We need to invest in our schools. We need to invest in training and retraining of existing workers. Yes, we ought to have tax cuts. We ought to have some tax cuts that help working families deduct the cost of higher education for their children or the cost of retraining programs for themselves.

I am afraid this budget resolution, which carries out a campaign promise the President made in New Hampshire more than a year and a half ago when the economy was not in a downturn, when others he was running against were proposing flat taxes and he responded, will take us down the road to exactly where our history should tell us we do not want to go.

This budget resolution is fiscally irresponsible. The economics do not make any sense. I am tempted to call it voodoo economics, Mr. President. The numbers do not add up and America's economy will suffer for it. Even more to the point, and personally, what will be hurt if we do not gather together, centrists of both parties, to speak for fiscal responsibility and reasonable investments and fiscally responsible tax cuts is the quality of life of millions of American families and the strength and stability of millions of American businesses.

I urge my colleagues to look closely at this budget. Let us work across party lines on it and let us make it what the American people deserve and expect it to be: a fiscally responsible progress and prosperity budget.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I associate myself with the comments made by the Senator from Connecticut. If the budget comes back as reports indicate the conference may send it back, I, who voted for it the first time, will not be able to vote to support that budget conference report.

The Senator from Connecticut has very well made the points. For me, it is a profound disappointment that something I thought we had worked out and was understood is going to be reversed and come back in a conference report which is, for most of us, unacceptable.

Mr. President, I know the hour of 2 o'clock is approaching. I ask unanimous consent that the time be extended just so I may finish my comments today.

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

Mrs. FEINSTEIN. I thank the Chair.

ENERGY PRICES AND THOSE WHO BENEFIT

Mrs. FEINSTEIN. Mr. President, last week I rose to speak about the businesses and consumers in California and the West who are facing exorbitant energy bills that could threaten the very livelihood of their businesses. These are people who have been hurt by the crisis. Today I want to talk about those who have benefited from the crisis.

One can look at this chart and you can see something is wrong because the total cost of power in California in 1999 was $7 billion, the total cost in the year 2000 was $32 billion, and the projected cost in the year 2001 is $65 billion.

That kind of a hike does not happen without someone profiting.

Electricity is not an automobile. It is not a fur coat. It is not a home. Electricity is a basic staple of human life. If the street lights do not function, there are accidents. If people cannot run their respirators, death may result.

California is now in a position where businesses are laying off employees, businesses are closing. I cannot emphasize enough how people are hurt by this.

Let us look at an example of high power prices by taking one random day this past winter: December 15, 2000. On this day, electricity prices ranged from $429 a megawatt hour to $565 a megawatt hour, depending on the time of day.

What makes that significant? Look back 1 year to 1999, same day, same month. The price was $12 a megawatt hour to $29 a megawatt hour. These are wholesale prices. This represents in 1 year an increase of 3,500 percent and 1,900 percent, respectively.

If we want to take a look at prices in a more recent month, let us look at February 2001. Wholesale energy costs in February averaged $361 a megawatt hour, more than 12 times the average wholesale cost of $30 a megawatt hour in February of 2000.

I mentioned earlier that the utilities, as a product of a very flawed State bill, had to divest themselves of their power-generating facilities. To show the difference, consider that when Southern California Edison had its generating facilities, it was selling power at $30 a megawatt hour. When Edison sold it to an out-of-State generator, the generator immediately turned around and charged $300 a megawatt hour. That is what is happening.

Clearly, California's deregulation has turned out to be an abysmal failure for the State, for consumers, for businesses, and for California's investor-owned utilities, one of which is in bankruptcy, PG&E, and the other which is perilously close, Southern California Edison.

Last week, the Federal Reserve estimated that, on average, each California household will pay $750 out of their pocket to compensate for higher energy costs this year. Additionally, over the past year, the natural gas component of the CPI rose by 68 percent in western metropolitan areas, boosted in part by a nearly 135-percent increase in the index in the San Francisco Bay area.

However, having said this, not everyone has been a loser. Let us talk a moment about the winners because it is quite revealing.

