollars aside each month to save for their child's education. Tax-free treatment for tuition savings plans must be-

come law. We passed this legislation as part of a larger tax bill last Congress. However, it was vetoed by President Clinton.

President Bush articulated his support for this plan during the campaign. The time to act is now. This is not expensive, and the small cost will produce a huge benefit. I encourage my colleagues to work with me to push for passage of this common sense piece of legislation.

Mr. GRAHAM. Mr. President, I am proud to join Senator SESSIONS and my other Senate colleagues in launching an initiative to increase Americans' access to college education. Today, we are introducing the Collegiate Learning and Student Savings Act. This bill extends tax-free treatment to all state sponsored prepaid tuition plans and state savings plans. This legislation also gives prepaid tuition plans established by private colleges and universities tax-deferred treatment in 2001, and tax-exempt status by 2005.

Prepaid college tuition and savings programs have flourished at the State level in the face of spiraling college costs. According to the College Board, between 1980 and 2000, the cost of going to a four-year college has increased 115 percent above the rate of inflation. The cause of this dramatic increase in tuition is the subject of significant debate. But whether these increases are attributable to increased costs to the universities, reductions in state funding for public universities, or the increased value of a college degree, the fact remains that financing a college education has become increasingly difficult.

In response to higher college costs the States have engineered innovative ways to help its families afford college. Michigan implemented the first prepaid tuition plan in 1986. Florida followed in 1988. Today 49 States have either implemented or are in the process of implementing prepaid tuition plans or state education savings plans.

Prepaid college tuition plans allow parents to pay prospectively for their children's higher education at participating universities. States pool these funds and invest them in a manner that will match or exceed the pace of educational inflation. This "locks in" current tuition and guarantees financial access to a future college education. In 1996, Congress acted to ensure that the tax on the earnings in these state-sponsored programs is tax-deferred.

Mr. SESSIONS and I believe the 107th Congress must move to make these programs completely tax free. Students should be able to enroll in college without the fear of incurring a significant tax liability just because they went to school. The legislation extends this same tax treatment to private college prepaid programs beginning in 2005.

We believe that these programs should be tax free for numerous reasons. First, prepaid tuition and savings

programs help middle income families afford a college education. Florida's experience shows that it is not higher income families who take most advantage of these plans. It is middle income families who want the discipline of monthly payments. They know that they would have a difficult time coming up with funds necessary to pay for college if they waited until their child enrolled. In Florida, more than 70 percent of participants in the state tuition program have family income of less than \$50,000. Second, Congress should make these programs tax free in order to encourage savings and college attendance. Finally, for most families, these plans simply represent the purchase of service to be provided in the future. The accounts are not liquid, and the funds are transferred from the state directly to the college or university. The imposition of a tax liability on earnings represents a substantial burden, because the student is required to find other means of generating the funds to pay the tax.

I am pleased to have this opportunity to join my colleagues in introducing this bill which makes a college education easier to obtain.

By Mr. DODD (for himself and Mr. SHELBY):

S. 290. A bill to increase parental involvement and protect student privacy; to the Committee on Health, Education, Labor, and Pensions.

Mr. DODD. Mr. President, I rise to introduce the Student Privacy Protection Act with my friend and colleague from Alabama, Senator SHELBY. Senator SHELBY recently asked me to join him as a co-chair of the Congressional Privacy Caucus and I am pleased that we are today introducing legislation to help protect the privacy of one of America's most vulnerable groups—our students.

A recent GAO report confirms that more and more, schools are being perceived by some not just as centers for learning, but as centers for commercial research. Our children should be instilled with knowledge, not mined for knowledge on their commercial preferences and interests. Schools are there to help children grow up to be good citizens—not to provide a captive audience for market researchers and major advertisers.

Our bill is simple—it provides parents and their children with modest, appropriate, privacy protections from market research in schools that would gather personal information about students, during school hours, for purely commercial purposes. It does not ban advertising, nor does it ban market research. It simply requires that, before a researcher can start asking a young student to provide personal information, that researcher must obtain parental consent or its equivalent.

Surely, that is not too much to ask. If someone came to your home and started to ask your child about his or her age, gender, neighborhood, food

preferences, and entertainment preferences, surely you would want to know the purpose of such questions before deciding whether to consent to them. We think parents and children are entitled to no less consideration just because a child is in school.

This is part of a larger phenomenon that is familiar to anyone who has walked through a school in the past few years—the stunning increase in commercial advertising in schools. Gone are the days when commercial advertising simply meant the local hardware store's name on the basketball scoreboard or the local dry-cleaner's name on the football scoreboard.

Schools, teachers and their students are daily barraged with commercial messages aimed at influencing the buying habits of children and their parents. A 1997 study from Texas A&M, estimated that children, age 4 to 12, spent more than \$24 billion themselves and influenced their parents to spend \$187 billion.

One major spaghetti sauce firm has encouraged science teachers to have their students test different sauces for thickness as part of their science classes. A cable television channel in New Jersey had elementary school students fill out a 27-page booklet called "My All About Me Journal" as part of a marketing survey. In one school, a student was suspended for wearing a Pepsi T-shirt on the school's Coke Day. In another, credit card applications were sent home with elementary school students for their parents and the school collected a fee for every family that signed up.

Advertisers focus on students and schools for the same reason Willie Sutton robbed banks—because that's where the money is. And many schools enter into commercial contracts with advertisers because, as the GAO found, they are strapped for cash. Schools often are faced with two poor choices—provide computers, books, and other educational and recreational equipment with commercial advertising, or not at all.

The bill that Senator SHELBY and I offer today does not second guess the hard decisions that school administrators are making each and every day. Nor does it ignore the fact that business leaders often are the strongest advocates for school improvement and the greatest benefactors of the educational process. What it does is address what the GAO report considers to be perhaps the most troubling form of commercial activity in schools—the "growing phenomenon" of market research.

According to GAO, "none of the education officials we interviewed said schools were appropriate venues for market research. . . ." Nevertheless, none of the districts surveyed by GAO had policies specifically addressing market research and the GAO found that this activity is widespread. One firm alone has conducted market research in more than 1,000 schools.

