

things are going to get a lot worse before they get better.

The California Independent System Operator has said that the State will be 2,000 to 5,000 megawatts short in meeting its energy needs. In other words, millions of homes and businesses are at risk of being blacked out, maybe every day. This affects traffic lights, ATMs, farmers, assembly lines. It affects vineyards; it affects small hospitals—and the list goes on and on.

Since January, the State Department of Water Resources has been purchasing all of California's power needs because of the poor financial condition of the State's utilities. Last week, I updated my colleagues in the Senate on the amount the State has spent so far to keep the lights on. At that time, it was \$5.2 billion. In the last week, that number has gone up by \$1 billion, to \$6.2 billion. And the State continues to buy power at the rate of \$73 million a day.

The implications of these high power prices are devastating to the State. In fact, State budget officials are already making deep cuts in California's \$105 billion budget that the Governor will sign into law in late June. Last week, the California State Senate Budget Committee chairman called on the Budget Committee to come up with a list of cuts totaling \$2 to \$4 billion to compensate for higher energy costs so far.

I would like to put the costs in perspective. California, as I said, is spending \$73 million a day on power. How much is that? It is enough to fund the annual budget of the Santa Ana Police Department. It is one-fourth of the cost to run California's entire judicial system for 1 year. It would provide health coverage for almost 300,000 working families in the State. And it is gone in 1 day.

As I have said before, the major problem was a flawed deregulation bill passed in 1996 called AB 1890. However, the State is doing today all it can to increase supply and reduce demand. The State will have an additional 3,572 megawatts on line by the end of the summer and an additional 6,923 megawatts on line before the end of 2003, and by 2004 the State expects to add 20,000 more megawatts. That is enough power for 20 million additional homes.

The problem is in the interim. The problem is the absence of price stability. The State spent \$7 billion in 1999 for energy—total—\$32 billion in the year 2000, and it is estimated to spend \$65 billion in 2001. Simply stated, this is the result of price gouging. Simply stated, it is a Federal responsibility to provide a period of reliability and stability in price before we bankrupt every industry in the State of California and close businesses from Eureka to San Diego. The Pacific Northwest is in the same crisis, and the Midwest and other regions will be as well, unless the FERC takes action.

Yesterday, the Commission ordered the Williams Company to refund \$8

million for withholding power. This is the first action of its kind. The Commission found that this generator improperly shut down plants with the implicit understanding that withholding power from the market would drive up prices. Even to the most conservative Member in this body, this is evidence of manipulation of the market in California to drive up energy prices. The FERC found it, and the agreement was that Williams will pay \$8 million in a refund.

This firm has admitted no wrongdoing in the settlement. However, it should be clear that what was alleged was that they took key generating units in Long Beach and Huntington Beach offline in April and May of last year. Williams said it settled to end the matter and that they would have been exonerated had FERC pursued the case. Initially, FERC had sought a refund of about \$10.8 million but settled for the \$8 million in the compromise agreement.

Today, Pacific Gas and Electric, a very large investor-owned utility, is in bankruptcy in chapter 11. Southern California Edison, the distributor of power to 11 million people, is very close to bankruptcy. Should the agreement forged by the Governor not go through, that utility will be in bankruptcy.

Yesterday, a divided State senate appropriations committee approved a bill that would impose a windfall profits tax on electricity sellers who gouge California consumers. Revenue from the tax would flow back to Californians in the form of a credit on their State income tax, starting next April 15. On a 7-3 vote, Democrats on the committee voted for the bill, Republicans lined up against it. The measure moved to the Senate floor, where it will require a simple majority of 21 votes and is expected to pass. The Governor has said he is open to signing a windfall profits bill, but he has not publicly lobbied for the passage of the bill.

Yesterday, the Vice President made an energy speech. I would like to say a few things about it.