California's six largest nonutility energy suppliers are all based outside the State. Together they own or market roughly 17,000 megawatts of capacity. That is roughly a third of the total capacity in the State, and it is roughly enough for 17 million households. They are companies such as Dynegy, Duke Energy, Mirant, NRG Energy, Reliant, and Williams. These are not the only ones benefiting from the crisis. But for these six companies, profits more than doubled from 1999 to 2000. In some cases, the companies' subsidiary operating units doing business in California's wholesale power posted even larger gains than their parent companies.

If you look at this chart, the gray is 1999 and the red is 2000. Williams Energy Marketing and Trading Company, a subsidiary of Williams Energy Services, which sells energy from California facilities, saw profits increase nearly tenfold, from $104 million in 1999 to over $1 billion in 2000.

For Reliant's wholesale energy business, which supplies energy to California and other competitive markets, operating income rose almost 1800 percent, from $27 million in 1999 to $482 million in 2000. These are last year's numbers, but already these firms are again posting dramatically higher profits from this winter. Recent first quarter earnings announcements by energy companies reveal that firms continue to profit big time.

For example, Calpine Corporation announced a 424-percent increase in earnings, raking in $94.8 million in the first 3 months of the year compared with $18 million last year.

Mirant, formally Southern Company, announced record first quarter earnings of $175 million, up 84 percent, the equivalent of 51 cents per share.

Williams reported a first quarter profit of $378 million, more than double its results a year ago.

It is important to note that supply and demand have remained virtually the same over this period of time. There has been less than a 4-percent increase in demand. The imbalances in the market do not justify these astonishing increases in price.

One of the most amazing things to me is to see how little concern there is about what is happening in this very large State. Last week, the Federal Energy Regulatory Commission ordered the Williams Company to refund $8 million for withholding power from the California market last summer. This is the first action of its kind by FERC, who found that Williams intentionally and improperly shut down plants with the implicit understanding that withholding power from the market would drive up prices. We know it is happening now.

Last April and May, Williams shut down two of its generating units in Long Beach and Huntington Beach that were obligated to sell electricity to the California grid operator, forcing the ISO to look elsewhere for power. Williams—this is the rub—Williams would have been paid $63 a megawatt hour if the power plants were running; instead, the ISO had to spend $750 a megawatt hour to purchase electricity from other generating units. This withholding of power netted Williams $11 million.

The Williams Energy Marketing and Trading Company has agreed to refund $8 million under the FERC order, although they profited $11 million by purposely shutting down the plants to raise the price.

Last week it was reported that Duke Energy was attempting to negotiate with Governor Davis to settle similar allegations about Duke plants that were off line. Documents released last week reveal that in March, Duke approached the Governor's office to offer a discount on some of the $110 million owed to the company in exchange for an assurance by the Governor that Duke would not be investigated for keeping plants off line. I think that is just dreadful. A major generator approaches the Governor and tries to make a settlement so that company will not be investigated. This evidence demonstrates that power has been intentionally withheld from the market.

This is not an issue about supply and demand. Vice President CHENEY, Secretary Abraham, and FERC Chairman Hebert argue if we try to regulate prices, companies will not build new plants. Traditionally, companies have earned 10 to 15 percent profit in the energy sector, but now we are seeing profits in the hundreds and thousands of percents. The administration says companies need these high profits to build new powerplants. But at what point does reasonable profit become price gouging?

Again, electricity isn't a luxury good, it is a staple of life. Again, the Federal Energy Regulatory Commission has found these prices unjust and unreasonable. But the FERC will do nothing about it. Californians are outraged.

Last week, the Lieutenant Governor of California sued Duke, Mirant, Reliant, Williams, and Dynegy in Los Angeles Superior Court accusing the firms of price fixing in violation of State antitrust and unlawful business practices laws.

Today, the California State Assembly speaker and State Senate president pro tempore will sue FERC for the Commission's failure to ensure that rates are just and reasonable as required under the Federal Power Act. I support their cases. Again, I call on FERC to cap wholesale prices until new plants can come on line in California.

The price gouging I have talked about today will have rippling effects that will affect everyone not only in California but likely the entire country. Already, Washington and Oregon are suffering from high electricity prices.

