

We have not had an energy policy in the United States, I am sorry to say, for the last 8 years. As a result, we did not look at what the demand was going to be, where the supply was going to be, and, indeed, have found ourselves depending almost 60 percent on imported oil, depending on foreign countries and OPEC to manage that. So we need to take a long look.

I was pleased with what the Senator from New Mexico had to say about diversity. We need not only to take a look at our need to increase domestic production in oil and gas, but we also need to look at diversity, to where we can continue to use coal. You may have noticed on his chart that coal now produces over 50 percent of our electric energy. We need to do some research with respect to air quality so coal becomes even more useful. We need also to look at coal and its enrichment, getting the Btu's out of low-sulfur coal so transportation costs will not be so high.

Nuclear, I am sure, has a role in our future as a very clean and very economical source of electric energy. However, before we do that, we are going to have to solve the question of the storage of nuclear waste, or begin to use it differently, as they do in some other countries, recycling the waste that is there.

We have great opportunities to do these things. We also need, along with this, of course, to take a look at conservation to make sure we are using all the conservation methods available to us. Certainly we are not now. We have to be careful about doing the kinds of things that were done in California, to seek to deregulate part of an industry—in this case electric energy—however keeping caps on the retail part. Obviously, you are going to have increased usage and reduced production, which is the case they have now.

It is really a test for us at this time. One of the issues is going to be the accessibility to public lands. Most of the States where gas and oil is produced in any volume are public land States, where 50 percent to 87 percent of the State belongs to the Federal Government. Much of those lands have been unavailable for exploration and production.

We need to get away from the idea that the multiple use of lands means you are going to ruin the environment or, on the other hand, that we need to do whatever we need to do and we do not care about the environment. Those are not the two choices. The choice we have is to have multiple use of our lands, to preserve the environment and to have access to those lands as well. We can do that, and we have proven that it can, indeed, be done.

That is one of the real challenges before us during this Congress, although, of course, Congress only has a portion of involvement—it is really the private sector that will do most of it.

One of the most encouraging things is Vice President CHENEY and his work-

ing group have brought in the other agencies. Too often we think about the Department of Energy being the sole source of involvement with respect to energy, and that is not the case. The Department of the Interior is certainly just as important, in many cases more important regarding where we go, as well as the EPA—all these are a real part of it.

One of the difficulties, of course, in addition to the supply, is the transportation. Whether we have an opportunity to have pipelines to move natural gas from Wyoming to California—a tough job, of course—whether we have a pipeline that economically can move gas from Alaska down to the continental United States, those are some of the things with which we are faced. In the case of California, people were not excited about having electric transmission lines and therefore it was very difficult and time consuming to get the rights-of-way to do these things.

We have to take a look at all of those issues to bring back domestic production and be able to support our economy with electric and other kinds of energy.

It is going to be one of the challenges. The Senator from Alaska, chairman of the Energy and Natural Resources Committee, has introduced a rather broad bill that deals with many parts of the energy problem. I am pleased to be a sponsor of that bill. Obviously, it will create a great deal of debate and discussion because it has all those items in it, but we need to move. We need to have a policy that will encourage production. But I say again, not only should we be looking at production but we should be looking at opportunities to, indeed, conserve and find efficient ways to use it.

THE BUDGET AND TAX RELIEF

Mr. THOMAS. We are going to debate lots of issues. We went on an issue yesterday which was passed. We are going to go to bankruptcy today. We will talk about a lot of issues. But the real issue we need to work towards and keep in mind, it seems to me, is the budget and the tax relief issue we have and that the President has promised and that we, I hope, will be able to support. We will be looking at spending, budgets, taxes, and the size of tax relief. It is going to be one of the most important things we do.

One important aspect of it is the American people are suffering under a record level of taxation, which is 20.6 percent of the gross national product. They deserve some relief. The individual tax burden has doubled from where it was. We really need to take a long look and encourage the private sector that has people who are paying excessive amounts of taxes to have those taxes returned and at the same time pay down the debt and be able to have a budget that pays for the increases we are looking for in education

and national security with the military, as well as have some reserves. The President's plan does all of those things. It puts a limit on spending, which we very badly need.

It takes care of paying down the debt. That can be paid down between now and 2011. It has a reserve for the kinds of things that come up unexpectedly and at the same time returns \$1.6 trillion in overpaid taxes to those people who in fact have paid the dollars.

