

Investment in R&D is important because it spurs innovation and economic growth: Information technology was responsible for more than one-third of real economic growth in the late 1990s.

Information technology industries account for more than \$500 billion of the annual U.S. economy. R&D is widely seen as a cornerstone of technological innovations, which in turn serves as a primary engine of long-term economic growth.

This tax credit will result in higher wages. Findings from a study conducted by Coopers & Lybrand show that workers in every State will benefit from higher wages if the research credit is made permanent.

Payroll increases as a result of gains in productivity stemming from the credit have been estimated to exceed \$60 billion over the next 12 years.

Furthermore, greater productivity from additional research and development will increase overall economic growth in every State in the Union. Research and development is essential for long-term economic growth.

The tax credit is cost-effective: The R&D tax credit appears to be a cost-effective policy instrument for increasing business R&D investment. Some recent studies suggest that one dollar of the credit's revenue cost leads to a one dollar increase in business R&D spending.

Bonus depreciation and the R&D tax credit are but two of many issues that interest both the hi-tech sector and this Senator.

While I am proud of the achievement with the bonus depreciation I will continue to work with hi-tech companies on the R&D tax credit and many other issues to keep our economy running strong, across this Nation and especially in my State of Oregon.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. EDWARDS). Morning business is closed.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 517, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 517) to authorize funding for the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

Pending:

Daschle/Bingaman further modified amendment No. 2917, in the nature of a substitute.

Feinstein amendment No. 2989 (to amendment No. 2917), to provide regulatory oversight over energy trading markets.

Levin amendment No. 2997 (to amendment No. 2917), to provide alternative provisions to better encourage increased use of alternative fueled and hybrid vehicles.

The PRESIDING OFFICER. Under the previous order, the time until 11:30 a.m. shall be for debate only relative to ethanol.

Who yields time?

The Senator from Nebraska.

Mr. NELSON of Nebraska. Mr. President, for the next several minutes, I will speak about the renewable fuel standard as part of the energy bill. For more than an hour, perhaps closer to 2 hours, my colleagues and I will be talking about the importance of the renewable fuel standard as a part of the energy bill and as a part of our national defense, as well as our economy, and for the environment.

In the early days of the automobile, Henry Ford believed at first that the best source of power for the automobile was with ethanol made from farm crops and other renewable materials. It is interesting to note, after a century of domination by oil, that we have now come perhaps full circle to recognizing there is a place for ethanol and renewable fuels as part of the fuel standard in order to power the automobiles that we continue to drive some 100 years later.

Ultimately, the power of oil interests led to policies that made oil king, with depletion allowances, foreign tax credits, and naval convoys and armies dispatched to protect oilfields around the world. Of course, the direct or indirect control of oil remains an American economic, diplomatic, political, and military priority.

While we have had, in fact, a petroleum age, it has ushered in many technological advances. The industrialized world's love affair with oil has not been without costs. Dependence on imported oil threatens our national and our energy security, our economy, our jobs, our farmers and ranchers, our industry and our environment. Public policy decisions and discussions have continued that began nearly a century ago, launching upon a path which led us to our current reliance on imported oil.

Today we have a historic opportunity to begin the process of swinging back full circle, at least to some degree, in our national energy policy. The energy policy today embodied in this bill offers us a chance to realize the potential that Henry Ford saw even then, and that his successors managing Ford, GM, and Chrysler are making possible every time they produce an E-85 automobile capable of running on 85-percent ethanol. More than 2 million of these so-called flexible fuel vehicles are on the road at this time.

Additionally, essentially all automakers in the world produce cars that run well on blends of ethanol, up to 10 percent, as well as those that will run up to 85 percent. We have the cars. Now we need the fuel. This bill provides the means in order to get it.

The Energy Policy Act of 2002 will boost biofuels and biorefinery concepts to realistically address oil import levels that have now surpassed the 56-percent mark, with ever higher levels

ahead of us if we do not do something significant now to change the direction in which we have been heading.

From the perspective of a Senator from a farm State, and a former two-time chair of the Governors' Ethanol Coalition, one of the most important aspects of this landmark energy bill is the establishment of a 2-billion-gallon renewable fuel standard in 2004 that gradually grows to 5 billion gallons by 2012. Even if this approximate tripling of the ethanol industry from today's levels represents less than 4 percent of the total projected U.S. motor fuels demand over the next decade, it is a critical beginning of national importance. Enactment of this RFS, along with other provisions in this bill that emphasize new sources of energy production from renewables such as wind power, as well as conservation to further reduce our dependence upon foreign sources of energy, will help us reverse this 100-year-old reliance on fossil fuels. It will not replace them, but it will help us reduce the amount of reliance.

There is now a revolution driving American agriculture as surplus, low-value starch and oils are converted into high-value liquid fuels, with the proteins being fed locally so that American taxpayers save money. Rural communities are reinvigorated. High-value, high-quality finished products enter the export market and the Nation's energy security and environment are dramatically improved.

The Senate energy bill represents a historic step away from business as usual in U.S. energy policy. Just as we cannot export ourselves out of an agricultural crisis, we also cannot drill ourselves out of our energy crisis. With the renewable fuel standards, it will no longer be a matter of whether or not there will be a biofuels industry to augment our oil and auto industries. Rather, it will be how fast can we advance these domestic renewable fuels? How do we enhance their environmental performance, reduce their costs, and advance the technology to include the conversion of all forms of clean biomass into biofuels, biochemicals, and biopower?

I am unabashedly proud of what my home State of Nebraska has accomplished. The formation of the National Governors' Ethanol Coalition was one of the most important steps. Nebraska and several other Midwestern States created this coalition that now represents 26 States and one U.S. territory, as well as Brazil, Canada, Mexico, and Sweden.

Since its formation in 1991, the Governors' Ethanol Coalition has worked to expand national and international markets for biofuels. I might add that this Governors' Ethanol Coalition included the current and the previous Presidents of the United States when they were Governors of the State of Arkansas and the State of Texas. Within the State of Nebraska during the period of 1991 to 2001, seven ethanol

plants were constructed and several of these facilities were expanded more than once during the decade. I do not want to take full credit for that timeframe, but I want the record to reflect it happened during my watch.

Specific benefits of this national ethanol program in Nebraska include more than \$1.2 billion in new capital investment in ethanol processing plants, 1,005 permanent jobs at the ethanol facilities, and over 5,000 induced jobs directly related to plant construction, operation, and maintenance. The permanent jobs alone generate an annual payroll of \$44 million. More than 210 million bushels of corn and grain sorghum are processed at the plants annually. Economists at Purdue University and the USDA estimate that the price of corn increases from 9.9 cents to 10 cents per bushel for every 100 million bushels of new demand. Local price basis increases in Nebraska range from 5 cents to 15 cents, quite a stimulus for agriculture in ethanol-producing areas.

These economic benefits and others have increased each year during the past decade due to plant expansion, employment increases, and additional capital investment.

If each State produces 10 percent of its own domestic renewable fuels, as Nebraska does, America will have turned the corner and that noose of oil import dependency and climate change will begin to fade away. In the world of renewable biomass, there are no wastes, just feed stocks for other production systems, without the fossil-based toxins blocking the next biological step.

I ask my colleagues to take a new look at the opportunities offered by RFS and grasp the full potential of the biorefinery portions of this energy legislation. These provisions are urgently needed to increase our energy and our national security, create new basic industries and quality jobs, reduce the vulnerability of our energy supplies, enhance the environment, contribute to the stabilization of greenhouse gases, while improving America's economic performance. Everyone gains from this effort.

This balanced and comprehensive piece of legislation is the end result of the dedication of so many of my colleagues. It was not always easy to foresee the day when biofuels and other renewable resources would be poised to be a major component of our national energy policy. The farsightedness of a few has directly led to the creation and wide acceptance of the bill before the Senate today.

The oil production versus imports chart shows the domestic oil production peaked in 1970 and again in 1985 and has continued to drop. The oil imports on the graph are shown to have expanded from 1950 to the point where they are more than 10 million barrels per day, and the trend continues. We must, in fact, support the growth of our own industry in the domestic production of fuels to power our energy needs.

Last summer, Senator TIM JOHNSON and my colleague from Nebraska, Senator HAGEL, introduced legislation that dealt with this very issue. Their hand is felt throughout the bill. I congratulate them and thank them for their efforts. Senator Daschle's and Senator LUGAR's tireless efforts created a bill with broad consensus, taking shape in the form we see today, the legislation before the Senate. They have taken an issue that could have been controversial and instead introduced a bill that provides a wide-reaching blueprint for future renewable energy goals. These provisions are a direct result of their leadership. I am honored to be a co-sponsor of this bill.

I personally take a moment to recognize and thank staff who have worked on this issue as well. They worked long hours to put the bill together. Their efforts are much appreciated. Eric Washburn from Senator DASCHLE's staff and the rest of the team are a real asset to Senator DASCHLE and have been a tremendous help to me personally throughout this process.

I ask my colleagues to join me in promoting new opportunities for the technologies that will put our fuels and our world transportation fuels on solid, sustainable, and environmentally enhancing ground. We owe it to our country now and to future generations to pass this legislation.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON of Nebraska. I yield time to the distinguished Senator from Illinois.

Mr. DURBIN. I ask for 10 minutes.

Mr. NELSON of Nebraska. That will be fine.

Mr. DURBIN. Mr. President, I thank the Senator from Nebraska for his leadership on this issue. Where we come from, ethanol is a big deal. It is a big deal because we have a lot of corn growers, farmers who need to have a better price for their corn. They need increased demand for their sales in the United States and overseas, and we know the ethanol industry consumes about 1 out of every 6 acres of corn across America. So as we increase the demand for ethanol in America, we increase the demand for corn, raising the prices and helping our farmers to sustain their farm operations and to have less dependence on the Federal Government from year to year.

This is a major breakthrough. I salute all those responsible for it: Senator TOM DASCHLE, Senator JEFF BINGAMAN, Senator BEN NELSON of Nebraska, as well as all those on the Republican side of the aisle. What has happened for the first time in 20 years since I have been on Capitol Hill is that we finally have reached this moment where we have an agreement, an agreement between the ethanol producers—the corn growers, obviously—and the oil industry. This is a big breakthrough because this has been a pitched battle for two decades, with the oil companies doing everything they can to suppress ethanol production.

In this bill, we have a consensus agreement that has been crafted by the leaders who brought the bill to the floor, and with that agreement we will triple the use of ethanol in the United States over the next 10 years. In tripling it, it will not just help the economics of the farm bill, it will mean we are going to have cleaner air in America, a better environment for America in its cities and its towns, and less dependence on foreign oil. That, to me, is a positive at three different levels.

I salute all those responsible for it: the Renewable Fuels Association, National Corn Growers, American Petroleum Industries, the American Farm Bureau, the Farmers Union, and so many others. This really makes a difference.

As a result of this decision, we are going to see more ethanol blended with gasoline. It is going to mean the exhaust coming out of our tailpipes across America for years to come is going to be less of a threat to the families across America. When we face an epidemic of lung and respiratory disease such as asthma and other problems, it is essential we continue to move forward with the use of this clean-burning fuel.

I have been chairman of the House Alcohol Fuels Caucus and a member of the Senate Alcohol Fuels Caucus. I can tell you this is a great day. I salute all those who crafted this wonderful compromise which is going to really make a commitment.

I think Senator NELSON alluded to what will happen. Now that there is some certainty this bill will be signed into law, you will have more and more ethanol production coming on line. And for my selfish reasons, for downstate Illinois, where our economy is struggling with high unemployment and where we have more ethanol produced than anywhere in America, we want to see plants springing up, not just in Illinois but in Nebraska, Missouri, Iowa, South and North Dakota—wherever we can find the agricultural feed stock to produce ethanol. We have the potential of creating good-paying jobs and then to have the technology from its source near the usage point that can help our economy all across the Midwest.

This is a terrific shot in the arm in terms of the economy of the Midwest, in terms of the environment of the Nation. I salute all those who worked so hard to make this a reality.

The second half of my statement is not as positive or optimistic or hopeful, but I want to add it because I think it is essential that we keep this achievement in perspective with what we are about to do this morning in just 2 hours on the floor of the Senate.

By every vote count that I have seen, we are about to reject any significant increase in fuel efficiency in automobiles and trucks across America as part of this energy bill. The special interests who have come to Capitol Hill

to fight off any improvement in fuel efficiency are about to score a big victory this morning. That is a sad commentary on the Senate and on our efforts to be honest in trying to find a way, at least, to move toward energy independence and energy security for America. It is a triumph for these special interests. It is a defeat for the American people. It is about to happen in just 2 hours on the floor of this Senate.

The opponents of increasing fuel efficiency have no faith in the ability of America's creative genius to come up with better technology and better science so we can have more fuel-efficient vehicles. The opponents of this fuel efficiency standard have no faith in the American people. They stand in the Chamber and say: We wouldn't dare tell people they couldn't buy bigger and fatter SUVs year after year.

I think more of the American people understand we are at war against terrorism; we are a nation at risk; we are dependent on foreign oil. These American families and businesses are ready to participate, roll up their sleeves and help America move toward energy security. To suggest we would not dare ask them to consider buying a different vehicle 5 or 10 years from now is an affront to the unity which America has shown since September 11.

Finally, it is a reflection on this Senate, as well as the House of Representatives, for its failure to show leadership on this critical issue. In 1975, this Congress took a look at the average fuel economy of fleets across America at 14 miles per gallon, brought together the political courage despite the opposition of the Big Three in Detroit, and said in 10 years we are going to double fuel efficiency in vehicles across America from 14 to 27.5 miles a gallon.

We were told by the Big Three: it is impossible; we can't do it. We will be selling vehicles people don't want to buy. They will be kiddy cars and go-carts—that is the only way to achieve it, and you will drive businesses overseas.

They were wrong then, and they are wrong now. In over 10 years we doubled the fuel efficiency of vehicles across America. By 1985, we were at 27.5 miles per gallon. So what happened between 1985 and today? In terms of increasing fuel efficiency, absolutely nothing. Nothing has been done by Congress or by the industry in the United States to produce automobiles and trucks that are more fuel efficient.

So we come today with a proposal that over the next 12 or 13 years we will increase fuel efficiency by 30 percent. It is going to be rejected on the floor of the Senate. That, to me, is shameful. It is shameful that we have reached the point where we have no faith in America's technology, no faith in the people of this country to stand behind energy security, and no faith in the ability of the Senate to show leadership at a time when this country expects us to do so.

I can tell you, quite frankly, that the Senate will bow down to the special interests this morning so that America has to bow down to OPEC for decades to come.

That is a sad commentary on the Senate and this energy bill.

It is naive for the American people to believe we can truly have energy security and independence if we don't address the efficiency of the vehicles we drive. Approximately 40 percent of the oil we are bringing up today from underground is being used to fill our vehicles. By the year 2020, over 50 percent is going to be used for highway travel and for vehicles and trucks. If you do not address fuel efficiency, you are not dealing honestly with the question of America's energy future.

I can't believe we are standing here today to witness this on the floor of the Senate. But by every vote count that I have seen, we are going to lose big. The special interests are going to come in and tell us there is no way they can design an engine for fuel efficiency. I don't believe it. Frankly, I am embarrassed by the fact that most of the good technology that is leading the way in fuel efficiency and emissions has come from overseas automakers. We are better than that. American is better than that.

For the Senate to abandon any hope that we can develop this technology is a sad commentary on this view of what our potential is as a nation. For them to turn their backs on the fact that if we don't have better fuel efficiency we are going to continue to be independent on foreign oil for decades to come is, frankly, a tragic mistake.

I sincerely hope that good numbers about renewable fuel standards will be part of this ultimate legislation. I hope even more that before the end of the morning hour we will see some courage in this Senate to stand up to the special interests, stand up to OPEC, and say we are truly going to move towards energy security in this Nation.

I yield the floor.

The PRESIDING OFFICER (Mrs. CLINTON). The Senator from Nebraska is recognized.

Mr. NELSON of Nebraska. Madam President, it is my pleasure at this point to yield the floor to the distinguished senior Senator from the State of Nebraska, my colleague, Mr. HAGEL. I welcome his support for ethanol. As a colleague, as a Nebraskan, and as Member of this body, I congratulate him and Senator JOHNSON on their support of this very important bill.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Thank you, Madam President.

Madam President, I ask that I be given 10 minutes of time from the Republican side.

The PRESIDING OFFICER. The Senator has that right.

Mr. HAGEL. I thank the Chair.

I first acknowledge the statements of my friend and colleague from Ne-

braska, Senator NELSON. He has been a leader on renewable fuels for many years—long before he came to the Senate, when he served our State of Nebraska ably as its Governor for 8 years, and for his leadership over those years. He brings that leadership and experience to this body in regard to not only this issue but many others.

I rise in support of the renewable fuels standard included in the underlying bill. This legislation is important if we are to increase the market share for renewable fuels, such as biodiesel, ethanol, and biogas from landfills and feedlots.

I, too, wish to recognize and thank other colleagues who have been very important to this debate over many years, especially Senators GRASSLEY, LUGAR, DASCHLE, BOND, and in particular, as Senator NELSON has stated, Senator JOHNSON, who has been a strong leader both during his tenure in the House and here in the Senate, and, of course, again, my colleague from Nebraska, Senator NELSON.

Also, those groups that represent many of the important interests of this country that were very involved in bolting together a compromise for this section of the energy bill, as Senator DURBIN pointed out, should be recognized and thanked for their participation and their support in helping to develop this section of the bill.

During a recent stop to the Midwest, President Bush proclaimed the promise of renewable fuels, saying,

Renewable fuels are gentle on the environment, and they are made in America so they cannot be threatened by any foreign power. Ethanol and biofuels are fuels of the future for this country.