Another company, which since has discontinued these activities, provided computers to 1,800 schools, about 8.6 percent of all U.S. secondary schools. In exchange, the company was allowed to advertise to and ask questions of students using these computers. There are other examples. Suffice it to say that this is a practice that not only is inappropriate in the opinion of education officials, but is unknown to many parents. Nearly half of parents in a recent survey were not aware that websites can collect personal information about students without their knowledge.

This bill would return to parents the right to protect their children's privacy. It's simple, it's modest, it contains appropriate exceptions, and it's our hope that it will become law together with other educational reforms being considered by this Congress.

Mr. SHELBY. Mr. President, I rise today with my colleague Senator DODD to introduce the "Student Privacy Protection Act". This legislation is intended to ensure that parents have the ability to protect their children's privacy by requiring that anyone who wishes to collect data for commercial purposes from kids in school must first seek and obtain parental permission.

The need for this legislation stems from the fact that a large number of marketing companies are going into classrooms and using class time to gather personal information about students and their families for commercial gain. In many cases, parents are not even aware that these companies have entered their children's school, much less that they are exploiting them in the one place they should be the safest, their classroom.

Our legislation builds on a long line of privacy legislation to protect kids, such as the Family Educational Rights Act, the Children's Online Privacy Protection Act and the Protection of Pupil Rights Act. The goal of these laws, as is the case with our legislation, is to ensure that the privacy of children is protected and that their personal information cannot be collected and/or disseminated without the prior knowledge, and in most cases, consent of the parents.

We understand that schools today are financially strapped and many of these companies offer enticing financial incentives to gain access. Our goal is not to make it more difficult for schools to access the educational materials and the computers that they so desperately need. Rather our goal is to ensure that the details of these arrangements are disclosed and that parents are allowed to participate in the decision-making process.

The bottom line here is that parents have a right and a responsibility to be involved in their children's education. Much of what is occurring now is being done at the expense of the parents' decision making authority because schools are allowing companies direct access to students. This legislation en-

hances parental involvement by giving them an opportunity to decide for themselves who does and does not get access to their children during the school day.

By Mr. THOMPSON (for himself, Mr. FRIST, Mrs. HUTCHISON, and Mr. GRAMM):

S. 291. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for State and local sales taxes in lieu of State and local income taxes and to allow the State and local income tax deduction against the alternative minimum tax; to the Committee on Finance.

Mr. THOMPSON. Mr. President, today I am introducing legislation that will address an inequity in the tax code that affects the citizens of my state and citizens of other states that do not have a state income tax. Tennesseans are discriminated against under federal tax laws simply because our state choose to raise revenue primarily through a sales tax instead of an income tax. My bill would end this inequity by allowing taxpayers to deduct either their state and local sales taxes or their state and local income taxes on their federal tax forms, but not both. My bill would also ensure that Tennesseans who benefit from this deduction would not be caught under the federal alternative minimum tax, AMT, by allowing individuals to deduct their state and local taxes paid when computing their AMT tax liability.

Under current law, individuals who itemize their deductions for federal tax purposes are only permitted to deduct state and local income taxes and property taxes paid. State and local sales taxes are not deductible. Therefore, residents of nine states are treated differently from residents of states that have an income tax. Seven states—Texas, Wyoming, Alaska, Florida, South Dakota, Washington, and Nevada—have no state income tax. Two states—Tennessee and New Hampshire—only impose an income tax on interest and dividends, but not wages.

Prior to 1986, taxpayers were permitted to deduct all of their state and local taxes paid, including income, sales and property taxes, when computing their federal tax liability. The ability to deduct all state and local taxes is based on the principle that levying a tax on a tax is unfair.

In 1986, however, Congress made dramatic changes to the tax code. The Tax Reform Act of 1986 significantly reduced federal tax rates on individuals. In exchange for these lower rates, Congress broadened the base of income that is taxed by eliminating many of the deductions and credits that previously existed in the code, including the deduction for state and local sales taxes. The deduction for state and local income taxes, however, was retained.

The 1986 Act also tightened the alternative minimum tax rules. The AMT is a separate, complicated tax system that was originally intended to ensure

that wealthy taxpayers could not use the tax code's many deductions and credits to completely zero out their federal tax liability. However, each year more and more middle income individuals are being caught under the AMT who were never intended to be affected by it. Under current law, individuals are not permitted to deduct their state and local taxes when computing their alternative minimum tax liability. This is a major factor pushing Americans under the AMT. By allowing individuals to deduct state and local taxes under the AMT, my bill will ensure that restoring equity in this area will not push more Tennesseans under the AMT. It makes no sense to me to give Tennesseans a tax cut on the one hand, then take it away with the other.

I believe that our federal tax laws should be neutral with respect to the treatment of state and local taxes. As I have said, that is not the case now. The current tax code is biased in favor of states that raise revenue through an income tax. The current tax code is also needlessly complex. There is widespread agreement among tax experts that the AMT is a primary cause of complexity in the tax code and should be repealed. I strongly support comprehensive reform of the tax code that will address issues such as neutrality, fairness and simplicity. As we work to reform the overall tax code, restoring equality in these areas and should be a part of the discussion.

By Mr. CLELAND (for himself and Mr. WYDEN):

S. 292. A bill to amend the Internal Revenue Code of 1986 to expand the enhanced deduction for corporate donations of computer technology to senior centers and community centers; to the Committee on Finance.

Mr. CLELAND. Mr. President, the U.S. Department of Commerce's latest report on Internet access in the U.S. is out. According to the Department's *Falling Through the Net: Toward Digital Inclusion*, published last October, more Americans than ever have Internet access and own computers.

The number of Americans using the Internet jumped to 116.5 million in August 2000, 31.9 million more Americans than were online in December 1998. And groups that have traditionally been digital "have nots" are making significant gains, according to the Commerce report's findings. Almost 39 percent of rural households, for example, now have Internet connections, a 75 percent increase over the last 20 months. The report found that African American households are now more than twice as likely to have Internet access at home than they were 20 months ago. Similarly, Internet access in Hispanic households has also nearly doubled and now stands at 23.6 percent. And more Americans at every income level have Internet access in their homes, especially at the middle income levels. Today, two out of every three households earning more than \$50,000 have Internet connections.