We have a lot of important things to look forward to in this Congress. I am glad we are now beginning to get to where we are able to deal with these issues. I think yesterday was an example of that. I am certain we will move forward.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

TAX RELIEF

Mrs. HUTCHISON. Mr. President, I thank my colleague from Wyoming for talking about taxes because I don't think we can talk about tax relief enough. There is no question but that we have the chance of a lifetime to bring tax relief to every working American and also give increased benefits to earned-income tax credit recipients. It is in everyone's best interest that we do this.

I thank my colleague from Wyoming for starting this debate and starting the process of educating everyone about the importance of this tax relief.

Let me say that when we talk about the tax relief package, we really are talking about good stewardship of our tax dollars. We have a projected \$5.6 trillion surplus. We have a bright red line between the Social Security surplus and income tax withholding surplus. We are taking half of the \$5.6 trillion—roughly \$3 trillion—that is in Social Security surplus, and we are going to leave it intact in a lockbox so that Social Security will be totally within itself, solid and firm.

The other half of the \$5.6 trillion—the \$2.6 trillion or so—is the income tax withholding surplus. That is very different from people who are paying into Social Security and expect that money to go to Social Security. But people who are sending \$2.6 trillion in income taxes above and beyond what government reasonably needs to operate should have some relief. That is money coming right out of the pocket of every American and going to Washington which we know it does not need for legitimate government expenditures.

It is our responsibility to be careful how we spend taxpayer dollars. With that \$2.6 trillion surplus in income tax withholding, we have a proposal that takes \$1.6 trillion and gives it back to the people so they don't even have to send it to Washington. We have \$1 trillion remaining. That \$1 trillion is going to be for the added expenditures that we know we need in priority areas to do the right thing.

So what are the priority areas?

We are going to spend more for public education because we know public education is the foundation of our freedom and our democracy. If we allow public education to fail, or not produce, then we are taking away the strength that has been the foundation of our Nation.

We are going to spend more on public education.

No. 2. We are going to spend more on national defense.

Our national security forces have been deteriorating. We do not have a solid plan to upgrade the quality of life for those serving in our military. These are people who are pledging their lives to protect our freedom. We owe them a quality of life that allows them to do their job. We are going to increase their housing quality and health care quality. We are going to increase salaries. We are going to increase education for military children, spouses, and military personnel. All of these will add to the quality of life.

We are going to invest in the technological advances that will keep us ahead of any adversary we might have and also make sure that our allies are strong.

We are going to increase spending in national defense.

No. 3. We must address the prescription drug issue in this country.

Ten years ago, you would have to go in the hospital and have surgery for an ailment that today can be treated with prescription drugs. Hospital stays are much shorter. Sometimes it is just an office visit because prescription drugs are so much more effective. They are also more expensive. We need to treat prescription drugs as one of the mainstays of quality health care, just as hospital stays and surgery used to be the avenue for treatment of a major problem.

We have to deal with this big expense and this big part of health care that has changed our quality of life in America, but which many people cannot afford or they have to make such tough choices that it just isn't right. People on fixed incomes cannot afford a \$400-a-month prescription drug bill. Some people are making other kinds of choices. We are going to have to have more benefits and more options for prescription drug help for people who need it.

These are the areas where we want the ability to have added income, to make sure we can do the job we are expected to do. I certainly think \$1 trillion should be plenty if we are running the Government efficiently and making sure taxpayer dollars are not being wasted or misused.

I think the tax relief plan is much more than tax relief. It is good stewardship of your taxpayer dollars and my taxpayer dollars. It is a balanced approach that pays down the debt, protects Social Security, and adds spending in the priority areas where we must add spending. And it lets people keep more of the money they earn in their

own pocketbooks because we believe they can make better decisions for their families than someone in Washington, DC, can do.

What is in the marriage penalty relief? What is in the tax bracket lowering? What is in the inheritance tax relief?

The biggest part of the tax cut is an across-the-board lowering of each tax bracket, so if you pay in the 15-percent bracket today, you will either pay no taxes at all or you will go to a 10-percent level. The most benefit of this tax relief is at that level. And then you go to a 15-percent bracket, a 25-percent bracket, and a 33-percent bracket. So everyone gets a lowering of their bracket.

We believe no one should pay more than 33 percent of their income in Federal taxes. That is a fair tax. It could be lower, but at least that is a fair cap on taxes for any individual. That is the biggest part of the tax cut plan.

It will also increase the earned-income tax credit for people who are not paying taxes at all but get a refund because we want them to have the incentive to work rather than be on welfare. This is a good incentive, and it works.