The President is right. Renewable fuels afford us the opportunity to develop energy, environmental and economic policies that work together. A renewable fuel standard would enhance our environment, strengthen national security, reduce our trade deficit, and decrease our dependence on foreign oil.

Today, less than 1 percent of America's transportation fuel comes from renewable sources. Under this energy bill, renewable fuel use would increase to approximately 3 percent of our total transportation fuel supply. This would more than triple the amount of renewable fuel we now use.

Today, America imports nearly 60 percent of the crude oil it consumes—estimated to climb as high as 70 percent by 2020.

Senator NELSON displayed a chart which I think very clearly indicates the danger this presents to our foreign policy, to our interests, and to our geopolitical and strategic trade interests around the world, which now are, as we know, interconnected.

Almost a fourth of these imports come from the Persian Gulf, where Iraq currently sells the United States between 600,000 and 1 million barrels of oil a day.

This renewable fuel standard is a fair and workable compromise based on

months of work with the petroleum industry, the environmental community, DOE, USDA, and EPA. This is flexible legislation—not a gallon-by-gallon mandate. It will not force a specific level of compliance in places where compliance may be difficult.

To guard against possible fuel shortages, it permits the EPA Administrator, in consultation with USDA and the Department of Energy, to adjust the renewable fuel requirement.

To make this legislation even more flexible, refiners, blenders, and importers will have access to a credit trading program—so those who use more renewable fuel can sell credits to other refiners, blenders, and importers who fall short on meeting their requirements. Producers will not be penalized if there are insufficient supplies of renewable fuel. Finally, small refiners will be exempt from their requirements established by this program.

In the wake of September 11, America and the rest of the free world face dramatic new challenges. Energy independence is one of the most serious of these challenges.

Our Nation needs a broader, deeper, and more diverse energy portfolio—one that ensures we have clean, reliable, and affordable domestic sources of energy. Expanding the market for renewable fuels is a modest, but significant part of the solution. To enhance national energy security and improve environmental quality, we need a reasonable renewable fuel standard. As President Bush said, ethanol, biodiesel, and other biofuels are the fuels of the future for this country.

I ask my colleagues to support the renewable fuel standard in this energy bill to make renewable fuels an important component of a new national energy plan which is so vitally important to the future of this country.

I yield the floor.

Mr. NELSON of Nebraska. Madam President, I thank the Senator from Nebraska for his very articulate comments supporting the efforts for the renewable fuels standard and for his support for ethanol. It is a pleasure to work with him on this issue.

Madam President, I thank members of my staff, as a matter of privilege, for their support and their work on this important issue. I have identified Eric Washburn of Senator DASCHLE's staff. It is my pleasure to also thank my staff, Tom Litjen as well as Scott McCullers.

At this time, I yield the floor to the distinguished Senator from North Dakota, to be followed by the distinguished Senator from Missouri.

Mr. DASCHLE. Mr. President, I would like to join my colleagues this morning in congratulating the officials and organizations that came together recently to negotiate a broad compromise agreement on the regulation of clean-burning fuels in the United States. This is truly an historic agreement that reconciles a variety of competing interests in order to meet sev-

eral important national policy objectives.

The fuels provision establishes greater flexibility in the Nation's gasoline regulations, protects air quality and nearly triples the use of domestic, renewable fuels over the next 10 years. And, significantly, it enjoys the support of the ethanol industry, the oil industry and environmental organizations, three segments of society that have not always agreed on transportation fuels issues.

A number of organizations worked diligently to fashion this agreement and deserve a lion's share of the credit for its success. They include the American Coalition for Ethanol, the Renewable Fuels Association, the Governor's Ethanol Coalition, the National Farmers Union, the Farm Bureau, the National Corn Growers Association, the American Corn Growers Association, the American Petroleum Institute, the Northeast States Coordinated Air Use Management Agency, the Clean Fuels Development Coalition and the American Lung Association. It is indeed testament to the spirit of compromise in the U.S. Senate that all these groups representing often divergent constituencies and interests can come together to create a product that benefits all.

While these groups came to the negotiating table with the interests of their members firmly in mind, they also understood that the fuels component of any viable energy strategy must serve a variety of national goals. Without their embrace of this far-sighted approach, this balanced agreement would not have been possible.

Among the Senators that I would like to thank, first and foremost is Senator DICK LUGAR. The seeds of this agreement were planted a few years ago when Senator LUGAR and I first introduced legislation to establish a renewable fuels standard and provide greater flexibility in producing reformulated gasoline. Senator LUGAR's enthusiastic support gave this idea needed momentum and helped lay the groundwork for the agreement that was reached last week.

I would be remiss if I didn't acknowledge the involvement of the White House in crafting this agreement. Andrew Lundquist, who has a unique perspective gained as a former staff director of the Senate Energy Committee and Director of Energy Policy for the President, has been extremely helpful throughout the negotiation process, both in identifying effective policy and working with diverse parties to achieve it.

Among those whose opinions I sought early in this effort and who always provide me with intelligent and helpful advice are Trevor Guthmiller and Bob Scott of the American Coalition for Ethanol, and Dave Hallberg, the first president of the Renewable Fuels Association who currently is developing an innovative ethanol plant and cattle feedlot in Pierre, SD. Their common sense, South Dakota counsel on these

tough national fuels issues has never led me astray.

This agreement could not have been fashioned without the leadership and advocacy of Red Caveney, president of the American Petroleum Institute, Bob Dineen, president of the Renewable Fuels Association, Jason Grumet, former executive director of the Northeast States Coordinated Air Use Management Agency, Bruce Knight, president of the National Corn Growers Association, Tom Buis, executive director of the National Farmers Union, and Doug Durante, chairman of the Clean Fuels Development Corporation. I am deeply grateful for the hard work and focus of these dedicated individuals as well as for the valuable contribution of Todd Sneller, administrator of the Nebraska Ethanol Board, Larry Pearce, director of the Nebraska Energy Office, and Bill Holmberg, an original foot soldier in our 20 year campaign to promote the use of renewable fuels in America.

Senators TIM JOHNSON and CHUCK HAGEL deserve enormous credit for legislation they introduced to establish a very ambitious renewable fuels standard, and for their tireless work in promoting this concept. And there are many others BEN NELSON, TOM HARKIN, CHUCK GRASSLEY, MARK DAYTON, PAUL WELLSTONE, MAX BAUCUS, DICK DURBIN, KIT BOND, and others—who also deserve recognition for the progress we have made on this issue. Senator NELSON, for example, has, at my request, taken on the responsibility of managing this debate on the fuels provision.

Chairman JIM JEFFORDS and Ranking Member BOB SMITH also deserve tremendous credit for moving this legislation through the Environment and Public Works Committee and for bringing their expertise and steady demeanor to the negotiating table. Their involvement was critical to the successful brokering of this agreement.

This agreement makes a number of important changes in Federal law based on the experience we have gained over the last 7 years of implementing the reformulated gasoline program. It eliminates the oxygen requirement from the reformulated gasoline program, a change that is very important to the efforts of States like California and New York, who are planning to eliminate MTBE from their gasoline supplies in the near future. But, in so doing, it also ensures that we preserve the hard-fought air quality gains that have resulted from the implementation of that requirement.

The agreement establishes a renewable fuels program to nearly triple the use of renewable fuels like ethanol and biodiesel over the next 10 years. It also provides special encouragement to biomass-based ethanol, which holds great promise for converting a variety of organic materials into useful fuel, while substantially reducing greenhouse gas emissions. This will have substantial benefits for the environment and for rural economies, while helping to lower

our dangerous dependence on foreign oil.

It bans MTBE in 4 years and authorizes funding to clean up MTBE contamination and to fix leaking underground tanks. This section is particularly important to States like California that are struggling to clean up groundwater contaminated by MTBE.

It allows the most polluted States to opt into the reformulated gasoline program, and provides all States with additional authority under the Clean Air Act to address air quality concerns.

I would like to take a moment to acknowledge concerns about this program that have been expressed by my friends and colleagues from California, who in light of their recent experiences with electricity markets are understandably wary of new energy regulation in the fuels market. In response to their concerns, I and those participating in the development of this compromise have taken a number of steps to ease California's transition from MTBE to ethanol. Under the compromise, California no longer needs to meet the oxygen requirement of the reformulated gasoline program upon enactment; this is one year ahead of other States with reformulated gasoline programs. This modification was possible because of California's progressive State fuels program that ensures protection of air quality in the absence of the oxygen requirement.

To address concerns that have been raised about ethanol supplies, prices and logistics, the compromise requires that during 2003, before the renewable fuels standard takes effect, the Department of Energy study these issues. If that study determines that there will be any problems with the ethanol program in 2004, then the EPA Administrator is directed to reduce the level of the mandate for 2004.

Under the renewable fuels program, California and any other State can apply to EPA under separate provisions of the bill to request that the Administrator reduce the ethanol mandate in any year of the program, based on supply or economic concerns. The Congress will expect the Administrator to enforce this provision diligently.

Moreover, the compromise allows California in 2004 to meet its ethanol requirement by blending ethanol only in the wintertime. This is very significant, because California is expected to use 300 to 400 million gallons of ethanol in 2004 to meet its wintertime carbon monoxide Clean Air Act requirements anyway, while the new renewable fuels program will require the use of less than 250 million gallons that year. In other words, California will use more than 100 million gallons of ethanol in 2004 than the new mandate requires. So the ethanol mandate that is in this bill should have no effect on California in 2004, and will substantially lessen California's ethanol requirements compared to current law unless the State decides not to implement its ban on MTBE.

As with all compromises, this agreement is not ideal for anyone, but measured against maintaining the status quo, this agreement will provide considerable additional flexibility to California and other states in producing and using clean-burning gasoline. For example, if this compromise were not developed, California would need to meet the existing reformulated gasoline oxygen requirement and implement the ban on MTBE that the governor has stated will go into effect either at the end of 2002 or, if extended, at the end of 2003. This scenario would result in the need for California to use over 800 to 900 million gallons of ethanol in 2004, far more than the renewable fuels requirements of this compromise.

Finally, under the bill, refiners in California and throughout the Nation can buy credits from refiners that use ethanol in other States to meet its requirement, rather than use actual gallons of ethanol. This ensures that ethanol will be used where it is most efficient and economical.

In the development of this compromise, I have had numerous conversations with my colleagues, Senators FEINSTEIN and BOXER, and with California Governor Gray Davis and the director of the California Department of Environmental Protection, Winston Hickox, about the effect of a renewable fuels standard on their state. I respect their knowledge of their State's energy situation and their passion and tenacity in defense of their State's interests. No one wants to see price volatility in any regional market. The renewable fuels provision has been modified in response to California's concern about possible future energy scenarios, and, I believe, effectively protects the state against unintended consequences.

In the finest tradition of the U.S. Senate, this agreement represents a careful balance of often disparate and competing interests. No member or organization got everything they wanted. But in the end, each participant won important victories that made this agreement stronger.

I look forward to working with my colleagues in the Senate, the House and the White House to enact this important compromise this year.

Finally, I ask unanimous consent to place a letter into the RECORD that I received yesterday from the Governor's Ethanol Coalition. The coalition has been a strong supporter of my efforts to enact a renewable fuels standard from the very beginning, and it gives me great pleasure to have worked closely with that organization for the last few years in this regard.

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

GOVERNORS' ETHANOL COALITION,
Lincoln, NE, March 12, 2002.

Hon. TOM DASCHLE,
Majority Leader, U.S. Senate,
Washington, DC.

Hon. TRENT LOTT,
Minority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR DASCHLE AND SENATOR LOTT: On behalf of the 27 members of the Governors' Ethanol Coalition, we are writing to express our strong support for the provisions including in the Energy Policy Act of 2002 (S. 517), which will establish a national renewable fuels standard.

The provisions set forth in the Manager's Amendment to S. 517 reflect an agreement negotiated over the last two years by the states, agricultural interests, refiners, and the environmental community that will address such important issues as MTBE water contamination and the oxygenate requirements in reformulated gasoline while providing a significant market for renewable fuels such as ethanol and biodiesel. Specifically, we support those provisions in S. 517 that: Create a national renewable fuels standard, ensuring a growing part of our nation's fuel supply, up to 5 billion gallons by 2012, is provided by domestic, renewable fuels; eliminate the use of MTBE in the United States within four years; eliminate the oxygenate requirements in the reformulated gasoline program; and maintain the air quality gains of the reformulated gasoline program.

By enacting these provisions, we will strengthen our national security, displace imported oil from politically unstable regions, stimulate ethanol and biodiesel production, expand domestic energy, supplies, and continue to reduce air pollution.

We encourage you to support these provisions and to resist any amendments that would alter this landmark agreement.

Sincerely,

BOB HOLDEN,
Governor of Missouri,
Chair.

JOHN HOEVEN,
Governor of North Dakota, Vice Chair.

MIKE JOHANNES,
Governor of Nebraska,
Past Chair.

Mr. VOINOVICH. Mr. President, I rise today to express my support for the ethanol provision that has been included in the Energy Policy Act. I was pleased to join my colleagues, Senators GRASSLEY, DASCHLE, BOB SMITH, HAGEL, BOND, BROWNBACK, and BEN NELSON, in developing a policy on ethanol that addresses the concerns of a variety of stakeholders in the energy debate while providing a tangible benefit for the American people. I believe the inclusion of this provision is a key element in our effort to construct a viable energy policy.

As I have often stated, we face an incredible challenge in putting together an energy policy for our Nation. In my view, the Senate's final product has to be a policy that harmonizes energy and environmental policies, acknowledging that the economy and the environment are vitally intertwined. It has to be a policy that broadens our base of energy resources to create stability, guarantee reasonable prices, and protect America's security. It has to be a policy that won't cause energy prices to skyrocket, which would unfairly affect the

elderly, the disabled, and low-income families. Finally, it has to be a policy that won't cripple the engines of commerce that fund the research that will yield future environmental protection technologies.

The Senate is currently working to address these challenges, and I believe the inclusion of an ethanol provision in this bill will help the environment, protect public health, promote fuel efficiency, reduce our dependence on foreign oil, boost the economy, and create and retain jobs for Americans, all at the same time. As the ranking member of the Senate Clean Air Subcommittee, I am especially pleased that expanding the use of ethanol will help reduce auto emissions, which will clean the air and improve public health.

Because of the events of September 11, perhaps our greatest energy challenge is to lessen our reliance on foreign sources to meet our energy needs. As my colleagues know, the United States currently imports about 58 percent of our crude oil. For both national security reasons, particularly now, and as part of a comprehensive energy policy, it is crucial that we become less dependent on foreign sources of oil and look more to domestic sources to meet our energy needs, and ethanol is an excellent domestic source. Ethanol is a clean burning, home-grown renewable fuel upon which we can rely for generations to come.

Creating a greater market for ethanol is good for our Nation's economy and, in particular, good for Ohio's economy. Ohio is one of the Nation's leading consumers of ethanol, with 40 percent of the gasoline consumed in the State having an ethanol content. Ohio has placed a tremendous importance on expanding the use of ethanol, so much so, we are actively pursuing an opportunity to get ethanol production plants built in Ohio.

In addition to consumption of ethanol, Ohio is also a major producer of the main component of ethanol, corn. In fact, Ohio is 6th in the Nation in terms of corn production, and an increase in the use of ethanol across the Nation means an economic boost to thousands of farm families across my State.

Finally, I am also pleased that the tax package reported out of the Finance Committee to accompany the energy bill includes a provision that would transfer the 2.5 percent per gallon of the federal tax on ethanol-blended fuels from the General Fund to the Highway Trust Fund. This provision is similar to the Highway Trust Fund Recovery Act, a bill that Finance Committee Chairman MAX BAUCUS and I introduced last summer.

As my colleagues may know, 2.5 cents of 13.1 cents-per-gallon ethanol tax presently goes straight to the Treasury. That is more than \$400 million for transportation improvements lost per year, including \$50 million to Ohio. The Finance Committee provision ensures that the money is used for

our roads, the purpose for which it was collected in the first place, and keeps ethanol viable by restoring people's faith that the taxes they pay on this clean fuel are used properly.

I am delighted that the Senate was able to come together and craft a bipartisan agreement on the treatment of ethanol. It is my hope that the spirit of bipartisanship will continue throughout the energy debate so we can finally put in place a comprehensive national energy policy.

Mr. LUGAR. Mr. President, our dependence on oil from the Middle East represents a grave national security threat. The events of September 11 have underscored the urgency of moving forward on multiple fronts to improve our energy situation in the short term and achieve energy independence in the long term.

I have long believed that renewable energy is a vital part of the solution. Renewables are essential to freeing ourselves and developing countries from growing dependence on oil imports from volatile regions of the world. They also help address climate change. This is why I have long supported increased funding for biomass, solar, and other renewable energy programs.

Today I am proud to introduce with my colleagues a bipartisan agreement on provisions in the energy bill that would go far toward diminishing our Nation's dependence on oil imports. The proposal incorporates into the energy bill the Daschle-Lugar national renewable fuels standard legislation that Senator DASCHLE and I introduced in May of 2000.

This proposal, like the legislation I introduced with Senator DASCHLE, would phase-out the use of MTBE, Methyl Tertiary Butyl Ether, and increase the use of ethanol and biomass ethanol as the clean fuel additive to gasoline. Use of biofuels would nearly triple over the next decade.

Fuel derived from biomass offers the most promising long-term approach to the problems of oil dependence. Previously, ethanol could only be produced efficiently from a tiny portion of plant life including corn and other feedgrains. High production costs made a broad transition to ethanol fuel impractical. But recent breakthroughs in genetic engineering of biocatalysts, enzymes, bacteria and yeasts, make it possible to break down a wide range of plants. Like the Daschle-Lugar legislation, the proposal that we are introducing today includes a special credit for ethanol used under the renewable fuels standard program that is produced from non-grain cellulosic materials like rice straw, municipal waste, and fast-growing poplars. Such fuel is environmentally friendly and would not require significant changes to America's automobile-based infrastructure.