In his first extensive remarks about the energy recommendations his Cabinet-level task force will make to the President by the end of May, the Vice President blamed current shortages on shortsighted decisions in the past. The Vice President said that conservation, while perhaps "a sign of personal virtue," does not make for sound or comprehensive policy. The Vice President promised "a mix of new legislation, some executive action as well as private initiatives" to cope with rising energy prices and growing demand. He definitely rejected turning to price controls, tapping the Strategic Petroleum Reserve, or creating new bureaucracies.

Over the next two decades, it will take between 1,300 and 1,900 new power plants—or one every week for 20 years—just to meet projected increases in nationwide demand, Mr. CHENEY said. And he said, "Without a clear, co-

herent energy strategy for the nation, all Americans could one day go through what Californians are experiencing now, or even worse."

I have been really disappointed and surprised with this administration's attention to the energy crisis. I have written to the President three times now asking to meet with him and explain the situation. So far, he has not yet agreed to meet with me.

The Vice President and the Energy Secretary through this Presidential Task Force are talking about how the Federal Government is going to help. However, adding 1,600 new power plants over the next 20 years is not the answer we need. Nobody questions that we need more supply in the long term. But we have a situation where prices have been spiking for almost a year in California and about 6 months in other parts of the Northwest, where the Northwest is experiencing the driest hydro year on record. This is where we need the help.

This is where the Federal Government has a duty to help. California and the Northwest badly need a period of stability and reliability, and this is where the Federal Government can help. I argue that this is where the Federal Government has a duty to step in and protect consumers from being gouged. As I said, California is adding 20,000 new megawatts itself which is the equivalent of forty new average-sized plants, without any Federal prompting.

Lastly, I am also quite surprised that the Vice President, in his remarks yesterday, essentially said that wind, solar, geothermal and other renewable energy sources are still too far into the future and the future is all fossil fuels.

Even if that were true, the truth of the matter is that nuclear power, for instance, takes years and years to cite and there is nothing this administration can do to help with the supply we need this summer and next summer.

I, again, urge my colleagues to support Senator GORDON SMITH and I and force FERC to take action and address the problem. The alternative may be an economic disaster for the entire country this summer.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. FEINSTEIN. I thank the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask unanimous consent that at 2:15 today Senator THOMAS be recognized for up to 1 hour allotted post cloture and, following that time, Senator WELLSTONE be recognized for his hour post cloture.

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

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:31 p.m., recessed until 2:16 p.m. and reassembled when called to order by the Presiding Officer (Mr. INHOFE).

The PRESIDING OFFICER. The Chair, acting in my capacity as a Senator from Oklahoma, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT—MOTION TO PROCEED—Continued

Mrs. HUTCHISON. Mr. President, I have been listening to the debate on education reform for the last few days. I think it is interesting we are talking about two different things. I hear Senator WELLSTONE and Senator KENNEDY talk about money. Everything is about money. We are absolutely convinced if we don't have reform of our public education system, throwing the rest of the Federal budget at it will not work. We will not see improvements if we don't reform the underlying system.

Our public education system is failing. It is failing because there is such a variation of standards. Some of our public schools are terrific, but they are not all terrific. Some are even abysmal. That is not the standard of quality for public education we should stand for in this country. We are trying to reform the system so there will be a standard under which any child in this country who is educated in our public schools will be a child who can reach his or her full potential so that no child will be left behind. We are trying to set a minimum standard that every child must meet or, if the child doesn't, that we will give that child help.

We have seen the high school dropout rates. They are alarming in some areas of our country. What is interesting, when we go to the root of the problem and we talk to these young people who have dropped out of high school in despair, there is a basic reason. The basic reason is they can't read.

Why not go down to the third grade and catch these young people who are having problems reading and give them a chance to have the full ability to absorb the education they are receiving? If we shuffle them from one grade to the next grade to the next grade, a social promotion, and they still can't read in the 10th grade, who is surprised that the children are frustrated? They are sitting in classes, trying to learn algebra, math, science, history, and geography, and they don't have third grade reading skills. Of course they are going to be frustrated.