Although more Americans than ever are connected to the Internet, the report concludes that a "digital divide" still exists "between those with different levels of income and education, different racial and ethnic groups, old and young, single and dual-parent families, and those with and without disabilities." According to the Commerce Department report, for example, more than three-fourths of all households earning in excess of \$75,000 use the Internet at home, while less than one-fifth of the households with incomes of under \$15,000 do. In some cases, the digital divide has even expanded over the last 20 months. The gap in Internet access rates between African American households and the nation as a whole is now 18 percent—3 percent more than in December 1998. And the gap in Internet access between Hispanic households and the national average is 17.9 percent—4.3 percent more than it was 20 months ago.

Increasing numbers of Americans are using the Internet to vote, shop, pay bills, take education courses, and acquire new skills. It is therefore becoming more and more critical that all Americans have the tools necessary for full participation in the Information Age economy. Access to these tools is essential to ensure that our economy continues to grow and that in the future no one is left behind.

A viable alternative for many of these under-served individuals is Internet access outside the home, and statistics show that computer use at schools, libraries, and other public access points such as community centers is on the rise. Today I am joined by my distinguished colleague, Senator WYDEN, in introducing the Community Technology Assistance Act. Currently, the special enhanced tax deduction exists in the case of computer equipment donated to elementary and secondary schools and public libraries. Our bill would expand this tax incentive to include computer donations to community and senior centers as well. Consider the many high-profile technology and Internet related companies, such as Microsoft, Intel and AmericaOnline, that have donated computer equipment and web access to schools and universities across America. Our bill would encourage companies and individuals to invest in their community and jump start efforts to help bridge the digital divide in rural and low-income areas everywhere.

In addition, we know a digital divide exists between seniors and the population as a whole. In fact, the October 2000 Commerce Department report found that individuals over the age of 50 are among the least likely to be connected to the Internet, with an Internet use rate of less than 30 percent. Internet access at senior centers offers older Americans a promising opportunity. According to the National Association of State Units on Aging, eight states have conducted surveys on computer and on-line access at their

senior centers. Pennsylvania reports, for example, that while more than 250 of their 650 senior centers are linked to the Internet, many more need computers. West Virginia indicates that every center that has opened a computer training program presently has a waiting list. In an informal survey, Georgia reports that no more than half of the state's approximately 200 senior centers have computers available for participant use—and "that would be a generous estimate." Clearly, the need is there to increase the availability of 21st Century technology to America's senior citizens.

In a society that increasingly relies on computers and the Internet to deliver information and enhance communication, we need to ensure that all Americans have access to the fundamental tools of the Information Age. As the Commerce Department report concludes, there is still much more to be done to make certain that we close the gap between the digital "haves" and "have nots" and ensure that everyone is included in the 21st Century economy. The Community Technology Assistance Act is a positive step in creating digital opportunity for all Americans.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 292

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Technology Assistance Act".

SEC. 2. FINDINGS.

Congress finds the following:

(1) From December 1998 to August 2000, the share of Americans using the Internet jumped by over 35 percent, from 32.7 percent to 44.4 percent, according to the recent United States Department of Commerce report, *Falling Through the Net: Toward Digital Inclusion*. If growth continues at that rate, more than half of all Americans will be using the Internet by the middle of this year, the report projects.

(2) Although more Americans than ever are connected to the Internet, the most recent data show that a "digital divide" still exists between those with different levels of income and education, different racial and ethnic groups, old and young, single and dual parent families, and those with and without disabilities, according to the United States Department of Commerce.

(3) Although both African Americans and Hispanic Americans have shown gains in Internet access over the past 20 months, still only about 16 percent of Hispanic Americans and just under 19 percent of African Americans use the Internet at home, compared to a third of the United States population as a whole.

(4) The gap in Internet access rates between African American households and the national average is 18 percent; 3 percent more than in December 1998 and the gap in Internet access between Hispanic American households and the national average is 17.9 percent; 4.3 percent more than it was in 1998.

(5) Individuals over 50 years old are among the least likely to be Internet users, with an

Internet use rate of less than 30 percent. However, individuals in this age group are almost 3 times as likely to be Internet users if they are in the labor force than if they are not.

(6) Less than 1 in 5 individuals living in households with incomes of less than \$15,000 were Internet users in August 2000. In contrast, 7 out of 10 individuals living in households with incomes of at least \$75,000 had Internet access.

(7) Schools, libraries, and other public access points, such as community centers, continue to serve those groups that do not have access at home.

(8) Of those States that have surveyed computer access at senior centers, many report a need for computer and software acquisition.

SEC. 3. ENHANCED DEDUCTION FOR CORPORATE DONATIONS OF COMPUTER TECHNOLOGY TO SENIOR CENTERS AND COMMUNITY CENTERS.

(a) EXPANSION OF COMPUTER TECHNOLOGY DONATIONS TO SENIOR CENTERS AND COMMUNITY CENTERS.—Section 170(e)(6)(B)(i)(II) of the Internal Revenue Code of 1986 (relating to qualified computer contribution) is amended by striking “or” at the end of subclause (II) and by inserting after subclause (III) the following:

“(IV) a multipurpose senior center (as defined in section 102(35) of the Older Americans Act of 1965 (42 U.S.C. 3002(35)), as in effect on the date of the enactment of the Community Technology Assistance Act which is described in section 501(c)(3) and exempt from tax under section 501(a) for use by individuals who have attained 60 years of age to improve job skills in computers, or

“(V) a nonprofit or governmental community center, including any center within which an after-school or employment training program is operated.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after December 31, 2001.

By Mr. HARKIN (for himself, Mr. DURBIN, Mrs. CLINTON, Mr. DORGAN, and Mr. KENNEDY):

S. 293. A bill to amend the Internal Revenue Code of 1986 to provide a refundable tax credit against increased residential energy costs and for other purposes; to the Committee on Finance.

Mr. HARKIN. Mr. President, today I am introducing the Home Energy Assistance Tax Act with Senators DURBIN, CLINTON, DORGAN, and KENNEDY.

The rising cost of utility bills has reached near crisis proportions in my home state and in states across this country. Right now, millions of Americans are being buried by massive home heating bills. And if we don’t do something soon, a lot of people are going to be left out in the cold.