In essence, the earned-income tax credit is a rebate of the payroll tax. For people who do not pay income taxes but they do pay payroll taxes, they are going to get a bigger rebate. So that is the big part.

The next part of this tax relief plan is relief from the marriage penalty tax. Why on Earth should two single people, earning the incomes they earn, who get married, be thrown into a higher bracket and pay more in taxes just because they got married—not because they got a pay raise but because they got married? That is wrong. It is a wrong incentive in this country, and it was never meant to be that way. This was a quirk in the Tax Code, and we must fix it.

You should not have to pay a marriage penalty. Today—and this is in my legislation I have introduced—if you take the standard deduction, you do not get the standard deduction if you get married. You do not get it doubled. In fact, the standard deduction is \$4,550 for a single person. For a married couple, it is \$7,600. Under my bill, the standard deduction for married couples will increase by \$1,500 to \$9,100, which is double the single standard deduction. So if you do not itemize and you take the standard deduction, we want you to have double the single rate when you get married.

Secondly, we want to widen every bracket so you will not have to pay more in income taxes because you go into a higher bracket just because you combined incomes. We want to widen the brackets so your combined income will be taxed at the same rate as if you were single making two incomes that added up to that. So we are going to try to widen the brackets.

And third, on the earned-income tax credit, we will increase the adjustment

on the income levels and make the earned-income tax credit also come in at the same level as if they were two single people rather than penalizing people who get the earned-income tax credit when they get married.

It is very important that we relieve the pressure on 21 million American couples who pay the marriage penalty tax. This is not right, and we are going to change it. That is another major part of the tax relief bill that will be before us in the coming weeks.

The third area is doing away with the death tax. There is no reason for someone to have to sell a family farm, a ranch, or a small business in order to pay taxes to the Federal Government. We must take the lid off the death tax.

The people of America understand the death tax as being unfair. Even if they are not going to have to pay the death tax or their heirs will not have to pay the death tax, they still have a fundamental sense of fairness that it is wrong to tax money that has already been taxed when it was earned and when it was invested. There is a sense of fairness in the American people.

There is also a sense of hope. Every parent hopes that his or her child is going to do better than they have done. So they want their children to have that opportunity to be able to keep the family business and to do better. And they most certainly do not want a family business to be sold off to pay taxes because they know that not only affects their own families but the jobs of the people who work for a family-owned business.

Fifty percent of the family-owned businesses in this country do not make it to the second generation, largely because of the inheritance tax. Eighty percent do not make it into the third generation.

Do we want to be a country that does not have family-owned businesses? Do we want everything to be a big international conglomerate? I do not think so. I think we want the family farm to succeed in this country because we know that family farmers are contributing citizens to the community; they are contributing to the agricultural greatness of this country; and they are a stability for our country to make sure that we control our own resources.

I do not want a big international conglomerate to take the place of the family farm in this country. And that is what death taxes produce. It is in our interest that we have small family-owned hardware stores. It is in our interest that we have small family-owned service companies that contribute to a community.

I hope we will eliminate the death tax, or at least modify it greatly so that any reasonable description of a family-owned business would be covered, so that there will not have to be a sale of assets that would break up that business, that farm, or that ranch.

The fourth major area of our tax relief plan is to double the child tax credit. Whether you have child care or not,

we believe you should have more than the \$500-per-child tax credit because we know how much it costs to raise a family. So we would double that to \$1,000 per child.

A \$1,000-per-child tax credit isn't nearly enough to offset the costs of raising children. We know that. But we do not have children to get tax credits; we have children because we love them and we want them to be strong, to continue the great heritage that we have in this country. But we should give tax relief that is focused on helping families raise their children in as conducive an environment as we can possibly give them.

That is our tax relief plan. It is our stewardship of tax dollars to give more money back to the people who earn it, and to pay down the debt at the most rapid rate that we possibly can. Over 10 years we will have paid down the debt to the absolute minimum. And to help people with prescription drug benefits, to rebuild our national defenses, and to make bigger investments in public education, we are saving \$1 trillion back from the surplus. And last, and most important, we are keeping Social Security totally intact. That is good stewardship of our tax dollars.

I am proud to support a tax relief plan that saves Social Security, and keeps it secure, that adds spending where we need it, and makes absolutely sure that we give back to the people who earn it more of the tax dollars they deserve to keep in their pocketbooks, rather than sending it to Washington for decisions to be made that they will probably never realize.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

BANKRUPTCY REFORM ACT OF 2001—Resumed

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 420, which the clerk will report.