If the FERC and the Federal Government continue to offer piecemeal solutions, the world's sixth largest economy, California, and the Nation's economy may very well pay the price. Now is the time to act. That is why Senator GORDON SMITH and I have introduced comprehensive legislation to address the price and supply problems up to March of 2003, at which time it is estimated there will be enough power on line to protect against the price gouging we are experiencing today.

Today, California may well experience the first rolling blackouts of the summer. As a matter of fact, we have just learned that the Major League baseball games are going to go on a rain delay should there be a rolling blackout. The games will stop until after the blackout ceases. This is clearly a problem for California and other States.

DOMESTIC DRUG UPDATE

Mr. GRASSLEY. Mr. President, last month I held a hearing on the Ecstasy problem affecting today's youth. At that hearing the White House released a Pulse Check report on drug trends over the past year. I would like to draw my colleagues' attention to the information in this report.

Drug use in our nation is still increasing. The Pulse Check report found that for most drugs, the availability and usage has been getting worse. It is clear we must take further steps to combat this increase in availability.

The report included information collected from cities all over the country, both urban and rural. It found that heroin use is increasing relative to cocaine. The availability of heroin has been increasing. In fact, drug experts reported that heroin is readily available on our streets, and about half of these experts stated that access to heroin is getting easier. Heroin purity is also increasing, especially as Colombian white heroin is showing up on our door. One major trend found across the nation is that more and more young people are taking up heroin. This is a scourge that must be stopped.

There is another drug that's devastating our young people: Ecstasy and other so-called "club drugs." The report highlighted the dramatic increases in use, particularly among teenagers. Eighteen of twenty cities in the report found Ecstasy to be an emerging concern. Ninety percent of drug treatment and law enforcement experts attest that the availability of Ecstasy has increased in the past year, in spite of all the attention it's been given. It's time we stop just talking about this problem that's destroying our youth, and start taking real action to educate our children and stop the easy availability of this drug at parties and clubs and increasingly in our schoolyards.

Use of other drugs remain at high levels. Marijuana is still widely available, and law enforcement officials regard marijuana as a major threat to our cities. Cocaine, crack, methamphetamine, and other drugs are also increasing in availability and presenting a growing threat to our law enforcement personnel and to all Americans. The Pulse Check report found that the one trend that transcended all drugs was that the users were increasingly likely to be younger people. The age of onset of use is dropping. This heightened assault on our young people cannot be allowed to continue. We must stop the drug trafficking in our schools and near our children.

There were a few positive signs in the report, however. Crack and marijuana use seem to be leveling off, and it appears our efforts are beginning to work in these areas. More effort should be placed in these areas so we do not lose any momentum in fighting these drugs.

I received another report, from the Pew Research Center, that discusses the American people's feelings on the drug war. Pew reports that 74 percent of Americans feel that we are losing the drug war. Drugs also ranked as the number one concern for rural areas, such as my home state of Iowa. This is an issue that clearly affects everyone; there is no place left to hide from this scourge. Americans are worried about this problem, and with good cause.

I wish I had more good news to report, but unfortunately the drug problem remains serious. Drug use is up sharply among our youth, and availability of most drugs is increasing as traffickers are increasing the flow of drugs into our country and into our schools. Bold steps must be taken to let our children know the risks of these drugs, while also stopping the pushers before they reach young people.

THE NEED FOR CONTROL OF GREENHOUSE GASES

Mr. AKAKA. Mr. President, I rise today to discuss an issue that is very important to a large number of Americans. It is the issue of global climate change and the control of greenhouse gases.

One of the most profound challenges we face in the 21st century is the problem of global climate change. Global climate change has the potential to cause widespread damage to large parts of our planet. An increasing body of scientific evidence indicates that human activities are altering the chemical composition of the atmosphere through the buildup of greenhouse gases, primarily carbon dioxide, methane, and nitrous oxide. The heat trapping property of these greenhouse gases is undisputed. Scientists and public policy experts are convinced that we need to address this problem.

We cannot wait longer for even more scientific proof of when and how climate change will begin. One Pacific leader summarized our dilemma best when he said "We do not have the luxury of waiting for conclusive proof of global warming. The proof, we fear, will kill us."

Prudence dictates that we start addressing this issue immediately. Solutions may not be easy, quick, or cheap;