There is a virtual consensus among scientists that when considered as part of a complete cycle of growth, fer-

mentation, and combustion, ethanol contributes no net carbon dioxide to the atmosphere. The transition to cellulosic ethanol would have a positive effect on air quality in American cities.

Cellulosic ethanol could be introduced directly into our current auto infrastructure with only modest changes. In fact, Henry Ford originally thought ethanol would be the fuel of choice to power cars. Studies indicate that the United States has more than enough idle land to supply a significant portion of its transportation fuel needs with cellulosic ethanol. Cellulosic ethanol compares favorably to gasoline in its performance as an internal combustion engine fuel with considerably higher octane levels. Reductions in processing costs of ethanol are already occurring, and further reductions are imminent. We must remember that ethanol processing remains a relatively young industry. Oil processing is cheaper now because it has had the benefit of a century of intensive research and development.

Further market penetration of cellulosic ethanol as a fuel provides a cash crop to any region that grows grass, trees or other vegetation. This offers enormous potential for rural development both in the United States and abroad. Such a democratization of world energy supplies could reduce armed conflict, lower the risk of global recession, and aid in the development of emerging markets. National security complications and costs stemming from the need to safeguard Middle Eastern oil resources will be diminished.

The agreement my colleagues and I reached on the renewable fuels standard provision of the energy bill will form an important and essential component of our national energy policy, but it is only the beginning. I encourage my colleagues to support this agreement and to work with President Bush to achieve national energy security.

Mr. CRAIG. Mr. President, I rise today to discuss the renewable fuels provision in the energy bill that we are debating. Renewable energy sources are an increasingly important part of our energy generation, and it is clear that they will only continue to increase in importance. Thus, the debate is not over whether or not we will develop renewable energy resources, but how we will do so.

Throughout my career in Congress, I have supported and led efforts to explore the development and promotion of renewable fuels. I have done this for several reasons including their value in offsetting our nation's dependence on foreign sources of energy, their environmental benefits, and the potential economic opportunities for agricultural producers and rural communities. Clearly, hydropower is our greatest renewable supply. About ten percent of our nation's electricity is from hydropower. However, another very promising renewable energy source with

great potential is ethanol, and this is the area where I want to concentrate my discussion of renewables.

Ethanol has already proven its importance to the nation. Its use as part of the clean fuel program has dramatically reduced air pollution in many cities across the nation. In fact, cities around the nation have found that using fuels with an ethanol blend help them to meet federal clean air targets. Ethanol also helps us to take a step closer to energy independence. By increasing our use of ethanol, we will rely less on imported foreign oil and more on America's farmers.

Another benefit of ethanol is that, at the same time it helps the environment and makes our nation more energy independent, it also helps our rural communities. As a rancher in Midvale, Idaho, I believed—and still do—that energy can be a value-added opportunity for agriculture and I have worked to advance technological opportunities for ethanol and other bio-fuels. Currently, ethanol uses around seven percent of our nation's corn crop, and ethanol production facilities are an important economic resource in many states, including my own. Without this economic stimulus, many rural communities, which are already poorer and have higher unemployment than the rest of the Nation, would be hurting even more.

For these reasons, I have always been a supporter of ethanol. As part of my efforts to promote it, there have been numerous times in the past when I supported legislation to help our nation develop its ethanol industry. For example, I was proud to join a majority of Senators in voting to support the 5.4 cent per gallon tax credit for ethanol, which ensures the ethanol tax credit will be in place until at least 2007—something crucial to existing ethanol plants and to those considering new production facilities. I also led an effort, in cooperation with the American Soybean Association, in the 105th Congress to ensure that biodiesel was considered an "alternative fuel" under the Energy Policy Act of 1992 (EPACT). My legislation, which was passed by Congress and signed into law by the President, now allows fleet operators to purchase vehicles powered by biodiesel under the requirements of EPACT.

However, more needs to be done. Ethanol and other renewable energy resources must be encouraged in order to protect our environment and help our quest for energy independence. This bill has many important provisions relating to ethanol, and I want to encourage my colleagues to support these provisions. The increased use of ethanol that would occur if this bill passes will be good for the environment, good for our energy independence, and good for our farmers. It is much better to rely on the farmers of Idaho or Iowa or Kansas for our energy needs instead of Saddam Hussein.

I look forward to working with the Bush administration, my colleagues in

the Senate, and my constituents to develop a comprehensive energy policy that includes a new and strengthened resolve to develop domestically grown renewable sources of energy. The ethanol language in this bill is an important step in that direction. Bio-fuels, including ethanol, can and should be an important part of our path to energy independence, and I urge my colleagues to support the renewable fuels provisions in this bill.

Mr. HARKIN. Mr. President, America needs a new energy policy that will increase America's energy independence and reduce the dramatic energy price spikes that hit Iowans right in the pocketbook. We need a forward looking, sustainable and environmentally friendly policy that will provide for America's national security and economic security.

One of the keys to our energy future is a sustainable, environmentally friendly energy policy that includes the adoption of a nationwide renewable fuels standard. By requiring that a percentage of all the gasoline marketed in America contain renewable fuels we can greatly improve our energy security, protect the environment, and create jobs through the farm-based products used in energy production.

I've worked for years in the Senate to build bipartisan consensus for the creation of a national renewable fuel standard, introducing my own legislation and cosponsored similar legislation by Senators TIM JOHNSON, and CHUCK HAGEL. This bipartisan effort paid off when we included a renewable fuels provision in the Senate energy bill recognizing the benefits of the oxygen content requirement in the reformulated gasoline program.

The bipartisan renewable fuels provision will greatly increase the production of the fuels of the future, such as ethanol and biodiesel. By directing refiners and importers to increase the use of renewable fuels to 2.3 billion gallons in 2004 and 5 billion gallons in 2012 we can significantly increase the nationwide demand for ethanol, which was approximately 1.8 billion gallons in 2001.

This bipartisan proposal also says that the government should lead by example and use alternative fuels in 50 percent of all Federal Government vehicles by 2003 and 75 percent by 2005. This is a common sense approach which has been proven to work in Midwestern States, like Iowa, where 100 percent of all gasoline used in State vehicles contain clean-burning, renewable ethanol.

Renewable fuels already help improve our environment, provide energy security, and increase farm incomes and create jobs in rural America. Authoritative estimates indicate that a renewable fuels standard would increase demand for corn for ethanol from 650 million bushels to 2.5 billion bushels in 2016 which would increase the price of corn by an average of 28 cents per bushel and create 300,000 jobs nationwide.

America's energy past has been one of fossil fuels, air pollution, and dependence on foreign oil. Our new energy policy should not repeat the mistakes of the past. It must be forward looking, it must invest in a sustainable and independent energy future and not subsidize the failed policies of the past. America's energy future can start today with a greater investment in renewable energy.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, first of all, I thank the Senator from Nebraska for his leadership on this issue. We are talking about the energy bill today in the Senate Chamber. We have been on this bill for some while, and we hope very much we will conclude it soon. But one piece of the energy bill deals with what is called the renewable fuel standards. For those who are not accustomed to what the titles mean, it simply means alternative fuels, such as ethanol.

Ethanol is an awfully good example—there are others—of what would help us reduce our reliance on foreign sources of energy.

I have been to ethanol plants around the country, and a couple of them in North Dakota. It makes good sense, from a kernel of corn or a kernel of barley, to be able to take the drop of alcohol from that kernel of corn to extend America's energy supply, and, at the same time, have the protein feed stock left to feed the cattle. So you have a circumstance where you grow your fuel.

Frankly, I did not know much about this a couple of decades ago. I saw an ad in one of the big daily newspapers, and it was by one of the largest oil companies in the country. It said: We oppose ethanol production because it really isn't very viable and doesn't contribute much.

I thought: Well, if the biggest oil companies are opposing this, I ought to take a look at it. And I did. I discovered, sure enough, using the approach to take alcohol from grain, for example, to extend America's energy supply, holds great promise for our country.

Since that time we have, of course, seen additional plants be developed in this country as well as more production of renewable fuels. But, it seems to me, everyone here understands that we have an enormous amount of our energy coming from a part of the world that is inherently unstable: Saudi Arabia, Kuwait, part of the Middle East, and Central Asia. We have all of this oil and natural gas coming from parts of the world that are unstable. And our economy depends on that constant source of supply.

That is an enormous risk to our economy in this country. What do we do about that? We do a lot of things, one of which is to create a renewable fuel standard by which we aspire, as a country, to get more of our energy supply in renewable fuels. We can do that. We can have that kind of future if we set goals and reach those goals.

Today, ethanol reduces the demand for gasoline and for MTBE imports by 98,000 barrels a day. That makes great sense, as I said, to take the alcohol from a kernel of corn and extend America's energy supply.

The American Petroleum Institute now supports this. The National Corn Growers, the Renewable Fuels Association, the National Farmers Union, and the Farm Bureau all have sent letters to Senator DASCHLE and Senator LOTT expressing their support for this version.

Madam President, 1.8 billion gallons of pure ethanol are currently produced in our country. This provision that we are debating would add 3.2 billion new gallons of ethanol, for a total of 5 billion gallons by the year 2012. That translates, for example, into a new market for American corn of 1.19 billion bushels of corn.

That helps family farmers, obviously, to be able to produce a crop, and use that crop, on a renewable basis, to extend America's energy supply. It means new opportunities for farmers to invest in value-added processing of a product they are already growing.

I might, while I am here, also say there are some other interesting and exciting things happening in my home State of North Dakota.

The Aerospace Program and the Environment and Energy Research Center, both at the University of North Dakota located in Grand Forks, are researching potential uses of ethanol as aviation fuel.

Aviation fuel is the last fuel in the United States that still contains lead. Ethanol, in our judgment, could be used for aviation fuel, and so the University of North Dakota is teaming with South Dakota State University and the FAA on a program to get ethanol approved and certified to help replace lead-based aviation fuel. The University of North Dakota, in fact, is hosting a conference on this subject in the month of May. And they are going to bring together aviation fuel distributors, pilots, plane manufacturers, and others, to determine the future role that ethanol can play in the aviation industry as an aviation fuel.

We are talking, in this energy bill, about a lot of things. As I have indicated before, we are talking about electricity. We are talking about a renewable portfolio standard in that area. We are talking about limitless and renewable fuels in this area, the renewable fuels standard.

There are a lot of people who deserve credit for bringing us to this position, because it has been a lot of hard work. We have had a lot of opposition over the years for ethanol production. But I think, finally, we have broken through, and this represents a kind of a new beachhead for opportunities in our country to understand what ethanol and what renewable fuels can do to extend America's energy supply.

I indicated yesterday the I have been recently, in the last couple of months,

to Central Asia. Those of us who have traveled in the Middle East and Central Asia understand that we cannot continue to hook America's economy to a constant fuel supply that comes from parts of the world that are so inherently unstable.

We need to do better than that. We need to produce more of our own energy. Part of that is, yes, digging and drilling for natural gas, oil, coal, and doing that in an environmentally sensitive way, and the underlying bill does that. But a significant part of it is also in the area of limitless and renewable sources of energy. That is exactly what we are talking about today. That is what the Senator from Nebraska began talking about this morning.

I am really pleased to be in this Chamber to support this. I want to see a series of ethanol plants dotting the prairies in the Northern Great Plains in this country which can take kernels of corn, barley, and other grains, put them in an ethanol plant, extract the drop of alcohol, extend America's energy supply and still have protein feed stock left for animals. That makes good sense for family farmers and good sense for America. It is not just national security; it is also energy security, which translates into national security. And that has its roots in this renewable fuels standard.

So I thank my colleague from Nebraska. I am pleased to be with him and so many others in this Senate Chamber who have worked hard on this for a long period of time.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Madam President, I yield myself 15 minutes from this side's time.

The PRESIDING OFFICER. The Senator has that right.

AMENDMENT NO. 2997

Mr. DEWINE. Madam President, I want to talk today about one aspect of this debate about CAFE standards. To me, this aspect is the most important consideration.

I know we have talked about many different things. We have argued this issue, and we have talked about many statistics which have been given.

I believe it would be a mistake to approve the underlying bill without the Bond-Levin amendment. I support the Bond-Levin amendment because I believe the underlying bill, quite bluntly, will cost thousands and thousands of lives. So for this Senator, while the other issues are important, the most important is this: Are we going to say, as a Congress, as a Senate, as the Government, that we are going to force people into smaller cars, when we know, by every piece of evidence that we can find, that smaller cars lead to higher fatalities? To me, that is the question. I think it would be a tragic mistake for us to do this.

I know people have come to this Chamber—and I have listened to a lot of the debate—and have said that is

just not true, it is not going to cost lives. They have argued about how many lives it will be. They have argued about whether the statistics that have been cited are accurate. But every scientific study that I have seen that really has much validity shows that some lives will be lost. In addition to that, I think good common sense tells us that as well.

In 1989, a study by Robert Crandall of the Brookings Institution and John Graham of the Harvard Center for Risk Analysis provided the first evidence suggesting a negative relationship between weight and vehicle occupant fatality risk.

Another study from Dr. Leonard Evans, president of the International Traffic Medicine Association, found that large, heavy cars lower the risk to drivers. His study suggested that more passengers, i.e., more weight within the vehicle, reduced fatalities by 7.5 percent.

The National Highway Transportation Safety Administration, NHTSA, and the Insurance Institute for Highway Safety found that since 1975, 46,000 people have died because of the 1970s-era push for greater fuel efficiency that has led to smaller cars.

For every mile per gallon gained by the standards increased, 7,000 people have died according to the USA Today. According to the National Academy of Sciences and supported by the National Safety Council and the American Trauma Society, CAFE standards have led to 1,300 to 2,600 additional crash fatalities and 97,000 to 195,000 total injuries. The NAS report says:

[I]t is clear that there were more injuries and fatalities than otherwise would have occurred had the fleet in recent years been as large and heavy as the fleet of the mid-1970s.

According to the July 2001 issue of the American Journal of Public Health, the rates at which drivers crash are strongly influenced, of course, by drunk driver behavior. But the relative risk to each driver when a crash does occur is not affected in any obvious way by driving behavior. The relative risk is enormously influenced by relative masses of the involved cars. That is pretty simple. In other words, if two cars crash into each other, and one of them is twice as heavy as the other, then the driver of the lighter car is about 12 times as likely to be killed.

Again, according to the Insurance Institute for Highway Safety, between 1991 and 1997, 41 percent of all car deaths occurred in single-vehicle accidents. So we need to ask ourselves this: If you or a member of your family are going to be in one of these single-vehicle accidents, in what kind of a car should you be sitting? Obviously, the heavier the car, the safer you are.

In the year 2000, the motor vehicle death rate per 100,000 people was especially high among 16 to 24-year-olds—that is what we continue to see—and people 80 years and older. These are the portions of the population most likely, candidly, to buy a car based on financial situations since lighter cars are

cheaper to purchase and fuel. Now, in all fairness, there are other reasons why 16 to 24-year-olds are involved in more fatal accidents, but this is certainly one of them.

Finally, according to the Competitive Enterprise Institute, based on J. DeFalco's findings in the "Deadly Effects of Fuel Economy Standards, CAFE's Lethal Impact on Auto Safety," in my own State of Ohio, it is estimated, based on the data, that in the year 2000, 768 passenger car occupants died because of these CAFE standards.

I believe the statistics are clear. Simply put, we cannot increase CAFE standards without increasing fatalities. Yes, there are actions you can take to improve safety, such as airbags and other safety devices, and we are certainly moving in that direction, albeit more slowly than this Member would like. Yes, you can argue that the safety effect of downsizing and downweighting as a result of CAFE standards has been negligible because the injury and fatality experience per vehicle mile of travel has, in fact, steadily declined during the changes in the fleet. That is true.

However, a 1992 National Research Council report suggested that reduced risk of motor vehicle travel is part of a long-term historical trend tracing way back to 1930, and the improving safety picture is the result of various interacting and sometimes conflicting trends.

So while things such as enhanced vehicle designs, increased rates of safety belt use, better roads, and decreased drunk driving are, in fact, reducing crash injury risk, there are other variables, such as higher speed limits or no speed limits on some roads, increased horsepower, and an increased number of teenagers and other risky drivers on the road that are increasing crash injury risk. In short, technological innovations don't get you out of a CAFE safety bind.

In the words of Dr. Leonard Evans, to argue this is

[L]ike a tobacco industry executive saying that smoking doesn't endanger your health because with everything we know about diets and exercise, you can smoke and still be as healthy as a non-smoker. It is true that with current knowledge about keeping fit, smokers can be healthier. But, this knowledge can make a non-smoker even healthier yet. If you smoke, you're going to be taking a risk no matter what.

Similarly, if you get in a car, you are taking a risk no matter what. That is just reality. We accept that there will be a certain number of accidents and injuries and deaths. We know that. We may not accept it, but we understand it. But the question really is about the weight and size of cars. You can argue about how many lives are lost or saved, what the exact figure is, what the exact number is. You can argue about how many variables impact safety and which variables have the most impact.

You can argue about how much the environment will be affected by this bill. You can argue about oil dependency. But in the end, one of the main

variables that we know will make a difference in determining how many Americans die next year driving automobiles or as passengers in automobiles is the weight of the car. That is a variable we know will make a difference.

For me, that is what it comes down to. As millions of Americans, I do read Consumer Reports. Year after year, I take a look at the annual report that lists the cars and rates them for many reasons. It rates them for safety. One of the special reports every year is a safety report. You can look down and see how they rate each size car. They always break them down into the larger cars, the heavier cars, all the way down to the light cars.

What you will see is that, yes, some of the midsize cars do very well. Some of the smaller cars do better than you might expect. But what you clearly can see is that by and large, if you are interested in safety, you buy a bigger, heavier car.

