Small business refineries produce a full slate of petroleum products including everything from gasoline, diesel, and jet fuel to asphalt, lube oil, and specialty petroleum products. Today, among the 124 refineries operating in the United States, approximately 25 percent are small, independent refiners. These small business refiners contribute to the nation's energy supply by manufacturing specific products like grade 80-aviation fuel, JP–4 jet fuel, and off-road diesel fuel.

In order for oil refineries to comply with the new rule, the EPA estimated capital costs at an average of $14 million per refinery. This is a relatively small cost for major multinational oil companies, but for smaller refineries, this is a very high capital cost that is virtually impossible to undertake without substantial assistance. Small business refiners presented information in support of this position to EPA during the rulemaking process. In fact, EPA agreed that small business refiners would likely experience a significant and disproportionate financial hardship in reaching the objectives of the diesel fuel sulfur rule.

There is currently no provision that helps small business refiners meet the objectives of the rule. That is why I am introducing a tax incentive proposal that would provide the specific, targeted assistance that small refineries need to achieve better air quality and provide complete compliance with EPA's rule.

A qualified small business refiner—defined as refiners with fewer than 1,500 employees and less than a total capacity of 155,000 barrels per day—will be eligible to receive federal assistance of up to 35 percent of the costs necessary, through tax credits, to comply with the Highway Diesel Fuel Sulfur Control Requirements of the EPA.

Without such a provision, many small business refiners will be unable to comply with the EPA rule and could be forced out of the market. Individually, each small refiner represents a small share of the national petroleum marketplace. Cumulatively, however, the impact is substantial. Small business refiners produce about four percent of the nation's diesel fuel and in some regions, provide over half of the diesel fuel. Small business refiners also fill a critical national security function. For example, in 1998 and 1999, small business refiners provided almost 20 percent of the jet fuel used by U.S. military bases. Small business refiners' pricing competition pressures the larger, integrated companies to lower prices for the consuming public. Without that competitive pressure, consumers will certainly pay higher prices for the same products.

Over the past decade, approximately 25 U.S. refineries have shut down. Without assistance in complying with the EPA rule, we may loose another 25 percent of U.S. refineries.

This legislation is critical—not because small business refiners do not want to comply with the EPA rule due to differences in environmental policy—but because it will help keep small business refiners as an integral part of the industry and on their way to cleaner production and full compliance with all environmental regulations.

## MEDAL OF HONOR, ED FREEMAN

### HON. C.L. "BUTCH" OTTER

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 16, 2001*

Mr. OTTER. Mr. Speaker, I rise today to honor one of Idaho's great citizens. Ed Freeman, 73, of Boise, who will be awarded the Medal of Honor today by the President for his acts of valor during the Vietnam War. The Medal of Honor is the highest award for valor in action against an enemy force which can be bestowed upon an individual serving in the Armed Services of the United States.

On November 14th, 1965, Captain Freeman risked his life more than once to deliver ammunition and supplies to 450 men who had been surrounded by more than 2,000 North Vietnamese. In addition, each time he delivered supplies, he carried out wounded U.S. military personnel to safety.

On November 14th, 1965, Captain Freeman voluntarily flew his Army Helicopter on 14 missions to the Ia Dang battle zone in less than 14 hours. For each trip, he risked his life to save and supply his fellow countrymen.

Without the courage of Captain Freeman and his crew, the 450 men in the Ia Dang Valley would have been quickly overrun by the North Vietnamese. By the end of the day Captain Freeman had saved an estimated 30 soldiers.

Mr. Speaker I am pleased to salute Captain Freeman today for his act of bravery in 1965 and I congratulate him for receiving the highest military honor anyone can receive, the Medal of Honor.

## NUCLEAR DISARMAMENT AND ECONOMIC CONVERSION ACT OF 2001

### HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 16, 2001*

Ms. NORTON. Mr. Speaker, I have introduced the Nuclear Disarmament and Economic Conversion Act every year since 1993, and I will continue to introduce this bill until the threat posed by the world's nuclear arsenals is eliminated. This issue was brought to my attention by constituents who have been vigilant to the continuing need to focus on nuclear proliferation. Moreover, today missile defense is being pressed by the Bush Administration, which has refused to acknowledge urgent domestic needs from health care to affordable housing.

Long after the end of the Cold War and the breakup of the Soviet Union, the threat of nuclear weapons remains. Today, the United States continues to hold approximately 7,295 operational nuclear warheads while Russia controls 6,094, and the other declared nuclear powers of Great Britain, France, and China are estimated to possess approximately 10,000 operational warheads. Furthermore, proliferation of nuclear weapons, especially in countries in unstable regions, is now one of the leading military threats to the national security of the United States, its allies, and the world.

The United States, as the sole remaining superpower and the leading nuclear power in the world, has an obligation to move first and take bold steps to encourage other nuclear powers to eliminate their arsenals and to prevent the proliferation of these weapons. That is why I have chosen today, the 56th anniversary of the first test of a nuclear explosive in Alamogordo, New Mexico, to reintroduce the Nuclear Disarmament and Economic Conversion Act of 2001. The bill would require the United States to disable and dismantle its nuclear weapons and to refrain from replacing them with weapons of mass destruction once foreign countries possessing nuclear weapons enact and execute similar requirements.

My bill has an important complementary provision that the resources used to sustain our nuclear weapons program be used to address human and infrastructure needs such as housing, health care, education, agriculture, and the environment. By eliminating our nuclear weapons arsenal, the United States can realize an additional ''peace dividend'' from which critical domestic initiatives can be funded, including new programs proposed in the Administration's FY 2002 budget.

Many courageous leaders in the United States and around the world have spoken out about the obsolescence of nuclear weapons and the need for their elimination. These leaders include retired Air Force General Lee Butler and more than 60 other retired generals and admirals from 17 nations, who, on December 5, 1996, issued a statement that ''the continuing existence of nuclear weapons in the armories of nuclear powers, and the ever-present threat of acquisition of these weapons by others, constitute a peril to global peace and security and to the safety and survival of the people we are dedicated to protect'' and that the ''creation of a nuclear-weapons-free world [is] necessary [and] possible.''

The United States and the world community must redouble their efforts to obtain commitments from the nations developing nuclear technology to refrain from actual deployment of nuclear weapons, as well as to help contain other countries that aspire to become nuclear powers, such as Iran, Iraq, and North Korea, from moving forward with their programs. The United States will be far more credible and persuasive in these efforts if we are willing to take the initiative in dismantling our own nuclear weapons program and helping arms industries to convert plants and employees to providing products and services that enhance the wealth and quality of life of citizens. I ask my colleagues to cosponsor the Nuclear Disarmament and Economic Conversion Act of 2001 and the committees with jurisdiction over the bill to mark it up quickly so that it can be considered and passed.