This winter has been an especially cold one. As a result, demand for natural gas is way up, and prices have skyrocketed.

In the past few months, I’ve gotten phone calls and letters from people all across Iowa telling me about their outrageous heating bills. A man in West Des Moines told me that while his gas bill was \$189.87 in December—it jumped to \$601.67 in January.

A couple in Duncombe said that their \$79 gas bill in December was followed by a \$330 gas bill in January—even though they never paid more than \$120 a month last year.

And a man from Merrill told me that his bill was \$575 this month and \$475 last month, even though it was never higher than \$280 last year.

This man and his wife receive \$1,300 a month for Social Security—\$100 of which goes for Medicare and \$300 for Medicare supplement. After food and other expenses, they just don’t have enough left to pay their utility bills.

Heating bills this high force people to make the kind of sacrifices that no one should have to make. A recent survey showed that 20 percent of the Iowa residents who asked for LIHEAP assistance went without medical care because of high heating bills. 12.3 percent went without food. 7.4 percent didn’t pay their rent or make their house payment.

The bottom line here is that people are struggling, and they need our help to keep from freezing in their homes this winter.

That’s why I believe that we should take the following three steps immediately:

First, we’ve got to provide more emergency funds for the Low Income Home Energy Assistance Program or LIHEAP. Many low income and elderly people simply cannot afford \$300 and \$400 and \$500 heating bills. We also need to increase the income limits on who can receive LIHEAP assistance.

Second, bills have gotten so high that even middle income Americans are struggling—we’ve got to find a way to help them pay their energy utility bills as well. That’s why I am introducing the Home Energy Assistance Tax Act to give taxpayers a 50 percent tax credit for the difference between their utility bills this winter compared to last winter.

This credit will also cover the estimated increased costs of heating a home from heating oil or propane. It will not cover the first \$100 in increased costs. It will not benefit high-income tax-payers. The credit is phased out for those making more than \$100,000. However, this credit will be refundable so that people with low incomes could still receive it.

One key problem with using the tax code to provide assistance is that people do not normally see its benefit until after they file their next tax return and receive a refund. However, taxpayers can reduce their payroll withholding by the amount of this credit and get the money quickly. So this credit can provide quick and meaningful help.

The bill—much like a measure introduced by Senator BOB SMITH—will also propose tax credits for energy efficient new homes and energy efficient heating, air conditioning and water-heating appliances. It will also provide tax benefits for similar energy conservation by businesses.

Energy efficiency is crucial for quelling our home heating crisis. By helping people conserve energy, we reduce consumption and help them lower their heating bills. And when we reduce the

demand that has driven prices up, we restore balance to the market and lower prices for everyone. Also, when we use less fuel, we create less air pollution and reduce our dependence on foreign sources. So energy efficiency tax credits are a win-win-win solution.

I am also joining Senator KERRY in introducing a separate bill today that will provide some relief for small business owners by allowing them to acquire low interest emergency.

I am, of course, fully aware that high gas prices have spurred new drilling which should eventually increase supply and bring prices back down. But this could take years. People are being hammered by high heating bills right now, and we need to act now to help our constituents.

No one should be left out in the cold this winter. I hope that we can come together in the next few weeks and pass important legislation to help keep America warm.

I urge that the Senate consider and pass this measure.

I ask unanimous consent that a fact sheet be printed in the RECORD.

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

HOME ENERGY ASSISTANCE TAX ACT (HEAT)
Exactly what is covered? Who is covered? What is covered?

Provides a refundable 50 percent credit from the first utility bill covering a period starting in November till the one ending during March this year minus a similar period last winter. This is a one time benefit.

Who: All taxpayers who have a principal residence and who have energy utility costs this winter that are more than \$100 more than last year’s costs. There is a phase out of benefits for those with higher incomes starting at \$75,000 adjusted gross income. The benefit is completely phased out at \$100,000.

What: All energy utility bills plus any fuel used to heat the home like heating oil or propane.

It covers bills that people are responsible for, not including LIHEAP and other government payments. A renter benefits if they are responsible for their bills.

How easy is this going to be for people to figure out?

Utilities can very easily supply customers with the total bills for the period from a year ago. Then all they need to do is subtract.

For those who use a bulk purchased fuel such as heating oil or propane to heat their homes: There will be an estimated average cost for each county determined by: (1) The number of degree days in the two years from November 15 to May 15; (2) the difference in the price of the fuel used this winter and last, and (3) the amount needed to heat an average home. That figure would be used to cover the cost of that fuel in addition to the other energy utility bills.

The IRS would calculate this number, getting their numbers from NOAA, DOE and HUD.

What about those who just bought their home?

They would be allowed to use a government estimate of the average increase for their county.

By Mr. SANTORUM (for himself and Mr. KOHL):

S. 294. A bill to amend the Agricultural Market Transition Act to establish a program to provide dairy farmers

a price safety net for small- and medium-sized dairy producers; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. SANTORUM. Mr. President, I rise today to introduce legislation to assist our nation's dairy farmers. I represent a state where agriculture is the number one industry—dairy being the leading sector, and ranks fourth in national dairy production. Agriculture has, and continues to be, the backbone of our rural communities and our social character. While heated debates and regional politics have eclipsed opportunities to pass meaningful dairy legislation, I feel strongly that we must forge consensus in order to assist our nation's dairy families.

I am pleased to have joining me in this effort my colleague from Wisconsin Senator HERB KOHL. While I am grateful for the opportunity to work with Senator KOHL on an issue of great importance to both of our home states, it unfortunately signals that our nation's dairy industry continues to grapple with difficult economic times.

Senator KOHL and I worked together over the past year to forge a consensus plan that addresses the concerns of dairy farmers nationwide. For far too long, regional politics have plagued efforts to achieve a fair and equitable national dairy policy. As a result, milk pricing has become increasingly complex and overly prescriptive. Given that dairy farmers have been receiving the lowest price for their milk in more than twenty years, I feel strongly that Congress needs to step to the plate and offer a fair and responsible solution.