I am not suggesting that every American should do that or can afford to do that. I am suggesting that is something that every American should have the option to do. Every American should have the option within their means to as best they can protect their family from highway fatalities. They should be able to intelligently choose their car. They should make the choice of the car, what safety features the cars have, and they should be able to make the choice in regard to the weight of that car.

I believe the underlying bill strikes at that freedom, at that liberty, and at the ability of parents to protect their children in the car, the ability of someone buying a car to protect themselves or their loved ones. It is a tragic mistake.

I will be supporting the Levin-Bond amendment. It is a rational compromise. It is an approach that makes sense. It is not micromanagement from the Congress but is allowing the science and technology to take place and to be utilized. I hope if that amendment does pass, when the decisions are made in regard to setting of the standards, highway safety will not just be one of the items considered, that highway safety will be at the top of the list.

Madam President, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON of Nebraska. Madam President, we yield time to the distinguished Senator from the State of Missouri, who will speak. We are alternating, but if there is no one on the other side to speak, then Senator JOHNSON will be next.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mrs. CARNAHAN. Madam President, the Senate is engaged in an important debate on our Nation's energy policy. America needs an energy policy that reduces our dependency on imported

oil, one that increases our energy efficiency, promotes the use of renewable fuels, and encourages additional domestic production of fossil fuels.

We need an energy policy for the 21st century—not a pipeline to the past. The bill the Senate is now considering is a good foundation for this debate.

This legislation promises to increase our domestic natural gas supply dramatically. It improves energy efficiency standards. It requires that the Federal Government lead in using our natural resources more efficiently. To me, the most exciting aspect of this bill is that it encourages production and use of renewable fuels. One of the most promising of these is ethanol. By blending ethanol with gasoline, we can reduce our oil imports and we can reduce the environmental damage of vehicle emissions.

This legislation lays out a plan for increasing the amount of ethanol Americans use, and I strongly support these provisions. As America struggles to meet its growing energy needs, ethanol provides extraordinary opportunities. This product is made from corn and, unlike fossil fuels, can be produced in abundance. The more ethanol we use to fuel our cars and trucks, the less oil we will need to import from hostile countries such as Iraq. Rather than looking to the Mideast for energy, we would be far better off to look to the Midwest. With the use of a corn-based product such as ethanol, we can create an enormous market for homegrown agricultural products. At the same time, we can reduce the emission of harmful greenhouse gases. In short, ethanol use is good for the economy, good for the environment, and good for our national security interests.

Ethanol is a relatively new fuel, and we are still building the infrastructure and capacity for wider use of this product. Last year, I introduced legislation to promote the production and the use of ethanol-blended fuels and other value-added agricultural products.

My legislation proposed to expand eligibility for the tax credit available for small producers of ethanol. I am very pleased that these aspects of my bill have been included in the amendment crafted by the Senate Finance Committee. These changes will ensure that farmer-owned cooperatives are eligible to receive the tax credit. They will also encourage small producers to expand the size of their operations to meet increased demands.

Under this legislation, facilities that produce as much as 60 million gallons a year could still qualify as small producers. These changes are necessary if America is to meet the demand for ethanol envisioned by this bill.

Last year, America produced less than 2 billion gallons of ethanol. Under this legislation, annual ethanol use would increase to 5 billion gallons over the next 10 years.

Ethanol is truly a win-win solution to our energy needs. The increased use required by this legislation represents

a positive step for our farmers, for our environment, and for energy independence.

I support the compromise of this bill that will lead to the increased use of ethanol, and I urge my colleagues to support it as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. JOHNSON. Madam President, I am pleased to rise today to speak about the inclusion of a renewable fuels standard in the pending energy bill. In the midst of the ongoing debate about this legislation, it is heartening to see us come together on an issue that has the potential to enormously improve our Nation's transportation fuel supply.

This is a landmark provision that will improve our energy security and provide a direct benefit for the agricultural economy in my State and in other rural States across our country. Senator DASCHLE should be commended for his hard work in bringing the parties and the industries together to reach a bipartisan consensus that will help our Nation in the next decade and in the decades to come. Senator JEFF BINGAMAN, chairman of the Energy Committee, also deserves commendation for working with us to include this package in a comprehensive energy bill.

As we all know, there has been a great deal of discussion this past year about our Nation's energy. The increasing volatility in gasoline and diesel prices and the growing tension in the world from terrorist attacks have affected all of us. There is a clear need for energy policies that will address issues of the environment, issues of improving our trade balance, clean air, energy security, our farm economy, and more jobs in America. This provision addresses all of those issues.

Earlier this year, I introduced legislation with my friend and colleague from Nebraska, Senator CHUCK HAGEL. Our legislation, the Renewable Fuels for Energy Security Act of 2001, S. 1006, was designed to ensure future growth for ethanol and soybean-based biodiesel fuels through the creation of a new renewable fuels content standard in all motor fuel produced and used in the United States. I am also a cosponsor of another renewable fuels bill that was introduced by Senator DASCHLE and Senator LUGAR. I am pleased that an effort has been made here to incorporate these bills in a comprehensive energy legislation bill and that we have the package we are considering today.

Meanwhile, the House of Representatives passed an energy bill that contains no renewable fuels standard of any kind. It is the Senate legislation that is the groundbreaking bill which will determine whether our Nation will, in fact, go forward with a thoughtful renewable fuels standard for our Nation. So it is with some pride and satisfaction that, in a bipartisan

fashion, the Senate has come together on this issue. It is clear that Senators—particularly from rural States but others as well—understand the importance of including a new standard in our energy legislation.

Today, ethanol and biodiesel comprise less than 1 percent of all transportation fuel in the United States, and 1.8 billion gallons is currently produced in our country. The consensus package we have today would require that 5 billion gallons of transportation fuel be comprised of renewable fuel by the year 2012. Ambitious but doable. That is nearly a tripling of the current ethanol production for the coming decade as we incorporate this new standard.

I don't need to convince anybody in my State of South Dakota or other rural areas of the benefits of ethanol to the environment and the economies of rural communities. We have several plants in South Dakota and more are being planned. These farmer-owned ethanol plants in South Dakota, and in neighbor States, demonstrate the hard work, commitment, and vision we see in rural areas and the commitment to a growing market for clean domestic fuels.

Based on current projections, construction of any new plants will generate roughly \$900 million in capital investment and tens of thousands of construction jobs in rural communities. For corn farmers, the price of corn is expected to rise as much as 20 to 30 cents a bushel. Farmers will have the opportunity to invest in these ethanol plants to capture a greater piece of the "value chain." Combining this with the provisions in this bill and the potential economic impact for South Dakota is tremendous.

An important but underemphasized fuel is biodiesel, which is chiefly produced from excess soybean oil. We all know soybean prices are hovering near historic lows. Biodiesel production is small but has been growing steadily. The renewable fuels standard would greatly increase the prospects for biodiesel production and greatly benefit soybean producers all across our land.

It is important that Congress take a serious look at these issues beyond just the economic impact to our region. Bio-based fuels offer multiple benefits—from addressing climate change to improving our trade balance.

By increasing fuels production in rural areas of our Nation, we can also reduce the need for new refineries and new pipelines.

The renewable fuel standard over the next decade will displace roughly 1.6 billion barrels of oil without any additional drilling and could increase ethanol renewable fuels being more widely used. In addition, it takes 1 gallon of ethanol to the same amount of fuel that produces 2 gallons of oil.

A substantive bill that improves the Nation's energy security can only be enacted if we work in a bipartisan manner. Problems and difficulties our

Nation faces are simply too important to be bogged down in partisan rhetoric. The consensus emerging on this issue demonstrates the benefits of working together to find real solutions for our Nation and should serve as a model for the consideration of the rest of the legislation we take up this year.

Again, I thank Senator HAGEL, Senator DASCHLE, and Senator BINGAMAN for their extraordinary efforts and for working with me as we have developed this amendment and included it in this important legislation.

We know we are not to the goal line yet relative to the renewable fuel standard. This energy legislation remains controversial as a whole, with issues ranging from drilling in ANWR to CAFE standards, all creating hurdles to its final passage. But I am pleased to see the kind of bipartisan consensus that reaches across industries on the renewable fuel standard.

It is my hope when the dust settles at the conclusion of this debate that we will have a comprehensive energy bill that will include this provision. Whatever else happens, this Congress cannot adjourn at the end of the year without having addressed the need for a renewable fuel standard in this or some other comprehensive legislation.

I thank the Chair. I urge my colleagues to be supportive of the renewable fuel standard, and I look forward to final passage of this legislation. I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. NELSON of Nebraska. Madam President, I thank my colleague from South Dakota, who has worked so long and hard on this issue and has cosponsored the Hagel-Johnson/Johnson-Hagel legislation that helped lead the way to this particular part of the energy bill. I thank him for his constant support and vigilance on the issue.

It is clear that this issue has achieved a wide bipartisan result with strong support from both sides of the aisle. It is also very apparent that some of the challenges the ethanol or biofuels industry faced in the past have lessened as a result of the hard work of so many.

There was a time when there was an absolute conflict between oil and ethanol producers and between the interests that supported each of those industries. This past week, an agreement was announced that brought together the environmental industry as well as the petroleum industry. I thank the API for their support. It is a clear recognition that this is a way to work together to support an energy policy that will benefit all Americans and benefit our world as well.

It is important to point out that while we continue to stress the importance of more domestic production and reduce the reliance on foreign sources of oil, there is a role that the industry domestically and the renewable fuels industry today can play together, a role that finds room for both domestically produced oil as well as foreign-

produced oil and domestically produced energy in the area of renewable fuels.

It is pleasant to recognize we have crossed that line and have been able to bring together parties from different industries to recognize the common goal of the ability to rely on our own needs to the extent we can with our own production. That is clear in moving from 1 percent of the oil and fuel needs of our country and the supply to up to 4 percent in just 10 years. That is not only a move in the right direction, it is a move away from some of the reliance we have had in other areas of the world where stability is not strong for our future but certainly puts us in peril for the future needs of our energy.

It is also very important to point out that this industry, with the renewable fuel standard that will be created and with the ethanol and other biofuels processing plants that will be springing up all over America, can extend to the rural areas.

I know the distinguished Presiding Officer is concerned about, in her own State, the erosion of the rural areas in population and the decreasing opportunities that exist in some of the rural areas. This industry can extend across America because of the reliance on biomass—and it is not simply limited to the corn-producing States or other States more closely associated with farm products—and not only be a strong industry far beyond a cottage industry, but it can certainly extend to many of the other States that are not always considered part of the agricultural producing industry in America today, but we know they are. Therefore, this is, as the distinguished Senator from Missouri said, a win-win situation for all of us.

I am also pleased there is a cutting-edge technology that continues to be a part of this biofuels effort. Many States are today advancing the new technology, which the distinguished Senator from North Dakota mentioned, of aviation fuel that can be extended to biorefinery products.

The High Plains facility in my State of Nebraska at York is processing the plant's waste stream in an anaerobic digester for the production of biogas that can be used to dry the distiller's grains and operate the plant, so that the plant has the opportunity ultimately to be self-sustaining in terms of its own energy needs as it produces energy for the rest of the country.

The Dow-Cargill facility in Blair, NE, is currently producing ethanol but in short order will be producing biodegradable plastics for use in the food industry in that same facility. They produce energy, but they will be producing an environmentally friendly plastic that will be biodegradable rather than what we are currently using.

Later in this session, I hope to offer an amendment calling for a Manhattan-type project to aggressively advance the biorefinery concept—the production of biofuels, bioenergy, and biochemicals in integrated facilities. A

major resource commitment, utilizing the unique capabilities of the Department of Defense to take a concept from inception to fruition, is needed in this country to ensure that 10 years from now we have established the commercial technology base to produce many billions of gallons of renewable fuels in dispersed and decentralized installations around our country.

There is the opportunity for increased technology, for increased production of biofuels that will assist us in the growth that is being sponsored by this legislation with the expectation that perhaps it is only the beginning—that, in fact, we can exceed the requirements that will be provided in this bill in years to come.

I am proud the production and the testing of these products is underway today and will expand into the future and be a nationwide emphasis, whereas today clearly the emphasis has been more limited and more discussed in terms of the rural areas of the Midwest. This is about more than the Midwest. It is about, in fact, a national energy policy that will end up with national energy needs, in meeting those needs from so many different parts of our world and our Nation.

The energy needs are clear, and that is why this energy bill is important. But not only are the needs important, but the sources of production to fill those needs likewise are important. That is why this particular provision is extremely important to deal not only with the energy needs, but to deal with a cleaner environment, for economic development, and obviously for national security by relying on our own sources for more of our own energy production.

Shortly, Senator LINCOLN from Arkansas will be joining us. I might mention, as I did before, as part of the Governors' Ethanol Coalition that was established in 1991, we had a distinguished Governor from the State of Arkansas in that initial group who kept his commitment to supporting ethanol not only in his role as Governor but as the President of the United States. It is also important to point out that as we have continued to expand the role of the current President, while the Governor of Texas he participated in that Governors' Ethanol Coalition, making it a broad-based group of 26 States and several countries working together to continue to support ethanol and the development of biofuels to deal with our energy needs.

Until the distinguished Senator from Arkansas arrives, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NELSON of Nebraska. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. NELSON of Nebraska. Madam President, as we are waiting for Senator LINCOLN, perhaps it is important to point out some of the truths about the renewable fuel standard and debunk some of the myths that sometimes have continued for a period of time as a method of trying to avoid dealing with the need for more domestic production and as a means of deterring our efforts for this renewable fuel standard.

There is a myth that somehow there are inadequate supplies of ethanol to meet the demand that will be created by this renewable fuel standard. The fact is, the ethanol industry has been growing substantially in recent years. If I could get the chart that shows the growth within the industry, it has been growing in recent years in anticipation of the phaseout of MTBE, particularly in the State of California. We can see the historic fuel ethanol production over the course of the last 20 years. It continues to increase.

According to the Renewable Fuels Association, 15 new plants have opened and several expansions have been completed, increasing U.S. ethanol production capacity to 2.3 billion gallons. Thirteen plants are currently under construction and will bring the total capacity to 2.7 billion gallons by the end of 2002. A survey conducted by the California Energy Commission concludes that the ethanol industry will have the capacity to produce 3.5 billion gallons a year by the end of 2004. So achieving the 5 billion gallon requirement over a 10-year period is clearly within reach, and we are clearly on our way to achieving that.

There is also a myth that MTBE will result in a shortage of gasoline-blending components; that if we remove MTBE it will result in a shortage of gasoline-blending components that will therefore reduce U.S. fuel supplies. The fact is, while acknowledging there will be enough ethanol, some have suggested there will be a shortage of gasoline-blending components needed to replace MTBE.

MTBE is currently blended at 11-percent volume, largely in Federal reformulated gasoline in the Nation's nine severe ozone nonattainment areas so we can satisfy the oxygenate requirements.

Ethanol is used exclusively today in RFG in Chicago and Milwaukee, where it is blended at 10-percent volume. Ethanol used in RFG to replace MTBE will similarly be blended at the 10-percent level, mitigating any loss in supply from MTBE's removal. A large share of the ethanol-blended formula will satisfy the renewable fuel standard. It will be blended in conventional gasoline where it simply is blended with finished gasoline, adding an additional 10-percent volume to the U.S. fuel market. In other words, it will, in fact, expand the availability of fuel rather than reduce it.

There is another myth: that the RFS will result in significant price increases for consumers at the pump. The

fact is, S. 517 does not require a single gallon of renewable fuels be used in any particular State or region. The additional flexibility provided by the RFS credit-trading provisions of S. 517 will result in much lower costs to refiners and therefore to consumers. The credit-trading system will ensure that ethanol is used where it is most cost effective.

According to ChevronTexaco, the free market will not allow a California price differential of 20 to 30 cents per gallon to be sustained. The market will always find ways to take advantage of a much smaller differential. Furthermore, a nationwide Federal MTBE ban provides certainty for investments and eliminates the greater use of boutique fuels, thereby lowering gasoline prices.

One of the constant challenges we have today is the use of boutique fuels, the blending of certain grades and certain kinds of fuels, which actually has the impact that while reducing efficiency it raises the cost of gasoline prices. This will have the effect of moderating that, and it will, in fact, reduce the number of boutique-blended fuels and therefore reduce the cost of production of these fuels.

Increasing the use of renewable fuels such as ethanol and biodiesel will diversify our energy infrastructure, making it less vulnerable to acts of terrorism and increases the number of available fuel options, increasing competition, and reducing consumer costs of gasoline.

There is a myth that more time is needed for the MTBE phaseout to ensure adequate fuel supplies. The fact is, the negotiated agreement set forth in S. 517 announced last week provides for a 4-year phaseout of MTBE, giving the petroleum and the transportation industries adequate lead time to make necessary changes to accommodate the increased use of renewable fuels. In fact, the American Petroleum Institute, the lead trade association for the refining industry, agrees that 4 years is an adequate phaseout period, and cost estimates for removing MTBE must also consider the cost incurred in additional MTBE water contamination if MTBE is not removed from the fuel supply.

A recent poll conducted by the California Renewable Fuels Partnership concluded that 76 percent of likely voters supported banning MTBE because we cannot afford the pollution caused by MTBE, while only 13 percent think it is a bad idea because of potential higher gasoline prices.

The myth is it will raise gasoline prices when it is not expected to raise those prices. But 13 percent is a bad idea because of potential higher gasoline prices. If they are aware of the fact that it will not raise gasoline prices, perhaps the 76 percent favoring the phaseout, banning it, will increase substantially.

There is another myth important to debunk; that is, ethanol cannot be transported from production centers in

the Midwest, where it is currently produced, to coastal markets without incurring substantial investments and therefore large costs to the consumer. Furthermore, ethanol must be blended at the terminal and cannot be shipped by pipeline, constraining the distribution network. The fact is, today ethanol is transported cost effectively from coast to coast by barge, railcar, and oceangoing vessel.