The bill clerk read as follows:

A bill (S. 420) to amend title 11, United States Code, and for other purposes.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I am pleased to be here today to support S. 420, the Bankruptcy Reform Act of 2001. I know this bill has cleared the Senate on at least three different occasions, as I recall, and with large majorities. I know a number of people have amendments they would like to offer.

As a courtesy to the Members who had concerns about the legislation, Majority Leader LOTT allowed the bill to go to the Judiciary Committee. We had amendments and debate there for a good bit of time. It is now on the floor. It is appropriate for amendments that are to be offered to be offered now.

I urge my fellow Senators who have amendments they would like to offer to this legislation to bring them to the floor. This is the time that has been set aside and announced for that purpose. It certainly would not be courteous to the work of this body if people have amendments and don't take advantage of the chance to bring them forward.

I see the chairman of the Judiciary Committee, Senator HATCH, has arrived. Perhaps he will have some opening remarks at this time. If he does, I would be pleased to yield to Senator HATCH. Senator GRASSLEY had asked that I start this off. I believe we have a good piece of legislation that has been examined. Every jot and tittle of it has been looked at. Compromises and improvements have been undertaken time and again. I believe the act will withstand scrutiny. It will eliminate a number of the abuses that have been occurring under the new modern-style bankruptcy.

The time has come, and I am confident that as this debate goes forward, this bill will pass and become law.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I am happy to be here and finally get this bankruptcy bill underway. We have done it year after year after year. It certainly is time to pass this bill. I hope there won't be any frivolous amendments or amendments trying to kill the bill or amendments trying to make points rather than solve the problems we have regarding bankruptcy.

As I have indicated before, the bankruptcy reform legislation we are considering today, is the same legislative language that was contained in the conference report passed by the Senate in December by a vote of 70-28. In addition, the language was marked up in the Judiciary Committee, and has added several provisions sought by Democratic members of the committee.

I am asking that Members recognize and respect the compromises and agreements that have already been made with respect to this bill. While I do not believe that further amendments are necessary, I recognize that it is the right of any Member to offer amendments. It is my sincere hope that Members will exercise reasonable ness in the offering of any amendments.

This being said, If Members do have amendments, I ask them to come down and offer them now, so that we can avoid any further undue delays and move forward.

While we are waiting for them, let me talk about the bankruptcy reform proconsumer provisions. This bill requires extensive new disclosures by creditors in the area of reaffirmations and more judicial oversight of reaffirmations to protect people from being pressured into agreements against their interests.

It includes a debtor's bill of rights with new consumer protections to prevent the bankruptcy mills from preying upon those who are uninformed of their legal rights and needlessly pushing them into bankruptcy.

It includes new consumer protections under the Truth in Lending Act, such as new required disclosures regarding minimum monthly payments and introductory rates for credit cards. It protects consumers from unscrupulous creditors with new penalties on creditors who refuse to negotiate reasonable payment schedules outside of bankruptcy.

It provides penalties on creditors who fail to properly credit plan payments in bankruptcy. It includes credit counseling programs to help people avoid—we go that far—the cycle of indebtedness. It provides for protection of educational savings accounts, and it gives equal protection for retirement savings in bankruptcy.

S. 420 contains improvements over current law for women and children. We have heard people complain that the bankruptcy laws do not take care of women and children. We have tried to do that in this bill, and we have accomplished it.

It gives child support first priority status, something that has not existed up until now. Domestic support obligations are moved from seventh in line to first priority status in bankruptcy, meaning they will be paid ahead of lawyers and other special interests. It includes a key provision that makes staying current on child support a condition of getting a discharge in bankruptcy. It makes debt discharge in bankruptcy conditional upon full payment of past due child support and alimony.

It makes domestic support obligations automatically nondischargeable without the costs of litigation. It prevents bankruptcy from holding up child custody, visitation, and domestic violence cases. It helps eliminate administrative roadblocks in the current system so kids can get the support they need. These are all valuable additions and changes in the bankruptcy laws that this particular bill makes. It is in the best interests of women and children to pass this bill.

That is not all. Let me cite a few more improvements over current law for women and children. The bill makes the payment of child support a condition of plan confirmation. It provides better notice and more information for easier child support collection. It provides help in tracking down deadbeats. It allows for claims against a deadbeat parent's property. It allows for payment of child support with interest by those with means. It facilitates wage withholding to collect child support from deadbeat parents.

All of that is critical. All of that amounts to needed changes in the bankruptcy laws that we have worked very hard to bring about.