The National Dairy Farmers Fairness Act has two major goals: (1) Create a dairy policy that is equitable for farmers in all regions of the country; and (2) provide more certainty for farmers in the prices they receive for their milk. To accomplish these goals, this legislation creates a safety net for farmers by providing supplemental assistance when milk prices are low. Specifically, a sliding scale payment is made based upon the previous year's price for the national average of Class III milk. In short, the payment rate to farmers is highest when the prices they received were the lowest. In order to be eligible, a farmer must have produced milk for commercial sale in the previous year, and would be compensated on the first 26,000 hundredweight of production. All dairy producers would be eligible to participate under this scenario.

Without a doubt, our dairy pricing policy is flawed. Many solutions—modest to sweeping—have been proposed, discussed, and debated on the Senate floor yet final agreement among interested parties has eluded us for years. Considering that we will begin laying the groundwork for reauthorization of the Farm Bill over the next year, the time for consensus is now.

I am committed to preserving the viability of Pennsylvania's dairy farmers. This legislative proposal represents the strong concern and interest

of mine to find a middle ground in the often heated debate on dairy policy. I am pleased to join with Senator KOHL in this effort, and I believe it sends a strong signal that compromise can be achieved even on the most contentious of issues.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Dairy Farmers Fairness Act of 2001".

SEC. 2. FINDINGS.

Congress finds that—

(1) dairy farm families of the United States are enduring an unprecedented financial crisis;

(2) the price of raw milk sent to the market by the dairy farm families has fallen to the levels received in 1978; and

(3) the number of family-sized dairy operations has decreased by almost 75 percent in the last 2 decades, with some States losing nearly 10 percent of their dairy farmers in recent months.

SEC. 3. DAIRY FARMERS PROGRAM.

Chapter 1 of subtitle D of the Agricultural Market Transition Act (7 U.S.C. 7251 et seq.) is amended by adding at the end the following:

"SEC. 153. DAIRY FARMERS PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) APPLICABLE FISCAL YEAR.—The term 'applicable fiscal year' means each of fiscal years 2001 through 2008.

"(2) CLASS III MILK.—The term 'Class III milk' means milk classified as Class III milk under a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

"(b) PAYMENTS.—For each applicable fiscal year, the Secretary shall make a payment to producers on a farm that, during the applicable fiscal year, produced milk for commercial sale, in the amount obtained by multiplying—

"(1) the payment rate for the applicable fiscal year determined under subsection (c); by

"(2) the payment quantity for the applicable fiscal year determined under subsection (d).

"(c) PAYMENT RATE.—

"(1) IN GENERAL.—Subject to paragraph (2), the payment rate for a payment made to producers on a farm for an applicable fiscal year under subsection (b) shall be determined as follows:

If the average price received by producers in the United States for Class III milk during the preceding fiscal year was (per hundredweight)— The payment rate for a payment made to producers on a farm for the applicable fiscal year under subsection (b) shall be (per hundredweight)—

\$10.50 or less .....	.50
\$10.51 through \$11.00 .....	.42
\$11.01 through \$11.50 .....	.34
\$11.51 through \$12.00 .....	.26
\$12.01 through \$12.50 .....	.18

"(2) INCREASED PAYMENT RATE.—If the producers on a farm produce during an applicable fiscal year a quantity of all milk that is not more than the quantity of all milk pro-

duced by the producers on the farm during the preceding fiscal year, the payment rate for a payment to the producers on the farm for the applicable fiscal year under paragraph (1) shall be increased as follows:

If the average price received by producers in the United States for Class III milk during the preceding fiscal year was (per hundredweight)— The payment rate for a payment made to the producers on the farm for the applicable fiscal year under paragraph (1) shall be increased (per hundredweight)—

\$10.50 or less .....	.30
\$10.51 through \$11.00 .....	.26
\$11.01 through \$11.50 .....	.22
\$11.51 through \$12.00 .....	.18
\$12.01 through \$12.50 .....	.14

"(d) PAYMENT QUANTITY.—

"(1) IN GENERAL.—Subject to paragraph (2), the quantity of all milk for which the producers on a farm shall receive a payment for an applicable fiscal year under subsection (b) shall be equal to the quantity of all milk produced by the producers on the farm during the applicable fiscal year.

"(2) MAXIMUM QUANTITY.—The quantity of all milk for which the producers on a farm shall receive a payment for an applicable year under subsection (b) shall not exceed 26,000 hundredweight of all milk.

"(e) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

By Mr. KERRY (for himself, Mr. LIEBERMAN, Ms. SNOWE, Mr. BINGAMAN, Ms. LANDRIEU, Mr. JOHNSON, Mr. DOMENICI, Mr. LEVIN, Mr. WELLSTONE, Mr. JEFFORDS, Mr. HARKIN, Mr. SCHUMER, Mrs. CLINTON, Mr. KOHL, Mr. EDWARDS, Mr. LEAHY, Mr. BAUCUS, Ms. COLLINS, Mr. SMITH of New Hampshire, Mr. DODD, Mr. CHAFEE, and Mr. BAYH):

S. 295. A bill to provide emergency relief to small businesses affected by significant increases in the prices of heating oil, natural gas, propane, and kerosene, and for other purposes; to the Committee on Small Business.

Mr. KERRY. Mr. President, today I rise to introduce legislation that helps to address the significant price increase of heating fuels and the adverse impact those prices are having on our 24 million small businesses and the self-employed. I thank my colleagues who are cosponsors. Senators LIEBERMAN, SNOWE, BINGAMAN, LANDRIEU, JOHNSON, DOMENICI, LEVIN, WELLSTONE, JEFFORDS, HARKIN, SCHUMER, CLINTON, KOHL, EDWARDS, LEAHY, BAUCUS, and COLLINS.

As so many of my colleagues know, many small businesses are dependent upon heating oil, propane, kerosene and natural gas. They are dependent either because they sell or distribute the product, or because they use it to heat their facilities or as part of their business. The significant and unforseen rise in the price of these fuels over the past two years, compounded by cold snaps and slowed economic conditions this winter, threatens their economic viability.

The financial falter or failure of small businesses has the potential to extend far beyond the businesses themselves, and we simply can't afford that.

Jobs alone make this a reason to mitigate the small business disruptions or failures because they provide more than 50 percent of private-sector jobs. And the self-employed, who largely work out of their homes, and number 16 million according to the National Association for the Self-Employed, NASE, represent more than 7 percent of the nation's workforce.