An analysis completed in January for the U.S. Department of Energy assessed the infrastructure requirements including transportation, distribution, and marketing issues for an expanding ethanol industry. The report concludes that no major infrastructure barriers exist to expanding the U.S. ethanol industry to 5.1 billion gallons per year, comparable to the renewable fuel standard established in S. 517. Therefore, the study concludes the logistics modification necessary under the scenario can be achieved cost effectively.

Myths are important to debunk because they will, if not countered, very often stand in the way of the progress of this important part of our energy efforts.

One final myth: Air quality will actually suffer as ethanol use increases nationwide. The fact is, the use of ethanol significantly reduces tailpipe emissions of carbon monoxide, an ozone precursor, VOCs and fine particulates that pose a health threat to children, seniors, and those with respiratory ailments. Importantly, renewable fuels help to reduce greenhouse gases emitted from vehicles, including carbon dioxide, methane, and other gases that contribute to global warming.

S. 517 protects against any backsliding on air quality. First, the agreement tightens the toxic requirements of reformulated gasoline by moving the baseline refiners must meet by 1999 to 2000.

The Northeast States for Coordinated Air Use Management concluded that they are satisfied to have reached an agreement that substantially broadens the ability of the U.S. EPA and our Nation's Governors to protect, and in some cases actually improve to a greater extent, air quality and public health as we undertake major changes in the Nation's fuel supplies.

Those who typically have proposed the myths and have supported those myths and made them a part of current mythology relating to biofuels and ethanol in particular have very often done so out of a lack of information but very often as a result of trying to derail the effort toward expanding this important part of our energy source. That is why it is important we take the opportunity to point out the truthfulness of the facts underlying ethanol and point out the falsehoods in the myths being used to deter our actions toward this amendment.

I note my colleague from the other side. I yield the floor.

The PRESIDING OFFICER (Mr. CARPER). The Senator from Montana.

Mr. BURNS. I thank both of my friends from Nebraska. Both have been champions for renewable fuels, especially in the area of ethanol development.

We all know we have not put forth our best effort toward research and development for the best use of this fuel. I was raised in the Midwest. When people think of ethanol, they think of corn. But corn is not the only grain that can be used. I lend my support to what the Senator from Nebraska is saying, and also to all our work in research and development for making this fuel more viable, making it work, and making it cost effective. It must be one of our big challenges.

I have heard my good friend from Nebraska, the former Governor of Nebraska, make a couple of speeches on ethanol; both his enthusiasm for the product and the benefits it provides. It is not only good for our country, but good for our air and for the agricultural community that sorely needs help.

Increasing the use of ethanol to 5 billion gallons is a step in the right direction. Some say it is possible to increase that figure. It is a number we finally settled on that was acceptable to folks who want to participate in this industry in my State of Montana.

As I have stated, early this morning we spoke of the high-tech task force that we put together on this side of the aisle. We talk of all the research and development for the free flow of information. Here is another area we should zero in on. It will be new structures that will allow us to take advantage of this fuel and make it as efficient as using total gasoline or oxygenated gasolines.

I talk to refiners in the private sector. Nobody wants to make a cleaner fuel than the refiners. The increase in production of ethanol is a good step. However, we should look at what we can do with our land grant universities who have the wherewithal to do some real research and development on this fuel, making it more viable than it is today. We have shortchanged making it better and more cost effective. We can let this work for us.

I support my good friends from Nebraska. I thank them for their leadership on this issue. It is important. I would like to be part of trying to round up a little more money in a government-private sector partnership and allow the research to go forward on this matter.

I thank my good friend from Nebraska. I yield the floor.

Mr. NELSON of Nebraska. I thank my colleague from the great State of Montana for his support. He does have Midwest connections. He had the good fortune to marry a woman from the State of Nebraska. We appreciate his connection with the Midwest and his support.

I yield the floor to the Senator from Arkansas, who will speak on the renewable fuel standard.

Mrs. LINCOLN. Mr. President, I thank my colleague from Nebraska, who has done critical work on this issue. I am delighted to be joining many of my colleagues in discussing the critical role that renewable fuels will play in our national energy policy.

The energy bill we have been considering contains an important provision for renewable motor fuel standards. This provision establishes a national program for renewable fuels to be phased in beginning in 2004.

This program would be flexible, so as not to adversely affect small producers and refineries, and it would provide incentives to encourage the development and use of renewable fuel.

What would be the end result of this program? It would require 5 billion gallons of renewable fuels by the year 2012, significantly reducing our dependence upon foreign energy sources.

What does this mean? This is incredible. I think this is so important for us to stop and take a moment and realize what we are actually doing—5 billion gallons of renewable fuels by 2012. What a dramatic move we are making in the right direction.

I should also mention that this provision includes measures to protect consumers. It would require a Department of Energy study next year, before the program begins, to assess the possible consumer impacts of a renewable fuels program. If the program would have a negative effect on consumers, the Environmental Protection Agency would be authorized to adjust the requirements to prevent these negative effects. By delivering the United States from the whims of groups like OPEC, who manipulate the production and price of oil, we will also reduce our trade deficit by an estimated \$34 billion. That will be good for both American economic security and national security.

Furthermore, a renewable fuel standard would create new economic opportunities in rural America. As many as 214,000 new American jobs could be created in response to the renewable fuel standard. It would increase the demand for grain by an average of 1.4 million bushels per year. It would create nearly \$5.3 billion in new investment, much of that in rural areas.

Importantly, a renewable fuel standard has attracted broad support—and not only from the agricultural and fuel industries. The American Lung Association, for example, has also offered strong support for this provision, since renewable fuels would provide an effective strategy to reduce toxic air emissions and protect our air quality.

It is an exaggeration to say that a renewable fuel standard could protect the health and well-being of future generations of Americans. Those of us from rural states appreciate the remarkable potential of renewable fuels. That is one reason why the farm bill that recently passed in the Senate also included a renewable motor fuels standard.

In Arkansas, we recognize the importance of renewable fuels in helping the

United States to become more energy-independent. That is why we are continuing to move forward with the development of a valuable new alternative fuel: Biodiesel. Biodiesel is a clean-burning fuel that can be produced from domestic renewable sources, such as agricultural oils, animal fats, or even recycled cooking oils. It contains no petroleum, but it can be easily blended with petroleum diesel at any stage of the process—during production at the refinery, in the pipeline, or even from the gas pump into a diesel tank.

Biodiesel can be used in compression-ignition diesel engines with no major modifications. We are there. We are there with a product that is environmentally safe, that is good for our economy, and good for our environment.

In road tests, biodiesel blends have demonstrated performance, fuel mileage, and drivability comparable to petroleum diesel. Biodiesel is simple to use, biodegradable, non-toxic, and essentially free of sulfur and aromatics.

Although new to our country, its use is well-established in Europe with over 250 million gallons consumed annually. Farmers in Arkansas and other rural States have embraced the development of biodiesel because it makes good economic sense for the farm industry. Biodiesel would allow us to develop new markets and to expand existing markets for soybean oil, cottonseed oils, and other types of agricultural oils.

I have fought to include biodiesel as an alternative fuel, most recently by inserting a biodiesel tax credit in the Finance Committee's energy tax incentives package. This provision was overwhelmingly approved by the committee in a vote last month.

Biodiesel is not yet cost-competitive with petroleum diesel. In order to create favorable market conditions for biodiesel, we need market support and tax incentives to foster these conditions. With today's depressed market for farm commodities, biodiesel would serve as a ready new market for surplus farm products.

Investment now in the biodiesel industry will level the playing field and create new opportunities in rural America.

I believe that biodiesel could be made more available by allowing its use under the Energy Policy Act which Congress passed in 1992. If we expand the alternative fuels options to include biodiesel, we can make even more progress on bringing renewables to a wider market and making them more cost-effective.

Reduced dependency on foreign oil, greater protection of our air and water against pollution and contamination, a strengthened rural economy with new jobs and productive uses for surplus farm commodities, energy sources that are natural, sustainable, and renewable—and all of this now. We do not have to wait. We do not have to retrofit our automobiles. All we have to

do is move forward in making this product comparable in the sense that it can be competitive in the marketplace. We can do it now.

These are only a few of the major benefits we will see from increasing our investment in renewable fuels. Now is the time to lay the groundwork to move our Nation in the direction of energy independence. How excited we should be that we have come this far, that we can move quickly now in energy policy to lessen our dependence on foreign oil, to use our own economy, our own production, and our agricultural and rural States to create a better environment and less dependence on foreign oil.

I am very pleased to join Senator NELSON and the rest of my colleagues today in making sure that efficient, renewable fuels will play a key role in our Nation's future energy plan. Now is the time to act.

We have been void of energy policy in our Nation for far too long—one that is progressive, meets our needs, lessens our dependence on foreign oil, as well as putting our people to work—all the while protecting our environment.

I thank my colleagues for bringing up such a critical issue, and I look forward to moving forward on this one quickly.

Mr. President, I ask unanimous consent that several letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

RED RIVER VALLEY
SUGARBEET GROWERS ASSOCIATION,
Fargo, ND, January 18, 2002.

Hon. BEN NELSON,
*U.S. Senate, Hart Office Building,
Washington, DC.*

DEAR SENATOR NELSON: As the Senate prepares to work on an energy bill, you will have a voice on some important decisions that will affect our country in many ways and for many years to come. One of the most important things you can do to make a difference is to support including a renewable fuels standard in the energy bill. Such a measure would require the oil industry to use an increasing amount of ethanol and biodiesel every year, while giving the oil industry the flexibility to determine when and where it is best to use it.

More importantly, a renewable fuels standard that would require the use of at least five (5) billion gallons of ethanol by 2012 is good energy policy. We hear a lot of talk about reducing our dependence on foreign oil, and this would be the best measurable and tangible step we could take to actually accomplish that goal.

A renewable fuels requirement would increase jobs, something our country desperately needs, create markets for farm products, and help us reduce our reliance on oil from the Middle East—over 66% of the world's oil reserves lie in the politically unstable Persian Gulf. Ethanol and biodiesel can help our country, but we need your support in order to help make that happen. The time is right, and we need your support for this effort. I urge you to contact me if for any reason you cannot support such a provision. Thank you for your help on this issue.

A renewable fuels standard has been incorporated in S. 1766, and we strongly support

that provision. No matter what form the final bill takes, we want to see a renewable fuels requirement in the final version of the Senate's energy bill.

Sincerely,

MARK F. WEBER,
Executive Director.

— ACE,
Sioux Falls, SD, March 5, 2002.

Hon. BEN NELSON,
U.S. Senate, Washington, DC.

DEAR SENATOR NELSON: I am writing to thank you for your support for including a renewable fuels standard in the Senate energy bill. The American Coalition for Ethanol (ACE) was one of the first organizations to advocate the creation of a renewable fuels standard (RFS). In fact, I testified on behalf of ACE in support of an RFS in front of the Senate Agriculture Committee all the way back on April 11, 2000. As an organization that represents a broad, grassroots base, including many farmer-owned ethanol plants, rural electric cooperatives and public power districts, ACE feels that a renewable fuels standard that phases in ethanol demand over 10 years will allow more farmer-led ethanol projects to be developed.

A renewable fuels standard will give the ethanol industry the certainty that it needs in order to continue to grow. It will give farmers and bankers the assurance they need in order to keep investing in new ethanol production. At the same time, a renewable fuels standard will also: create badly needed jobs and economic development in rural areas; create opportunities for farmers to invest in the processing of the products they are producing; and significantly reduce our country's dependence on foreign oil, much of which we are importing from Iraq and other countries in the Middle East.

Various studies have shown that there are no barriers to the implantation of a 5 billion gallon renewable fuels requirement. Now, as the Senate begins work on its version of the energy bill, it is time that ethanol and biodiesel be recognized for their ability to help provide for a secure energy future for the United States. We thank you for your support for a renewable fuels standard and will look forward to working with you to further expand opportunities for farmers and rural America.

Sincerely,

TREVOR GUTHMILLER,
Executive Director.

— NEBRASKA FARMERS UNION,
Lincoln, NE, March 6, 2002.

Hon. BEN NELSON,
*Hart Building,
Washington, DC.*

DEAR SENATOR NELSON: As you prepare for the debate on a national energy policy, I want to re-state the importance of the proposed renewable fuel standard to the Nebraska Farmers Union. I know you have been a long-time supporter of this concept but it is important that others understand the impact this proposal can have on the agricultural economy, the environment, and on our country. One example of the potential impact generated by the proposed national standard is clearly illustrated by the ethanol plants in Nebraska. The Clean Air Act Amendments of 1990 and the ethanol program adopted in Nebraska encouraged investment in ethanol plants. The investment in Nebraska ethanol plants yielded a host of economic and environmental benefits. These include the expansion of grain markets in the state, quality jobs in rural areas, displacement of imported gasoline, diversified local tax bases, and the reduction of carcinogenic gasoline components with clean burning ethanol. Enactment of a renewable en-

ergy standard would provide a strong impetus for additional investment in new plants throughout the country. New investment will yield additional jobs, additional grain consumption, increased output of clean burning ethanol and additional tax contributions to state and local tax coffers. All these benefits are crucial to the economy of Nebraska and other states.

Higher prices offered by ethanol plants for cash grain helps support our farmers and reduces transportation of crops grown in the state. Local access to expanded grain markets reduces the use of imported fuels and lowers the transportation costs associated with grain marketing. These reduced costs are especially important during times of economic hardship in the agricultural sector.

These are many reasons why a national renewable fuel standard is of importance to the national economy. I urge you to continue your strong support for the proposed national renewable fuel standard and to convey the importance of this standard to your colleagues in the Senate.

Sincerely,

JOHN K. HANSEN,
President.

— NEBRASKA CORN GROWERS ASSOCIATION,
Lincoln, NE, March 6, 2002.

Hon. BEN NELSON,
*Hart Building,
Washington, DC.*

DEAR SENATOR NELSON: As you prepare for the debate on a national energy policy, I want to re-state the importance of the proposed renewable fuel standard to Nebraska corn producers. I know you have been a long-time supporter of this concept but it is important that others understand the impact this proposal can have on the agricultural economy, the environment, and on our country. The ethanol plants in Nebraska perhaps best illustrate one example of the potential benefits that can be generated by the proposed national standard. The ethanol development program adopted in Nebraska encouraged investment in new ethanol plants. The investment in Nebraska ethanol plants yielded a host of economic and environmental benefits. These include the expansion of grain markets in the state, quality jobs in rural areas, displacement of imported gasoline, diversified local tax bases, and value-added grain processing.

Enactment of a renewable energy standard would provide a strong impetus for additional investment in new plants throughout the country. New investment will yield additional jobs, additional grain consumption, expanded grain markets, increased output of clean burning ethanol and additional tax contributions to state and local tax coffers. These benefits are crucial to the economy of Nebraska and other states.

Increased demand for ethanol tends to stimulate higher prices for corn. Higher prices bid by ethanol plants for cash grain helps support our corn producers and reduces transportation of crops grown in the state. Local access to expanded grain markets reduces the use of imported fuels and lowers the transportation costs associated with grain marketing. These reduced costs are especially important during times of economic hardship in the agricultural sector.

These are numerous reasons why a national renewable fuel standard is of importance to the national economy, and to our rural economy in Nebraska. On behalf of Nebraska's corn producers, we commend your hard work and thank you for your strong support for the proposed national renewable fuel standard.

Sincerely,

MARK SCHWEERS,
President.

NE ETHANOL BOARD,
Lincoln, NE, March 5, 2002.

Hon. BEN NELSON,
*Hart Building,
Washington, DC.*

DEAR SENATOR NELSON: As you and your colleagues prepare to continue the debate on a national energy policy, I want to take this opportunity to reiterate the importance of the proposed renewable fuel standard. I know you have been a longstanding supporter of this concept but it is important that others understand the profound impact this proposal can have on our country. One example of the potential impact generated by the proposed national standard is clearly illustrated in Nebraska. The ethanol development program adopted in Nebraska more than a decade ago has yielded a host of economic and environmental benefits. These include the following:

Construction of seven grain processing plants that annually convert 20 per cent of the Nebraska corn and grain sorghum crop to clean burning ethanol and value-added protein products.

New capital investment in these facilities that totals more than one billion dollars to date. Additional investment is currently underway in new and existing plants.

More than 1,000 permanent jobs directly resulting from plant operations and more than 5,000 induced jobs that support the ethanol industry.

Quality jobs in rural areas of the state. A recent survey indicates that the average salary paid at ethanol plants in Nebraska is approximately \$36,100. This salary level is significantly higher than the average salary for all job categories in the state. Quality jobs help retain skilled workers in rural parts of the state. This income, coupled with tax assessments on the plant, helps to diversify the local tax base.

Higher prices and reduced transportation of crops grown in the state. This new demand for grain stimulates cash prices and provides a local market.

Increased economic activity in other sectors. For example, a recent analysis by the University of Nebraska-Lincoln indicates that the feeding of high protein co-products produced at ethanol plants yields improved gains in cattle. The study indicates that when fed as a wet ration, energy costs are saved and cattle weight gains are improved. The economic impact of this activity is measured at more than \$41 million each year in Nebraska.

Improved air quality. Reductions of carbon monoxide in the atmosphere are in part due to the use of ethanol enhanced fuels in Nebraska. In addition, a recent study by the University of Nebraska concludes that ethanol reduces aromatic levels in gasoline.

Retention of energy dollars in the state economy. There is no gasoline refined in Nebraska. Every gallon of gasoline must be imported from outside the borders of the state. Displacement of gasoline with ethanol helps retain dollars in our economy.

These are a few reasons why a national renewable fuel standard is of such importance to the Nebraska economy. More importantly, the proposed standard offers the opportunity to generate similar benefits nationwide. For that reason, the 27 Governors that comprise the National Governors' Ethanol Coalition stand firmly in their support of this proposed standard.