What we are proposing is an accountability, a standard, that says every child will be tested in the third grade. If that child isn't reading at grade level

in the third grade, we are going to hold them back. We are going to give them tutors. We are going to give them the tools they need to be able to participate in their education and in this country the future.

That is what reform is. Reform is not just throwing more money at the problem. Reform is getting parents involved, in getting teachers, in getting principals involved, in letting the local school districts make the decisions about what will be the best for the individual children in that district. That is what reform is. It is not throwing money at it and having regulations coming out of Washington, DC.

We are trying to set a standard by which every child in this country will be able to read at grade level in the third grade. I think we are going to see the test scores soar across our country if we can get over the hurdle of talking just about money and start talking about reform.

Reform includes accountability. A lot of people wring their hands and talk about tests: We don't want tests; we don't want too many artificial tests; we don't want teachers teaching to the tests. If we are testing for the basic skills, why wouldn't we teach to the test and improve what the children are learning? If we teach to the test and the test is fundamental reading, fundamental math, fundamental science, fundamental history, then we need to have a standard by which to judge what is happening in our schools.

Another reform is reporting, making sure that parents have the tools and the information to make the best decisions for their children. In fact, if a parent doesn't know how the school is doing and how the children in the school are doing, how can they know their children are getting the best opportunity that is available?

In my State, we have a report card. It is called the Just For Kids Program. The test scores of every elementary and junior high school—and we are going now through the high schools—in Texas will have a report card that shows the test scores and how the test scores have grown in that particular school. If that school is compared to other schools in the same socioeconomic, demographic area and that school does not compare well, the parents then have the information and the parents will be able to say to the principal, wait a minute, why is this school not performing? We want to give parents the ability to question. We think by questioning, we can see improvements.

We are talking about reform, not money. We are talking about doing things a different way. We are talking about reading at grade level in the third grade so in the eighth grade the child will have the chance to learn the higher math, the history, the algebra. We are talking about accountability testing, to see if the children are keeping up, to see if we can go to the heart of the problem, if there is one, and fix

it while we still have a chance, before the young person has, in utter frustration, dropped out of high school. We get them at the lower level and we give them the chance to compete.

We also have report cards. We have report cards so parents will be armed with knowledge. Parents can go to the principal and say, why isn't this school performing? That is the most powerful force we can possibly have. If there is a coverup, if there is no test, if there is nothing by which the parents can judge the performance, of course, everyone is going to be silent and we will have continued failure.

These are the elements of reform that will make a difference in the system. This is what we are talking about when we talk about doing things in a different way in our country. We are not talking about just throwing more money at it, although the President's plan does increase education spending by over 11 percent, the largest increase of any part of his budget.

Yes, we are going to spend more money but we are going to make sure that the money goes directly to the school districts with standards that we would ask them to meet. We would ask them to meet those standards in their own way, not in some federally mandated way that might not be right for the children in those particular school districts.

I am very pleased that we are finally on this bill, and I hope we are going to come out with something that will show the parents of this country that there really is hope; there is hope for a different way; there is hope for the future for their children in public schools.

Mr. President, I am now very pleased to yield the floor to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I ask to proceed for 10 minutes.

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

Mr. GREGG. Mr. President, I rise in support of a variety of sections of this piece of legislation. I certainly want to second the comments of the Senator from Texas, who has pointed out some of the significant strengths of the bill.

Let me talk about one specific area that I think needs clarity, and then some additional amendments I hope to offer to give parents more options.

The question of quality education I think we all understand is parental involvement. It is a good teacher, a good principal, but, most importantly it is a parent who gets involved in their child's daily activity of going to school and learning. Unfortunately, the Federal role in education has historically undermined the ability of the parent to be a participant in that activity. In fact, title I, as it has been structured over the last 25-30 years, has been a school-based, bureaucracy-based funding mechanism. It has not been directed at benefiting the child so much