My bill, the Small Business Energy Emergency Relief Act of 2001, would provide emergency relief, through affordable, low-interest Small Business Administration Disaster loans, to small businesses adversely affected by, or likely to be adversely affected by, significant increases in the prices of four heating fuels—heating oil, propane, kerosene, and natural gas.

Who are these business owners? They are the self-employed who work out of their homes and can't turn down the thermostat to 55 degrees while they are at the office from 8 am to 6 pm. They are the home heating oil distributors who see the price of their inventory skyrocket beyond the reach of their credit lines and cash flows. They are the Mom-and-Pop stores, local restaurants and corner cafes that need to keep a warm place for folks to enjoy. They are the small day-cares for children and nursing homes for the elderly.

According to Department of Energy statistics, the cost of heating fuel has been highly volatile in recent years. For example,

The cost of heating oil nationally climbed 72 percent from February 1999 to February 2000.

The cost of natural gas nationally climbed 27 percent from September 1999 to September 2000.

And the cost of propane climbed 54 percent from January 2000 to January 2001.

While these national fluctuations capture the larger market trends, they do not demonstrate how some localities have been even harder hit by unpredictable and sudden price spikes because of a greater dependence on a single fuel, insufficient inventories, distribution problems and other reasons. Last year in New England, for example, the threat of a relatively common cold winter snap put such serious pressure on the insufficient supply of heating oil that Massachusetts declared a state of emergency. With consumers at the mercy of a market—need up and supply down—the price of heating oil soared. In a matter of weeks, the average price per gallon of heating oil fuel went up 60 percent, from \$1.12 to \$1.79. When operating costs rise gradually, small businesses have time to plan and adjust their pricing and operations accordingly. Rapid shifts in operating costs, however, can disrupt a small company's business plans causing short-term cash flow difficulties. It is the kind of volatility that can make planning month to month as difficult as planning year to year.

Here's the situation. For those businesses in danger of or suffering from

significant economic injury caused by crippling increases in the costs of heating fuel, they need access to capital to mitigate or avoid serious losses. However, commercial lenders typically won't make loans to these small businesses because they often don't have the increased cash flow to demonstrate the ability to repay the loan. In fact, the Massachusetts Oilheat Council in Wellesley Hills, which is a state trade association that represents the heating oil industry, and whose members deliver more than 60 percent of the heating oil to homes and businesses across the state, retailers of heating oil faced not only "stretched credit lines" but even "negative cash flows." Who is going to give you a loan when you have a negative cash flow?

To exacerbate the situation, banks have tightened their lending to small businesses by 45 percent over the past three months. According to the Federal Reserve Board's quarterly survey on lending practices that was released Monday, February 5th, banks surveyed said they have tightened credit to small businesses, particularly on riskier loans, by making borrowing more expensive and requiring customers to have less outstanding debt. They have changed their lending policies because they are concerned about "a less favorable or more uncertain economic outlook . . . and a reduced tolerance for risk." While the banks say that only a handful of borrowers canceled their plans under the stricter lending policies, I think the Federal Reserve Board's survey reinforces the need for this legislation.

You see, Mr. President, commercial lenders are unlikely to make the type of loans we're talking about without an added incentive, such as a Federal loan guarantee. And last year I supported that approach to help small businesses deal with the heating oil problem by enlisting the SBA, its lending partners, and relevant trade associations to use and publicize the SBA 7(a) government guaranteed loan program to make loans to affected small businesses. In the 7(a) loan program, the bank makes the loan, and the SBA guarantees 75 to 80 percent so that if the borrower can't repay the loan, the bank isn't on the hook for every outstanding dollar.

I wrote to the SBA. I called the Massachusetts Bankers Association, and I called individual bank presidents and asked them to use this tool for affected small businesses and to aggressively market the availability of the 7(a) loans and SBA's other programs. Some of the publications helped to spread the word, including the Boston Business Journal and the Boston Herald. It was a real team effort.

While tapping into the SBA's guaranteed loan programs was helpful for some, and one part of the solution, the heating fuel price spike has turned out to be more than a one-year anomaly and so there is a need to go a step further—we need to make capital accessible to even more small businesses. We

can do that through the SBA's Economic Injury Disaster Loans.

Economic injury disaster loans give affected small business necessary working capital until normal operations resume, or until they can restructure or change the business to address the market changes. These are direct loans, made through the SBA, at subsidized interest rates, of 4 percent or less, versus the current Federally guaranteed lending rate of Prime + 2 $\frac{1}{4}$ percent, 10 $\frac{3}{4}$ percent on Monday. Paying 4 percent versus almost 11 percent in interest makes a big difference to that small business owner. Further, SBA tailors the repayment of each economic injury disaster loan to each borrower's financial capability, enabling them to avoid the robbing Peter to pay Paul syndrome, as they juggle bills.

Clearly, these loans are much more affordable for the already struggling small businesses, and, since time is of the essence, the infrastructure is already in place to quickly distribute the loans. SBA delivers disaster loans through four specialized Disaster Area Offices located in New York, Georgia, Texas and California. In addition, the 70 SBA District Offices can help small businesses learn the program and direct the paperwork to the disaster offices. And there are the Small Business Development Centers in every state, with a network of more than 1,000 service locations, the Business Information Centers, and the Women's Business Centers to help small businesses seeking information about and applying for these loans.

Building on the SBA's Disaster Loan Program so that small businesses adversely affected by the heating fuel prices are eligible to apply for economic injury loans complements our efforts last year. I encourage SBA's lending partners to continue to publicize and provide guaranteed loans to affected small businesses. It creates a comprehensive approach to helping small businesses across the nation get the assistance they need, and gives us one more way to assist in the success of our small businesses. And again, economic injury disaster loans are a reasonable approach to the problem.

By providing assistance in the form of loans which are repaid to the Treasury, the SBA disaster loan program helps reduce the Federal emergency and disaster costs, compared to other forms of disaster assistance, such as grants.

On practical terms, SBA considers economic injury to be when a small business is unable, or likely to be unable, to meet its obligations as they mature or to pay its ordinary and necessary operating expenses. To be eligible to apply for an economic injury loan, you must be a small business, you must have used all reasonably available funds, and you must be unable to obtain credit elsewhere.