The proposed standard must be a key component of a new national energy plan. The standard presents us with an opportunity to stimulate a significant national biofuels effort that will yield important economic, energy, environmental and national security benefits. I urge you to continue your strong support for the proposed national renewable

fuel standard and to convey the importance of this standard to your colleagues in the Senate.

Sincerely,

TODD C. SNELLER.

CHIEF ETHANOL FUELS, INC.,
Hastings, NE, March 5, 2002.

Hon. BEN NELSON,
Hart Building,
Washington, DC.

DEAR SENATOR NELSON: As you prepare for the debate on a national energy policy, I want to re-state the importance of the proposed renewable fuel standard to companies like Chief Ethanol Fuels. I know you have been a long-time supporter of this concept, but it is important that others understand the impact this proposal can have on ethanol companies and on our country. One example of the potential impact generated by the proposed national standard is clearly illustrated by our plant in Nebraska. The ethanol development program adopted in Nebraska encouraged us to invest in the Hastings plant. Our investment has yielded a host of economic and environmental benefits. These include the expansion of our processing plant from 10 million gallons annual capacity to more than 60 million gallons capacity. At our plant, we convert Nebraska corn and grain sorghum to clean burning ethanol and value-added protein products.

We continue to evaluate the investment of new capital in our facility when market conditions warrant. Enactment of a renewable energy standard would provide a strong impetus for additional investment. New investment yields additional jobs, additional grain consumption, increased output of clean burning ethanol and additional tax contributions to state and local tax coffers.

Our ethanol plant is an aggressive bidder for local grain. Higher prices bid for cash grain helps support our farmers and reduces transportation of crops grown in the state. The ethanol we sell at local terminals helps to retain energy dollars in the state's economy. Since no gasoline is refined in Nebraska, we must import it from outside the borders of the state. Displacement of gasoline with ethanol helps retain dollars in our economy.

As the debate on the issues progresses, I would ask that a mechanism be included to assure year around blending and not just Winter season. Smaller ethanol producers do not have the storage capacity or financial wherewithal to store ethanol production during the 6 month Summer season.

I urge you to continue your strong support for the proposed national renewable fuel standard and to convey the importance of this standard to your colleagues in the Senate. Thank you for your many years of strong support for ethanol.

Sincerely,

ROGER BURKEN.

GRIFFIN INDUSTRIES, INC.,
Cold Spring, KY, March 5, 2002.

Hon. BEN NELSON,
U.S. Senate, Hart Senate Building,
Washington, DC.

DEAR SENATOR NELSON: I wish to thank you for your continued support of the biofuel efforts and initiative that you are supporting in the upcoming discussion on the Senate Energy Bill.

As you know, we are the major supplier of biodiesel, a renewable energy source for replacement of petroleum diesel fuel, here in Kentucky. We currently service the Midwest, East Coast and Southeast regions of the country with ASTM-121 high quality fuel to many non-attainment air quality cities for use in buses and service vehicles and other fleets delivering consumer goods of all types.

Our plant has the capacity to produce ASTM standard fuel from various feedstocks including soybean oil and spent cooking oil. This new process is helpful in creating new uses for agri-products and lessens our dependency on foreign oil suppliers, especially the volatile Middle East Region of the world where we are under battle at the present time.

Biofuels can play a very important part in the United States Energy Policy while helping agriculture at the same time. We currently have several new projects under consideration at other Griffin Industries locations and will commit new capacities to the biodiesel market if biofuels are included in our nation's energy future.

Thank you for "carrying the flag" on biofuels. If we can be of assistance, please don't hesitate to contact me.

Best Regards,

DENNIS B. GRIFFIN,
Chairman.

CHANGING WORLD TECHNOLOGIES, INC.,
West Hempstead, NY, March 5, 2002.

Hon. BEN NELSON,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR NELSON: Although I am a resident of New York and not Nebraska, I wanted to applaud your efforts in promoting renewable bio-fuels. I am the chairman of a company that is building a bio-refinery in Missouri, which will process turkey slaughterhouse waste into natural gas, oil and fertilizer with no material remaining that requires disposal.

Our patented technology, if applied broadly, could replace all imported energy feedstocks, thus insuring our energy independence. In addition to our Missouri plant, which will be operational in August, we are building commercial plants to handle agricultural waste in Nevada, Alabama, Georgia, Arkansas and Colorado. Our process can also be applied to other organic wastes, such as scrap tires, waste plastic, sewage sludge and municipal solid waste.

We and others like us have commercial technologies, which can transform costly waste materials into valuable energy products. With your support and that of other like-minded senators, we can advance the commercial viability of the renewable fuels industry, enhance the quality of our environment, and replace imported oil as a significant energy source. You have our full support in all of your efforts.

Best regards,

BRIAN S. APPEL,
Chairman and CEO.

MASADA, OXYNOL,
Birmingham, AL, March 5, 2002.

Hon. E. BENJAMIN NELSON,
Dirksen Office Building,
Washington, DC.

DEAR SENATOR NELSON: I am writing to tell you how pleased I am that a Renewable Fuel Standard proposal has been included in the Senate energy bill. I know that you are a strong supporter of the renewable fuel standard and I share your hope that it is enacted.

A renewable fuel standard will increase national energy security, stimulate economic growth and help protect the environment. The use of ethanol, a domestically produced fuel, will reduce our dependence on foreign oil imports while adding much needed jobs in the United States. Not only is ethanol an alternative to imported oil, it is cleaner burning and helps decrease air pollution by dramatically reducing the production of greenhouse gases.

Masada OxyNol™ has patented a unique process that converts household garbage into fuel ethanol. After traditional recyclables

are removed, the remaining cellulosic portion of the garbage is processed into ethanol. More than 90% of the garbage is beneficially reused or recycled instead of being landfilled or incinerated.

As a leader in the field of cellulose to ethanol production, our company realizes the importance of a strong renewable fuel standard. We at Masada OxyNol™ are very much in favor of the inclusion of the renewable fuel standard in the final energy bill. The implementation of such a standard will be good for the nation.

Thank you for all of your hard work toward the establishment of the renewable fuel standard.

Yours truly,

DARYL E. HARMS,
Chief Executive Officer.

FEBRUARY 22, 2002.

SENATORS THOMAS A. DASCHLE, TRENT LOTT, JEFF BINGAMAN, FRANK H. MURKOWSKI, ERNEST F. HOLLINGS, AND JOHN MCCAIN, AND REPRESENTATIVES J. DENNIS HASTERT AND RICHARD A. GEPHARDT: As you wrestle with the complex and vitally important energy bill now before the Senate and the subsequent House/Senate Conference, we ask that you carefully consider the national and energy security aspects of this legislation in order to reduce our reliance on oil.

The United States is almost out of oil, and our dependence takes us places and forces us to do things that are not always in America's national interest. The power of oil reinforces the top of almost all societies and that strength and privilege too often fails to translate into policies and actions meeting the true needs of the people, their environment and their future. Perhaps the greatest gift America can give to the world is to put the power of oil into perspective.

We can use less oil to meet our needs in smarter ways while advancing energy efficiency and renewable energy technologies. Europe is ahead of us in many these areas. Countries rich in oil and poor in dealing with their people and their environment may then begin to take a more insightful look at their 20 year horizon and decide that their current wealth can be better deployed. They should then be able to see that subjugation, terrorism, and war are not good investments for current oil-derived wealth.

Here at home: America must reduce its dependency on oil as we deplete our reserves and increase imports that will increasingly come from the Middle East, the Caspian Basin and Indonesia; we must accept our responsibility to reduce America's greenhouse gas and other harmful emissions largely emanating from the combustion of fossil fuels; we must preserve for future generations and for strategic purposes, the last of our oil reserves and pioneer the advancement of non-petroleum transportation fuels; and we must disperse our energy production facilities and reduce our reliance on vulnerable electrical grids and oil and gas pipelines.

There are major opportunities for energy efficiency, fuel economy and renewable energy technologies like solar, wind, biomass, geothermal, incremental hydro and hydrogen.

While these imperatives will come at a modest investment to our economy, they will bring major returns and benefits: accelerate the process of freeing us from our oil dependency; honor our international environmental obligations; create major new domestic industries and millions of jobs—especially in rural America where opportunities for biomass, solar, wind and geothermal industries abound; take America out of the "rumble seat" and into the driver's seat in establishing the world's energy future; and greatly strengthen our energy and national security.

We are national security specialists and energy security advocates of biofuels because of their ready potential to replace imported oil. We recommend: passage of a meaningful renewable fuels and a renewable portfolio standard; increased efficiency standards for vehicles—and the use of biofuels in these vehicles—and for facilities/appliances using electricity; and extension of the energy production tax credits for at least two years and include open-loop biomass, agricultural and forestry residues, animal waste, solar and geothermal.

We ask that you give our convictions and recommendations careful consideration in your deliberations.

ROBERT C. MCFARLANE,
*National Security Ad-
visor to President
Ronald Reagan.*

R. JAMES WOOLSEY,
*Former Director, Cen-
tral Intelligence.*

Admiral THOMAS H.
MOORER, USN (Ret),
*Former Chairman, the
Joint Chiefs of Staff.*

GOVERNORS' ETHANOL COALITION,
Lincoln, NE, March 12, 2002.

Hon. TOM DASCHLE,
*Majority Leader, U.S. Senate,
Washington, DC.*

Hon. TRENT LOTT,
*Minority Leader, U.S. Senate,
Washington, DC.*

DEAR SENATOR DASCHLE and SENATOR LOTT: On behalf of the 27 members of the Governors' Ethanol Coalition, we are writing to express our strong support for the provisions included in the Energy Policy Act of 2002 (S. 517), which will establish a national renewable fuels standard.

The provisions set forth in the Manager's Amendment to S. 517 reflect an agreement negotiated over the last two years by the states, agricultural interests, refiners, and the environmental community that will address such important issues as MTBE water contamination and the oxygenate requirement in reformulated gasoline while providing a significant market for renewable fuels such as ethanol and biodiesel. Specifically, we support those provisions in S. 517 that: create a national renewable fuels standard, ensuring a growing part of our nation's fuel supply, up to 5 billion gallons by 2012, is provided by domestic, renewable fuels; eliminate the use of MTBE in the United States within four years; eliminate the oxygenate requirement in the reformulated gasoline program; and maintain the air quality gains of the reformulated gasoline program.

By enacting these provisions, we will strengthen our national security, displace imported oil from politically unstable regions, stimulate ethanol and biodiesel production, expand domestic energy supplies, and continue to reduce air pollution.

We encourage you to support these provisions and to resist any amendments that would alter this landmark agreement.

Sincerely,

BOB HOLDEN,
*Governor of Missouri,
Chair.*

JOHN HOEVEN,
*Governor of North Da-
kota, Vice Chair.*

MIKE JOHANNIS,
*Governor of Nebraska,
Past Chair.*

NATIONAL CORN GROWERS ASSOCIATION,
Washington, DC, March 13, 2002.

DEAR SENATOR: On behalf of the National Corn Growers Association, I want to express

our solid support for the inclusion of a Renewable Fuel Standard (RFS) in S. 517 that is being debated in the Senate. A commitment to a RFS is a commitment to making America energy independent. Our energy security is not a partisan issue and we hope that all Members of the Senate will put America first and vote yes on the RFS.

We believe the benefits from passing the RFS are overwhelming. Even a modest RFS that equals to about 3% (phased in over 10 years) of the gasoline used in the U.S. would reduce oil imports by 1.6 billion barrels over the next decade. According to a recent study by AUS Consultants, reducing oil imports by this amount will reduce our trade deficit by nearly \$34 billion while creating 214,000 jobs and adding \$51 billion to household income. In addition, the RFS will create \$5.3 billion in new investment, much of it in rural America. Finally, the RFS provisions of S. 517 will provide flexibility for refiners to produce fuel more cost effectively while protecting the environment.

The RFS is a standard, just like the standards we have for automobile fuel economy or the energy efficiency of appliances and buildings. Congress has established these visionary goals for energy efficiency over many years as an integral part of our public policy. The RFS simply says that it is good public policy, and in our national interest for some portion of our transportation fuel to be derived from renewable resources.

It is time for America to take meaningful steps toward energy independence. A first, small step is to establish a RFS now. Put America first, vote yes on the RFS.

Sincerely,

TIM HUME,
President.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

The PRESIDING OFFICER. The Senator is recognized.

Mr. GRASSLEY. Mr. President, I wish to speak on the issue of ethanol and the renewable fuel standard, but before I do, I compliment the Senator from Arkansas for the simple reason that she was the sponsor of the amendment in the Senate Finance Committee in which we adopted this as part of our tax incentives for renewable fuels. She led the way in that committee. I was happy to join her as the Republican leader of that effort because not only will Arkansas benefit but half of our States raise some soybeans and they will benefit as well. So I compliment Senator LINCOLN.

I am pleased to join my colleagues in support of the renewable fuel standard, which is an example of true bipartisan cooperation in this body. It was a bipartisan effort that made this possible. Obviously, Senator NELSON has already been applauded by my colleagues. I would say that as well. Not only since he has been in the Senate but as Governor of the State of Nebraska he helped, through the Governors' Conference, cochairing issues of ethanol for that conference. So he has been a leader in this area for a long time.

So I give my heartfelt thanks to him and to others who were instrumental, both directly and indirectly. Even though President Bush is not a member of this body, I think he needs to be complimented in the first instance for

denying California's request for a waiver out of the Clean Air Act's oxygenation requirements.

Upon taking office, President Bush quickly recognized that there was no scientific or legal justification for the waiver. He, in fact, had the courage to take that action. It could have been possible 2 years before, if President Clinton had done likewise. During that period of lost time, we had a dampening and a delaying of efforts, such as we are having today, to successfully help our national security and our farm economy because these all benefit from the increased ethanol use as an oxygenate.

President Bush, has turned out to be the most pro-ethanol President we have ever had, and because he refused to let the Clean Air Act unravel, he gave us the leverage necessary for this process, the negotiation of a new renewable fuel standard. Now we are back on track.

I thank Senator NELSON. I also thank the senior Senator from Nebraska, Mr. HAGEL, because he provided persuasive leadership last fall in securing support for his Senate Energy Committee Republican colleagues to get behind this renewable fuel standard.

I also have said this has been a very bipartisan effort. Obviously, our majority leader, Senator DASCHLE, has been involved in a very helpful way. During the negotiations conducted by Senator HAGEL, he provided constant assurances that he would be supportive of this final product.

I compliment our Republican leader, who comes from an oil-producing State and who has been behind ethanol for several years, Senator LOTT, and also Senator MURKOWSKI, the ranking member of the Energy Committee. Last fall, they gave Senator HAGEL, myself, and other Senators their commitment, at least for the Republican side, that they would support this renewable standard.

Today, our Nation produces just 1.8 billion gallons of ethanol a year. The renewable fuel standard will require that we use 2.3 billion. That is a one-half-billion increase in gallons by the year 2004. Then it steadily increases up the ladder until it is a mandated use of 5 billion gallons by the year 2012.

This sounds like just more and cheaper gas to burn. But it also will improve air quality. It strengthens our national security, and it reduces our trade deficit. One-third of our trade deficit is caused by the import of oil. It will decrease our independence upon oil from dictators who aren't reliable—Saddam Hussein. It will extend markets for agricultural products in a way that we all want—value added. It creates jobs in cities.

A 1997 study by the Midwestern Governors' Conference—I would bet Senator NELSON had something to do with this when he was Governor—determined that ethanol demand was responsible for over 195,000 jobs throughout the economy. Forty-two thousand of those jobs were located in Iowa.

With the passage of the renewable fuel standard, 214,000 new jobs are anticipated. I expect a large portion of those would be in my State of Iowa.

Just last week, for instance, Quad County Corn Processors, a cooperative in the small town of Galva, IA, began production at their new 18-million-gallon ethanol facility. Iowa now has nine ethanol plants and five more are under construction.

The Iowa Corn Growers Association provided me an analysis of the economic impact of seven new Iowa farmer-owned ethanol plants in our State, two of which have been completed and five are under construction. Over 4,000 farmers have invested in these facilities. These are farmers helping themselves in a cooperative way. The facilities will create 170 new jobs. While Iowa currently produces 500 million gallons of ethanol each year, these new facilities will add 150 million gallons more.

According to the Iowa Corn Growers, corn prices will increase 5 cents per bushel for every 100 million bushels of corn processed. Therefore, these seven new farmer-owned ethanol facilities alone will increase corn prices by 3.5 cents.

Every year, about 175 million bushels of Iowa corn are processed into ethanol. This in turn adds about \$730 million per year to the income of Iowa farm families. It adds up to \$1.7 billion of increased economic activity in our State.

As I mentioned today, we produce nationwide about 1.8 million gallons of ethanol. When fully implemented, the bipartisan compromise in this bill—the renewable fuel standard—will almost triple production.

Economic analysis by A-U-S Consultants found that this legislation will displace over 1.6 billion barrels of oil, increase farm income by almost \$6 billion annually, increase household income by \$52 billion per year, and create over 214,000 new jobs nationwide.

I also would like to share with my colleagues the finding of a study produced 2 years ago by the Department of Energy entitled "The Impacts of Alternative and Replacement Fuel Use On Oil Prices." The study found that "current use of alternative and replacement fuels is estimated to reduce total U.S. petroleum costs by about \$1.3 billion per year."

It is very important to understand that these alternative fuels—primarily MTBE as well as ethanol—made up only 2.71 percent of our total motor fuel use. I want to say to naysayers who criticize efforts to expand alternative sources of motor fuels that the evidence proves that even small amounts of alternative motor fuels can generate huge savings to consumers.

The Department of Energy study went on to estimate that if we increase our alternative motor fuels use by just 10 percent by the year 2010, consumers will save \$6 billion per year. By increasing the use of alternative motor

fuels, we increase price elasticity in the event of supply disruption and thus reduce the potential damage to our Nation's economy. To do otherwise leaves us subjected to our current vulnerable situation where, again, according to the Department of Energy, "For every one million barrels per day of oil disruption, world prices could increase by \$3 to \$5 per barrel."

In closing, I emphasize that 1 million barrels per day is a mere 5 percent of U.S. oil consumption. Yet this very small amount would cause price hikes of 10 to 25 percent if oil were \$20 per barrel. A little in alternatives, such as ethanol—or we could even say biodiesel—can go a long way toward protecting all consumers from OPEC efforts of price gouging.

I thank my colleagues for working together in this bipartisan effort, which is good for the economy, good for the environment, good for jobs, and good for energy independence.

As I so often say to describe ethanol, it is good, good, good.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. NELSON of Nebraska. Mr. President, I yield the remaining time to the distinguished Senator from the State of Florida.

Mr. NELSON of Florida. Mr. President, first of all, alternative fuels and ethanol are the subject of the instant amendment, but I think we have to use our creativity and our technology in order to approach the overall energy crisis.

If a terrorist sinks a supertanker in the Straits of Hormuz, which are only 19 miles wide, we are going to see a major disruption in the flow of oil to the industrialized world, and we will have wished we had used our technology and our creativity to reduce our dependence on that foreign oil by doing things that have worked to save our oil consumption in the past, like increasing the miles per gallon of the automobiles we drive. We have the know how to do that.

It just amazes me that we have the technology to, for example, produce a car which will go 80 miles per gallon and yet we are still so balled up in our politics that we may not pass an initiative that calls for moderate increases in the fuel efficiency of our nation's automobiles. The modest increases called for by the Kerry-McCain initiative would achieve three goals of particular importance to our nation in this time of war: lessen our dependence on foreign oil, reduce gasoline costs for consumers and protect the environment by reducing toxic air emissions and carbon dioxide emissions, which contribute to global warming. Increasing CAFE can achieve these goals—which are particularly important to our nation's security now that we are in a battle against terrorists around this globe.

So I wanted to add my voice, hopefully, as a voice of reason, to get our representative body to start using our

technology and our common sense to increase the fuel economy of all of our vehicles.

Thank you, Mr. President.

The PRESIDING OFFICER. All time has expired.

AMENDMENT NO. 2997

Under the previous order, the hour of 11:30 having arrived, there now will be 20 minutes equally divided on the Levin amendment No. 2997.

Who yields time?

The Senator from Michigan.

Mr. LEVIN. Mr. President, I would assume that I would be dividing the time in support of the amendment equally with my cosponsor from Missouri, and we would each control 5 minutes of the 10 minutes on our side. So I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. LEVIN. Mr. President, our bipartisan alternative to the Kerry-Hollings language in the substitute before us is aimed at increasing fuel economy, helping to protect the environment, and decreasing our dependence on foreign oil but doing it in a way which does not harm the domestic manufacturing industries.

We have a three-point policy, basically: One, we provide that we will increase fuel economy. Two, we have greater emphasis on positive incentives to produce and to purchase fuel-economic vehicles. We do this through joint research and development funds which we would increase over the amount requested by the administration. We would do this through mandatory Government purchases of hybrids. And we would also do this through increased tax credits above those provided by the Finance Committee.

But the third part of our policy is that many factors should be considered in raising the CAFE requirement. It should be raised. And our amendment says that it will be raised, but it would be raised, under our amendment, not in an arbitrary way, not just by adopting an arbitrary number on the floor of the Senate, but, rather, by telling, in the first instance, the Department of Transportation to look at all of the factors which should be considered in adopting a new CAFE standard—many factors, including safety, including cost, including competitiveness of manufacturers.

The National Academy of Sciences has specifically said that there is a safety tradeoff. That is what they have found. The opponents of our amendment say it is a flawed study. OK. We disagree with that. But, nonetheless, if it is a flawed study, the National Academy of Sciences has also then said, the National Highway Traffic Safety Administration should continue their work in this area. But, point blank, the National Academy of Sciences says there is a tradeoff.

I yield myself an additional minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. LEVIN. In the year studied, 1993, they found between 1,300 and 2,600

deaths and 13,000 and 26,000 injuries. They said these deaths and injuries were a painful tradeoff that resulted from CAFE. The opponents of our amendment do not consider safety. They just say the study is flawed. That is their answer.

What about the discriminatory impacts of CAFE?

The National Academy of Sciences again says that one concept of equity among manufacturers requires equal treatment of equivalent vehicles made by different manufacturers. We do not have equal treatment of equivalent vehicles made by different manufacturers under the language that is in the substitute of Senator KERRY and Senator HOLLINGS. It treats equally-efficient vehicles differently and discriminates, thereby, against American jobs and the American industry.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. Mr. President, I yield 1 minute to my colleague from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. I thank my colleague from Michigan.

Mr. President, it is important to emphasize today that this debate is not about whether or not we will increase vehicle fuel efficiency. We are not arguing for a freeze on CAFE standards. What we are saying is that we need to do this in the best way possible. This needs to be something where we win environmentally and we win in terms of the economy and jobs.

That is what this substitute does. It is comprehensive. It moves vehicle fuel efficiency forward. It creates the market incentives and the support to make sure we have what is necessary in terms of infrastructure for these new vehicles. It moves us in the right direction.

I simply urge my colleagues to vote for this amendment, to support increased vehicle fuel efficiency, and a vibrant, economically healthy U.S. auto industry. We do both through this amendment.

Mr. FEINGOLD. Mr. President, I am voting in favor of the Levin-Bond amendment, and I want to explain my views in detail. Fuel efficiency is a critically important issue for our country, for my home State of Wisconsin, and for our future. I remain committed to the goal that significant improvements in automobile and light truck fuel efficiency can be achieved over an appropriate time frame. Some will argue that my vote for Levin-Bond is a vote against increasing the corporate average fuel economy, CAFE. I do not share that view.

The Levin-Bond amendment seeks to renew the Department of Transportation's role in setting CAFE standards acting through the National Highway Traffic Safety Administration, NHTSA, part of the Federal Department of Transportation, DOT. If Congress does

not act today to try to restore normalcy to the NHTSA process, Congress will always either block or act to set CAFE standards, every 20 years or so, when the political will is sufficient to do so. NHTSA will never be able to carry out the normal process of reviewing and incrementally improving fuel efficiency for automobiles and light trucks, as Congress originally intended when it passed the CAFE law in the 1970s.

Both interest groups battling over the CAFE issue, the auto manufacturers and the environmental community, have switched their positions in this debate on this bill. The auto industry, who once wanted CAFE perpetually frozen with a rider, now support the Levin amendment. The environmental community, who once opposed the rider and wanted NHTSA to act, now wants Congress to set the standard rather than NHTSA. With my vote, I am committing to a consistent position. Let me explain the evolution of that position.

Months prior to the midterm elections in 1994, NHTSA published a notice of possible adjustment to the fuel economy standards for trucks before the end of the decade. The following year, however, the House-passed version of the FY1996 Department of Transportation Appropriations bill prohibited the use of authorized funds to promulgate any CAFE rules. The Senate version did not include the language, but it was restored in Conference. Much the same scenario occurred in the second session of the 104th and the first session of the 105th Congresses. In both those sessions, a similar rider was passed by the House and not by the Senate, but included by the Conferees and enacted. However, the growth in gasoline consumption and the size of the light-duty truck fleet were concerns cited behind introduction in the Senate of an amendment to the bill expressing the Sense of the Senate that the conferees should not agree to the House-passed rider for FY2000. The amendment, sponsored by the former Senator from Washington, Mr. Gorton, and the Senator from California, Mrs. FEINSTEIN, was defeated in the Senate on September 15, 1999, by a vote of 55-40, and the rider was once again enacted into law.

As I stated on the Senate floor in the debates on the CAFE rider on June 15, 2000, my vote was about "Congress getting out of the way and letting a federal agency meet the requirements of federal law originally imposed by Congress." I supported removing the rider because I was concerned that Congress has for more than 5 years blocked NHTSA from meeting its legal duty to evaluate whether there is a need to modify fuel economy standards.

As I made clear then, I have made no determination about what fuel economy standards should be, though I do think that an increase is possible. NHTSA has the authority to set new standards for a given model year, tak-

ing into account several factors: technological feasibility, economic practicability, other vehicle standards such as those for safety and environmental performance, the need to conserve energy, and the recommendations of the National Academy of Sciences. I want NHTSA to fully and fairly evaluate all the criteria, and then make an objective recommendation on the basis of those facts. I expect NHTSA to consult with all interested parties—unions, environmental interests, auto manufacturers, and other interested Wisconsin citizens in developing this rule. And, I expect NHTSA to act, and if it does not, this amendment requires Congress to act on a standard.

In opposing the Levin-Bond amendment, some subscribe to the view that NHTSA has a particular agenda and will recommend weak standards. I do not support that view, just as I could not support retaining the CAFE rider in law.

NHTSA should be allowed to set this standard. Congress is not the best forum for understanding whether or not improvements in fuel economy can and should be made using existing technologies or whether emerging technologies may have the potential to improve fuel economy. Changes in fuel economy standards could have a variety of consequences. I seek to understand those consequences and to balance the concerns of those interested in seeing improvements to fuel economy as a means of reducing gasoline consumption and associated pollution.

In the end, I would like to see that Wisconsin consumers, indeed all consumers, have a wide range of new automobiles, SUVs, and trucks available to them that are as fuel efficient as they can be while balancing energy concerns with technological and economic effects. That balancing is required by the law. I fully expect NHTSA to proceed with the intent of the law to fully consider all those factors, and this amendment ensures they do so.

In supporting this amendment, I maintain the position that it is my job to ensure that the agency responsible for setting fuel economy be allowed to do its job. I expect them to be fair and neutral in that process, and I will work with interested Wisconsinites to ensure that their views are represented and that the regulatory process proceeds in a fair and reasonable manner toward whatever conclusions the merits will support.

Mr. VOINOVICH. Mr. President, as co-chairman of the Senate Auto Caucus, I am pleased to join with my colleagues, Senator LEVIN and Senator BOND, in offering this CAFE standards amendment to the energy bill. This is truly an important issue; one that impacts upon our Nation's economy, our environment and the safety of the traveling public.

There is no doubt that each of us wants the automobile industry to make cars, trucks, SUVs and minivans that are as energy efficient as possible.

Not only is it good for the environment, it also means more money in the pocket of the American consumer because they spend less at the gas pump.

However, I am deeply concerned that the extreme Corporate Average Fuel Economy (CAFE) standard included in the pending energy bill will have a devastating effect on public safety, as well as put a severe crimp in the manufacturing base of my state of Ohio.

For the first time in American history, new vehicle sales of trucks, SUVs and minivans in 2001 outpaced the sale of automobiles. This remarkable result can be attributed to a number of factors, but one reason that is often cited is the fact that these vehicles are seen as safer.

Indeed, when asked why they bought their particular vehicle, truck, SUV and minivan owners overwhelmingly stated that they simply felt safer than they would have in a regular sedan or compact car.

Overall, Mr. President, our roadways are safer. In fact, safety statistics show that the numbers of automobile fatalities are at historic lows while total vehicle highway miles traveled has risen. According to the National Highway Traffic Safety Administration (NHTSA), there were 1.5 fatalities per 100 million vehicle miles traveled in 2000, while in 1999, the rate was 1.6 per 100 million vehicle miles traveled. Ten years earlier, in 1990, the rate was 2.1 per 100 million vehicle miles traveled. Part of the reason traffic fatality rates have continued to drop can be attributed to the fact that vehicles are being made safer.

However, some in this body are indirectly proposing that we give up the safety accomplishments we have attained in order to achieve an arbitrary fuel efficiency standard for automobile vehicles.

As my colleagues know, the provision included in the energy bill sets the CAFE standard at a combined fleet average of 35 miles per gallon by 2015.

Under current law, light truck fleets and passenger cars make up two separate fleet distinctions with different mile-per-gallon requirements for each. The existence of two separate fleets recognizes that passenger cars and light trucks are different vehicles that require different capabilities. However, the enactment of a combined fleet average would ignore this distinction.

We also need to ask what the scientific basis is for the 35 mile-per-gallon threshold? What rational explanation is there for the magic number "35," or was that number simply fabricated?

To achieve this standard, the auto industry would have to modify their manufacturing base, and produce an automotive fleet that will in all likelihood require greater use of lighter materials. Lighter materials will definitely help increase fuel efficiency, however, it will also make those automobiles less safe.

The provision in the bill also will be damaging to auto manufacturers that

produce a large number of light trucks because a combined fleet average will factor in both the fuel efficiency averages of passenger cars and light trucks by a manufacturer.

And, because truck, SUV and minivan demand is not expected to decrease anytime soon, automakers that are meeting this demand will either have to manufacture and sell a high-gas mileage vehicle that likely does not exist now, or cut the production of the trucks, the SUVs and the minivans that American consumers want. This will only increase prices for the safe vehicles America wants.

Ohio is the number two automotive manufacturing state in America, employing more than 630,000 people either directly or indirectly. I've heard from a number of these men and women whose livelihood depends on the auto industry and who are frankly very worried about their future. I have met with members of the United Auto Workers, and executives from the major automobile manufacturers about the CAFE proposal and there is genuine concern that the provision in the bill could cause a serious disruption in the auto industry resulting in the loss of tens of thousands of jobs across the Nation.

The Levin-Bond-Voinovich amendment is a rational proposal that will keep workers both in Ohio and nationwide working, allowing these men and women to continue to take care of their families and educate their children while also encouraging greater fuel efficiency and safer vehicles.

Our amendment calls for the Department of Transportation to increase fuel economy standards based on the following factors:

The need to conserve energy;

Economic practicability;

The effect of other government motor vehicle standards on fuel economy;

The desirability of reducing U.S. dependence on foreign oil;

The effect on motor vehicle safety;

The effects of increased fuel economy on air quality;

The adverse effects of increased fuel economy standards on the relative competitiveness of manufacturers;

The effect on U.S. employment;

The cost and lead-time required for introduction of new technologies;

The potential for advanced technology vehicles (such as hybrid and fuel cell vehicles) to contribute to significant fuel usage savings;

The effect of near-term expenditures required to meet increased fuel economy standards on the resources available to develop advanced technology;

Technological feasibility; and

The report of the National Research Council, entitled "Effectiveness and Impact of Corporate Average Fuel Economy Standards," issued in January 2002.

I believe this is a much more responsible approach than picking a number arbitrarily—literally, it seems, out of thin air.

Our amendment also requires that the Department of Transportation complete the rulemaking process that would increase fuel efficiency standards within 15 months for light trucks, and 24 months for passenger cars. If the Administration doesn't act within the required timeframe, Congress will act, under expedited procedures, to pass legislation mandating an increase in fuel economy standards consistent with the same criteria that the Administration must consider.

The amendment will also increase the market for alternative powered and hybrid vehicles by mandating that the federal government, where feasible, purchase alternative powered and hybrid vehicles.

This mandate is nothing new. The federal government, under the Energy Policy Act of 1992, is already required to maintain a covered fleet of 75 percent of alternative fuel vehicles. This amendment will simply increase the amount to 85 percent for covered fleets and require the purchase of hybrid vehicles for fleets that currently are not covered. There are waivers that allow the federal government to purchase traditional fueled vehicles where necessary.

However, I believe that this guaranteed market will encourage the auto industry to increase their investment in research and development with an eye towards making alternative fuel and hybrid vehicles more affordable, available and commercially appealing to the average consumer.

Additionally, a federal fleet of alternative fuel and hybrid vehicles will result in an improved infrastructure for these vehicles and encourage a commercial growth in such infrastructure as well.

Our amendment will not cause shifting within the auto manufacturing industry. It does not pretend that Congress has the scientific expertise to determine the best mile-per-gallon increase for both light trucks and passenger cars, a number which currently would unfairly punish the auto companies and auto workers who build what consumers want—larger cars and trucks.

I urge my colleagues to support our amendment. It meets our environmental, safety and economic needs in a balanced and responsible way, contributing to the continued and needed harmonization of our energy and environmental policies.

Mr. INHOFE. Mr. President, I want to take some time to explain to my friends the importance of the CAFE debate to the people of Oklahoma.

Today most of the people in Oklahoma buy light trucks, sports utility vehicles, and minivans. They are what you see on the road in Oklahoma. In fact, they are what Americans all over the country are buying.

Last year national sales of light trucks, sports utility vehicles and minivans outpaced cars for the first time, and since 9-11 there has been a

spike in sales of these vehicles. We have hard data showing us that this increase is due to Americans' desire for safety, comfort, and utility.

In the 2001 Customer Satisfaction Study, Maritz Marketing Research, Inc. surveyed 83,196 new vehicle buyers. When asked what vehicle attributes were "Extremely Important" in their purchase decision, gas mileage ranked 15th on car buyers' lists, behind such things as reliability, value for the money, durability, and safety features. 43 percent rated gas mileage as "extremely important" vs. 70.6 percent for reliability, 59.3 percent of value, 59.2 percent for durability, and 57.3 percent for safety features.

When asked the same question, truck, SUV, and full-size van owners ranked gas mileage 32nd on their list of "extremely important" items, below safety features, interior roominess, passenger seating, and cargo space, among others. 29.8 percent rated gas mileage as "extremely important" vs. 51.4 percent for safety features, 41.9 percent for interior roominess, 38 percent for passenger seating, and 36.8 percent for cargo space.

A governmental mandate flies in the face of Americans' desire for these very attributes: safety, utility, and comfort. A mandate against the will of the American people is not the way we do things in government of the people, by the people and for the people.