Under this program, the disaster must be declared by the President, the SBA Administrator, or a governor at

the discretion of the Administrator. Small businesses will have six months to apply from November 1, 2000 or, for future disasters, from the day a disaster is declared.

This legislation will help those who have nowhere else to turn. We've got the tools at the SBA to assist them, and I believe it's more than justified, if not obligatory, to use the economic injury disaster loan program to help these small businesses.

The volatile price jumps of heating fuels are tied to international factors relating to larger energy issues—among them the supply and demand of crude oil—and therefore beyond the control of small business owners. While you have scholars and industry experts making prognostications about whether the price spikes were temporary or here for the long haul, I have grown weary of long-term prognostications. As Yogi Berra is alleged to have said, "Predictions are always difficult, especially about the future."

I believe small business owners can be cautious and budget for the proverbial rainy day, but I think it is unreasonable to expect that they can anticipate, and afford to budget enough money to cover, price jumps of 60 to 100 percent. And who can predict the weather, particularly cold snaps during historically mild winter conditions? These price spikes are largely unforeseeable, even though there will always be the people who say, "I told you so."

Introducing this legislation is only a first step. We need to consider it in Committee, Congress to pass it, and the President to sign if before it is too late to help struggling small business owners. I thank Senator BOND for his cooperation on this legislation, particularly his willingness to expedite judicious consideration by the Small Business Committee.

I urge my colleagues to support this legislation. SBA's programs make recovery affordable, and with the right support, can help mitigate the cost of significant economic disruption in your states caused when affected small businesses falter or fail, leading to job layoffs and unstable tax bases.

I ask unanimous consent that the text of the bill and a letter to Aida Alvarez be printed in the RECORD.

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

S. 295

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Energy Emergency Relief Act of 2001".

SEC. 2. FINDINGS.

The Congress finds that—

(1) a significant number of small businesses in the United States use heating oil, natural gas, propane, or kerosene to heat their facilities and for other purposes;

(2) a significant number of small businesses in the United States sell, distribute, market, or otherwise engage in commerce directly related to heating oil, natural gas, propane, and kerosene; and

(3) sharp and significant increases in the price of heating oil, natural gas, propane, or kerosene—

(A) disproportionately harm small businesses dependent on those fuels or that use, sell, or distribute those fuels in the ordinary course of their business, and can cause them substantial economic injury;

(B) can negatively affect the national economy and regional economies;

(C) have occurred in the winters of 1983-1984, 1988-1989, 1996-1997, and 1999-2000; and

(D) can be caused by a host of factors, including global or regional supply difficulties, weather conditions, insufficient inventories, refinery capacity, transportation, and competitive structures in the markets, causes that are often unforeseeable to those who own and operate small businesses.

SEC. 3. SMALL BUSINESS ENERGY EMERGENCY DISASTER LOAN PROGRAM.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting after paragraph (3) the following:

"(4)(A) In this paragraph—

"(i) the term 'heating fuel' means heating oil, natural gas, propane, and kerosene; and

"(ii) the term 'sharp and significant increase' shall have the meaning given that term by the Administrator, in consultation with the Secretary of Energy.

"(B) The Administration may make such disaster loans, including revolving lines of credit, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, to assist a small business concern that has suffered or that is likely to suffer substantial economic injury as the result of a sharp and significant increase in the price of heating fuel.

"(C) A small business concern described in subparagraph (B) shall be eligible to apply for assistance under this paragraph beginning on the date on which the sharp and significant increase in heating fuel cost occurs, as determined by the Administration, and ending 6 months after that date.

"(D) Any loan or guarantee extended pursuant to this paragraph shall be made at the same interest rate as economic injury loans under paragraph (2).

"(E) No loan may be made under this paragraph, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under this subsection would exceed \$1,500,000, unless such applicant constitutes a major source of employment in its surrounding area, as determined by the Administration, in which case the Administration, in its discretion, may waive the \$1,500,000 limitation.

"(F) For purposes of assistance under this paragraph—

"(i) a declaration of a disaster area shall be required, and shall be made by the President or the Administrator; or

"(ii) if no declaration has been made pursuant to clause (i), the Governor of a State in which a sharp and significant increase in the price of heating fuel has occurred may certify to the Administration that small business concerns have suffered economic injury as a result of such increase and are in need of financial assistance which is not available on reasonable terms in that State, and upon receipt of such certification, the Administration may make such loans as would have been available under this paragraph if a disaster declaration had been issued."

SEC. 4. GUIDELINES.

Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue such guidelines as the Administrator

determines to be necessary to carry out this Act and the amendments made by this Act.

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply to economic injury suffered or likely to be suffered as the result of sharp and significant increases in the price of heating fuel occurring on or after November 1, 2000.

U.S. SENATE,

COMMITTEE ON SMALL BUSINESS,

Washington, DC, January 31, 2000.

Hon. AIDA ALVAREZ,

Administrator, Small Business Administration, Washington, DC.

DEAR ADMINISTRATOR ALVAREZ: I am writing to urge immediate action on a critical problem facing small businesses in the Northeast that deliver home heating oil. As you may know, the price of home heating oil has increased dramatically in recent weeks—as much as 80 to 100 percent in certain areas—creating a tremendous burden on the financial resources of several small companies. Many of these businesses do not have the credit lines or cash flow to compensate for the price increase and are in dire need of assistance.

As a general matter, home heating oil distributors develop seasonal business plans, including credit lines, based on anticipated oil prices, customer demand, customer repayment schedules and obligations to repay suppliers. However, the surge in heating oil prices exceeds what most businesses could have possibly anticipated, and it has placed a tremendous strain on several companies' cash-flow. Compounding this problem is the fact that the repayment schedules to pay suppliers is often considerably shorter than the repayment schedules for customers. This problem is becoming acute and is threatening the financial viability of many small businesses in the home heating oil marketplace. The financial failure of these small businesses has the potential to extend far beyond the businesses themselves if the delivery of the fuel to commercial and residential consumers is disrupted.

SBA, with its network of district offices in every state, is uniquely situated to respond quickly to this situation. On behalf of the businesses and consumers affected by this current price spike, I ask that you immediately start working with SBA-participating lenders in affected states to expedite short-term loans to credit-worthy home heating oil dealers.

Thank you for your immediate attention to this problem. I am ready to facilitate this assistance in any way I can.

Sincerely,

JOHN F. KERRY.

By Ms. COLLINS:

S. 296. A bill to authorize the conveyance of a segment of the Loring Petroleum Pipeline, Maine, and related easements; to the Committee on Armed Services.

Ms. COLLINS. Mr. President, I rise today to introduce the Loring Pipeline Reunification Act, a bill to authorize the conveyance of a segment of the Loring Petroleum Pipeline from the U.S. Air Force to the Loring Development Authority, LDA, in Limestone, ME. The LDA will soon control more than two-thirds of this pipeline as the result of a process that was initiated nearly 3 years ago. By conveying the remaining segment to the LDA with this bill and placing the pipeline under the control of one entity, its value will

be maximized as will its ability to foster the economic development of northern Maine.

The pipeline at issue originally was built to supply the Loring Air Base with fuel products critical to its mission. Prior to the base's closure in 1994, Defense Fuels, now known as the Defense Energy Support Center, DESC, would deliver fuel products by tanker to Searsport, where the line originates, and then pump them through the line to the base. For a period following the base closure, the Maine Air National Guard continued to use the Searsport to Bangor segment to supply their activities in Bangor. After a study by Defense Fuels, however, the Air National Guard changed their means of transporting fuel from pipeline to truck. Consequently, in 1999, the U.S. Air Force made the largest segment of the pipeline, which runs from Bangor to Limestone, available to LDA for reuse. The Air National Guard supports the reunification of this pipeline under LDA's control as does the Maine State Department of Transportation.

In consideration of the large geographical expanse of my State, the often treacherous winter driving conditions, and the fuel shortages that have vexed the Northeast over the past two winters, I believe that the reunification and return to use of this pipeline would serve the public good in northern Maine. It would provide a safer and more efficient means of transporting fuel and, thereby improve the climate for manufacturing and processing plants currently considering new operations in the economically challenged area surrounding Limestone.

It is also worth noting, that from a cost-avoidance perspective, my bill will save the U.S. taxpayer more than \$100,000 which would otherwise be required to support the administrative disposal of this currently unused pipeline. By passing this bill, the Senate and, ultimately, the Congress can help expand the options and opportunities for Aroostook County.

By Mr. McCONNELL (for himself and Mr. DODD):

S. 298. A bill to amend the Internal Revenue Code of 1986 to allow non-itemizers a deduction for a portion of their charitable contributions, and for other purposes; to the Committee on Finance.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 298

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Giving Incentives for Taxpayers Act".

SEC. 2. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to chari-

table, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—

"(1) IN GENERAL.—In the case of an individual who does not itemize the individual's deductions for the taxable year, the amount allowable under subsection (a) shall be taken into account as a direct charitable deduction under section 63.

"(2) LIMITATION.—The portion of the amount allowable under subsection (a) to which paragraph (1) applies for the taxable year shall not exceed \$500 (\$1,000 in the case of a joint return)."

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Section 63(b) of the Internal Revenue Code of 1986 (relating to individuals who do not itemize their deductions) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end the following new paragraph:

"(3) the direct charitable deduction."

(2) DEFINITION.—Section 63 of such Code (relating to taxable income defined) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m)."

(3) CONFORMING AMENDMENT.—Section 63(d) of such Code (defining itemized deductions) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end the following new paragraph:

"(3) the direct charitable deduction."

(c) TIME WHEN CONTRIBUTIONS DEEMED MADE.—Section 170(f) of the Internal Revenue Code of 1986 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

"(10) TIME WHEN CONTRIBUTIONS DEEMED PAID.—For purposes of this section, in the case of an individual, a taxpayer shall be deemed to have paid a charitable contribution on the last day of the preceding taxable year if the contribution is paid on account of such taxable year and is paid not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

By Mr. THOMAS (for himself, Mr. CRAIG, Mr. CRAPO, Mr. MURKOWSKI, and Mr. ENZI):

S. 301. A bill to amend the National Environmental Policy Act of 1969 to require that Federal agencies consult with state agencies and county and local governments on environmental impact statements; to the Committee on Environment and Public Works.

Mr. THOMAS. Mr. President, I rise today to introduce the State and Local Government Participation Act of 2001 which would amend the National Environmental Policy Act, NEPA. This bill is designed to guarantee that federal agencies identify state, county and local governments as cooperating agencies when fulfilling their environ-

mental planning responsibilities under NEPA.

NEPA was designed to ensure that the environmental impacts of a proposed federal action are considered and minimized by the federal agency taking that action. It was supposed to provide for adequate public participation in the decision making process on these federal activities and document an agency's final conclusions with respect to the proposed action.

Although this sounds simple and quite reasonable, NEPA has become a real problem in Wyoming and many states throughout the nation. A statute that was supposed to provide for additional public input in the federal land management process has instead become an unworkable and cumbersome law. Instead of clarifying and expediting the public planning process on federal lands, NEPA now serves to delay action and shut-out local governments that depend on the proper use of these federal lands for their existence.

The State and Local Government Participation Act is designed to provide for greater input from state and local governments in the NEPA process. This measure would simply guarantee that state, county and local agencies be identified as cooperating entities when preparing land management plans under NEPA. Although the law already provides for voluntary inclusion of state and local entities in the planning process, too often, the federal agencies choose to ignore local governments when preparing planning documents under NEPA. Unfortunately, many federal agencies have become so engrossed in examining every environmental aspect of a proposed action on federal land, they have forgotten to consult with the folks who actually live near and depend on these areas for their economic survival.

States and local communities must be consulted and included when proposed actions are being taken on federal lands in their state. Too often, federal land managers are more concerned about the comments of environmental organizations located in Washington, D.C. or New York City than the people who actually live in the state where the proposed action will take place. This is wrong. The concerns, comments and input of state and local communities is vital for the proper management of federal lands in the West. The State and Local Government Participation Act of 2001 will begin to address this troubling problem and guarantee that local folks will be involved in proposed decisions that will affect their lives.

ADDITIONAL COSPONSORS

S. 7

At the request of Mr. DASCHLE, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 7, a bill to improve public education for all children and support lifelong learning.