As far as jobs and economics, a typical assessment comes from Dr. Robert W. Crandall, Senior Fellow in the economic study program at the Brookings Institution notes that the current proposal would cost the United States something like \$17 or \$18 billion a year in lost consumer surplus. This loss of jobs and damage to our economy is unacceptable when this mandate will also cost lives and fly in the face of Americans' free choice of vehicles.

On safety, we have the scientific analyses of our National Academy of Science and our National Highway Traffic Safety Administration, as well as numerous analysts.

For example, in 1972, Ralph Nader and Clarence Ditlow published a book entitled *Small on Safety*. Page after page has such statements as, "Small size and light weight impose inherent limitations on the degree of safety that can be built into a vehicle."

After all is said and done, drivers and passengers are safer and do better in crashes about 98 percent of the time when vehicle weight is greater. A Federal Government mandate to cut the weight of vehicles is going to cost lives. I want safe Oklahomans and therefore oppose CAFE mandates.

The following groups oppose the Kerry/McCain CAFE provisions because they are bad for safety, utility, performance, consumer choice, and jobs:

United Auto Workers; U.S. Chamber of Commerce; National Automobile Dealers Associations; American Iron and Steel Institute; Association of American Railroads; National Associa-

tion of Manufacturers; American Highway Users Alliance; Alliance of Automobile Manufacturers; American Farm Bureau Federation; Union Pacific.

Competitive Enterprise Institute; American International Automobile Dealers Association; Motor & Equipment Manufacturers Association; Original Equipment Suppliers Association; Delphi Automotive Systems; Automotive Coalition for Traffic Safety; National Marine Manufacturers Association.

Small Business Survival Committee; National Cattlemen's Beef Association; American Horse Council; American Recreation Coalition; Associated General Contractors of America; Automotive Coalition for Traffic Safety; Coalitions for America; Coalition for Vehicle Choice; National Association of Plumbing, Heating and Cooling.

General Motors; Ford Motor Company; Daimler Chrysler; Toyota; Nissan; Volkswagen; BMW; Mazda; Fiat; Isuzu; Mitsubishi Motors; Porsche; Volvo; National Association of RV Parks and Campgrounds.

National Grange; National Truck Equipment Association; Recreation Vehicle Industry Association; Specialty Equipment Market Association; National Four Wheel Drive Association; Business Round Table; AFL/CIO.

Please join me in supporting the compromise crafted by Senators LEVIN and BOND.

Ms. CANTWELL. Mr. President, I rise today to express my disappointment with the Senate's inability to act on the important issue of corporate average fuel economy standards for our Nation's vehicles. Addressing the transportation sector's consumption of fossil fuels is an integral part of any energy policy designed to meet the needs of our 21st century economy.

I continue to believe that raising CAFE standards is absolutely critical in promoting more efficient fuel use—thus weening this nation from its dependence on foreign oil—while continuing to meet our transportation needs. At the same time, CAFE standards promise environmental benefits and savings for consumers. Despite what some in industry might suggest—suggestions that harken back to Congress' first debate on CAFE in 1975, when some claimed the current standards would render this Nation's auto manufacturers extinct—I believe we have the technologies and the American ingenuity necessary to meet the goals set out by tougher CAFE standards.

Transportation accounts for 67 percent of U.S. oil consumption and one-third of U.S. greenhouse gas emissions. Clearly, improving the efficiency of the U.S. vehicle fleet would serve the public interest by reducing individuals' exposure to fluctuations in oil prices and emitting fewer of climate changing greenhouse gases.

To me, the numbers suggest a very clear choice.

If my colleagues truly wanted to take the environmentally and eco-

nomically responsible vote—to mitigate our exposure to foreign oil and economically devastating price shocks—they would have acted today to increase our fuel efficiency standards.

I believe many in this Chamber agree on the theoretical goals of this bill—increased energy independence, diversification of our energy resources and improving the energy efficiency of our economy. But my colleagues must realize that to meet these goals we must address both supply-side and demand-side of the equation. And we cannot wait to take action.

Simply cranking up oil production and ignoring the efficiencies at our fingertips will ensure that we will be in the same place 20 years from now—or worse yet, even more dependent on foreign sources of oil.

Estimates suggest that if the status quo is maintained, our dependence will grow from 51 percent today, to 64 percent in 2020. If the status quo is maintained, we will be asking ourselves the same questions about economic and energy security as we are asking ourselves today.

I believe that the CAFE provision proposed by Senator KERRY and Senator MCCAIN, like its predecessor in 1975, would have gone a long way toward meeting the multiple goals of the overall energy bill. In addition to the energy security and environmental benefits I've already mentioned, it would have protected consumers against disruptions in oil supplies that increase the cost of a gallon of gasoline.

The current CAFE standard—which has saved 14 percent of fuel consumption from what it would have been without CAFE—has not been updated in 20 years. By increasing fuel economy standards, consumers would travel farther on a gallon of gasoline than ever before. Since the introduction of the first CAFE standards in 1975, vehicle operating expenses have been halved, mostly due to decreased expenditures on gas and oil.

Increasing fuel efficiency has a second impact, which is to help to stimulate the American economy by keeping dollars at home. At present, Americans spend over \$300 million dollars per day on foreign oil. By reducing how much of that oil we consume, Americans save billions of dollars a year at the gas pump. This money would be available for reinvestment in our own economy and to help improve the lives of American families.

Opponents of CAFE standards have argued that increased fuel efficiency will result in decreased vehicle safety. To the contrary, provisions to maintain vehicle safety are written directly into the language. Furthermore, by bringing SUVs and light trucks under the rubric of the CAFE standard, CAFE will without question save lives.

Opponents also argued that CAFE standards hurt the American auto industry and American workers.

In reality, a high fuel economy standard would put existing technologies into vehicles and spur technological innovation—something in which American industry is a proud leader. The CAFE proposal provided for gradual improvement in fuel economy over time, allowing manufacturers the opportunity to retool processes and redesign product lines over time. Consumer fuel savings and technological innovation will lead to an infusion of capital in local economies and investments in the auto industry, making U.S. vehicles competitive in a global market and creating—not destroying—jobs.

The first time around, CAFE was created in response to rising oil prices. Today, volatility in the oil market continues to be a concern, along with our energy security and the environmental impact of fossil fuel emissions. We had before us an opportunity to alleviate threats to our national energy and economic security posed by foreign oil dependence, while protecting our environment and taking a positive step in the battle to mitigate greenhouse gas emissions. Now is the time to make these changes.

I thank Senator KERRY and Senator MCCAIN for their leadership on this issue. I want to add that I agree with my colleague from the Energy Committee, Senator CARPER, who has suggested that we should—we must—return to the issue of CAFE standards before we finish our work on this bill. Hopefully, we will all come to our senses.

The PRESIDING OFFICER. Who yields time?

The minority leader.

Mr. LOTT. Mr. President, I know there is a limited amount of time available, and it has been equally divided, so I would like to speak briefly and use leader time so it will not count against the time that has been reserved.

The PRESIDING OFFICER. The Senator is recognized.

Mr. LOTT. Mr. President, I rise in very passionate support of the Levin-Bond amendment. I know very good work has been done on this amendment, and it is based on sound science and solid data. It seems to me that is the way to go instead of just picking a number out of the sky, whether it is 32 or 35 or 37 or moving the years up or down. It seems to me it would be wiser to have decisions about the miles-per-gallon requirements done in a responsible way, having been studied by the proper entity and based on science and solid data.

Of course, the organization to do that is NHTSA. They have the expertise to analyze the numbers and consider all that should be involved here: the jobs that might be affected, technology, how soon this improved fuel efficiency could be obtained, and safety. Safety is a big issue.

I heard Senator MIKULSKI from Maryland on the radio this morning talking

about her concerns about the safety issue, and that was the point she emphasized. That is certainly understandable.

The Levin-Bond amendment would be what we would do instead of the Kerry provision which adversely affects employment, safety, and consumer choice. I think the Levin-Bond amendment is a much wiser way to proceed.

The National Academy of Sciences CAFE report declared there will be more deaths and injuries if fuel economy standards are raised too fast without proper consideration given to how that is going to be done and what impact it might cause.

This amendment, the Levin-Bond amendment, is supported by labor, the UAW, the Chamber of Commerce, the AFL-CIO, the National Association of Manufacturers, the Farm Bureau, automobile dealers, and over 40 other organizations, but, more importantly, by real people in the real world, people who do worry about safety, people who do have needs for a van or an SUV or a pickup truck who refuse to be relegated to an automobile such as the one shown in this picture. This type of car may be fine in Boston or Chicago, but it is not fine in Lucedale, MS, or Des Moines, IA, or a lot of other places around this country. People have to drive long distances. They have large families.

In my case, when I move my family around now, I have a choice. I have a bigger automobile, an SUV. I worry about safety. And I worry about strapping in the grandchildren properly, making sure they are going to be safe. And I even worry about making sure that third seat is secured properly.

I have a choice. I either can take two vehicles, the SUV or the van—one of them being a bigger one—or I can take three automobiles. How much gas have you saved?

This whole area astounds me. Let's talk about what real people do when they have a choice. After all, this is still America. We should be able to make our choices. We should not have the Federal Government saying you are going to drive the purple people eater shown here. I am not picking on this manufacturer. In fact, purposely I wanted to have a car that is hard to identify. This is basically in Europe. And when I was over there, I saw these little cars. I saw people pick them up and set them over into parking spaces. I also was trying to figure out how I was going to get my 6 foot 2½ inch frame in this automobile.

So what do real people do when they have a choice in America? Well, the 10 most fuel-efficient cars account for only 1.5 percent of automobiles sales. Americans value fuel economy, but it ranks far behind other very important competing values, such as safety, comfort, utility, and performance.

A recent survey of attributes consumers look for when buying a new automobile found that fuel economy ranks 25th out of the 26 vehicle attributes they were looking for.

Automobile makers produce 50 different automobiles that get 30 miles per gallon or better. Anybody can go to a dealer today if they want to and drive home a very fuel-efficient automobile, but small cars make up only 14 percent of the market.

Today's light truck gets better gas mileage than a subcompact car from the 1970s. Progress is being made. I do pay attention to it. The SUV I own and drive in the Washington, DC, area is the Honda SUV. It is actually my wife's car. I have to confess that because I always insist on still driving an American-made automobile. But a lot of these automobiles now are made by Honda and Nissan and Hyundai and Toyota. They are international companies, as are our domestic companies. So are all these other companies.

I do pay some attention to what I choose to drive and the fuel efficiency that it gets in the District of Columbia.

There also is no magic technology. I think progress is being made. But if you had the technology to go immediately to an automobile that got this fuel efficiency number picked out of the sky without sacrificing a lot of other very important factors, such as safety and comfort and the needs of the consumers, you would do that.

There are those who say technology is going to make it possible for us to have much more fuel efficiency without reducing the waste and size of the automobile. I have faith in American technology. I think we will get there. We are headed there. That option will be there. But I still don't understand why we should be trying to mandate the laws of physics and require that these things happen.

I heard one of the Senators the other day saying that the goal is to use less foreign oil. I agree with that. This is a national security question. That is why this bill is important. I have another alternative. While we do want to encourage conservation and look at alternative fuels, I also don't want us to take actions that basically mandate that in America you have to use less. We have a lot of domestic oil that we can use, natural gas, hydroelectricity, nuclear. We have to have more, not just less.

If we conserve and produce more, America can continue to grow. That is what we want. We want a growing economy. If you don't have the energy supply, you are not going to have the economic development you want.

CAFE standards have not reduced imported oil. We started to put these standards in place back in the 1970s. Yet as the efficiency has gotten better, the use of foreign oil has not gone down. It has been steadily going up. Now we are dependents for 59 percent of our energy needs supplied by foreign oil. That is a dangerous concept. We should produce more here while we are also conserving.

I personally think the CAFE program is a flawed program. I don't think we

ought to be issuing these mandates. I urge my colleagues to vote for the Levin-Bond approach. It is the responsible way. It will be based on something done by an entity in the Government that has the responsibility to get it done. I am not even sure right now what may be offered later on today, perhaps by Senators KERRY or MCCAIN or others. If we don't even know what they are going to offer, what science is it based on?

I conclude by saying this is the responsible way to go. It will not ignore the issue. It sets up a process based on science, capability, technology. It does take into consideration or will allow consideration of safety. And I don't want every American to have to drive this car.

I yield the floor.

Mr. BINGAMAN. Mr. President, I yield 2 minutes to the Senator from Maine, Ms. COLLINS.

Ms. COLLINS. Mr. President, I am pleased to join several of my colleagues in rising in support of increased fuel efficiency standards for cars and trucks. Some people have tried to cast this argument as a choice between trucks and better fuel economy. This is simply a false choice. I am convinced that we can, with America's can-do attitude and technological know-how, provide safer, more efficient cars and trucks that will go further on a gallon of gas and save consumers money at the gas pump. CAFE standards will give us better trucks and more money in our pockets.

OPEC's anticompetitive manipulations have driven the price of oil to a 6-month high. If we don't increase CAFE standards, America will only grow more and more dependent on foreign oil. Already we rely on foreign oil for 60 percent of our supply. That is a dangerous dependency. How much further into OPEC's clutches do we have to let ourselves slide before we decide that there is another way, a better way? CAFE is the American way of sending OPEC a message that we will not stand for their anticompetitive manipulative price increases.

Our proposal will save more than 1 million barrels of oil a day. It will save billions of dollars for consumers. And it will do more to reduce our reliance on foreign oil than any other single measure before us.

I call on my colleagues to join me in supporting the proposal to increase CAFE standards. This proposal is the right thing to do for the environment, for the economy, for consumers, and for America.

I commend Senators KERRY, BINGAMAN, MCCAIN, and my colleague from Maine, Senator SNOWE, for their efforts in coming up with an alternative approach.

Mr. BINGAMAN. Mr. President, I yield myself 2 minutes in opposition to the amendment.

The Republican leader was just urging us to consider sound science and sound data in making judgments on

this issue. I recall several years during which we passed in the Congress prohibitions against the administration, through NHTSA, even considering a change in CAFE standards. That doesn't seem particularly consistent to me with a reliance on sound science and sound data. The truth is, the Republican leader has set up a totally false choice. He has indicated the choice is between what we have now and, as he put it, this purple people eater that he has pictured.

The reality is, the technology is there to keep the cars, the SUVs, the vehicles we now drive and shift them to being much more fuel efficient. The real choice is in the SUV that the Senator from Massachusetts has a picture of, which Ford Motor Company indicates they are going to have on the market next year. They say it is the same power as before, the same convenience as before, the same room as before, but it uses half as much gas. That is the option. We just need to step up to giving that challenge to the car dealers.

When you look at why we are continuing to import more and more oil, it is very clear. The main reason is we have stalled out on improving efficiency in the motor vehicle sector.

This chart shows that, since 1989, there has been absolutely no improvement. In fact, there has been a decline in the fuel efficiency of our overall fleet. So this amendment will take the teeth out of our efforts to improve efficiency. It should be rejected. I hope my colleagues will do so.

The PRESIDING OFFICER. Who yields time? If no one yields time, time is charged equally to both sides.

Mr. BINGAMAN. How much time remains, Mr. President?

The PRESIDING OFFICER. There are 5 minutes 20 seconds on the opposition side and 5 minutes 13 seconds on the proponents side.

Who yields time?

Mr. BOND. Mr. President, I yield myself 2 minutes.

I ask unanimous consent that Senators GRASSLEY and HUTCHINSON of Arkansas and ALLEN be added as cosponsors.

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

Mr. BOND. Some people here believe Americans cannot be trusted to make the right choice. In choosing between consumers and Government, I will side with the consumers. I don't pretend to know what is best for the 15 million Americans who are purchasing vehicles each year, but I prefer to listen to those who are actually in the business of selling cars and trucks. They tell me one consistent message: The Kerry amendment is a job killer, a threat to the safety of friends and families, a mandated market that eliminates consumer choice.

Now, 2,000 people a year, according to the National Academy of Sciences, have been killed by lighter cars. I don't want to tell a mom in my State she

should not get an SUV because Congress decided that would be a bad choice. I just came from a news conference with Martha Godet, who explained last week that she wanted a minivan to carry her two preteen sons and one baby to various events. Her story in the newspaper was countered by one of my colleagues on the other side of the aisle who said her proposal was "nonsense." She extends an invitation to that Senator to join her in a carpool to see how it would be if they were in a subcompact or a Yugo. She said it would look like a clown car if they were in a Yugo that managed to meet the fuel standards in the Kerry amendment.

I am grateful for the support of the Missouri Soybean Association, Corn Growers, and the Farm Bureau. We appreciate the information on safety from the Insurance Institute for Highway Safety and the National Association of Independent Insurers. The best way to get better mileage is through sound science and NHTSA.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I ask that I may speak for 1 minute.

Mr. BOND. I yield a minute to the Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I rise in support of the Bond-Levin amendment. I believe the automobiles need to become more efficient; it is in our national interest. I think our leader referred to this car pictured on the chart as the "purple people eater." I think that is a pretty good name.

I do not believe the Senate is in the best position to dictate how we do this. When it comes to Congress dictating what kind of fuels we use in our vehicles, we fail miserably. We have about 15 different types of fuels we use in the country. It is at a significant cost. We don't even address it in this bill. We have proven we are not very good chemists in the Congress. We are not very good automotive engineers either.

Congress should not randomly determine vehicle fuel mileage on a whim. We should leave it to the experts who know what they are doing, and we will take into account safety and economic impact. The Bond-Levin amendment does that and leaves the decision to the experts. I urge my colleagues to support this amendment.

Mr. BINGAMAN. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. There are 5 minutes 12 seconds in opposition, and there are 2 minutes 1 second for the proponents.

Mr. BINGAMAN. I yield the remainder of the time to the Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank my colleague.

Let me share what this vote is now about. This vote is about whether or not we will keep any standard at all with respect to fuel efficiency. If the Bond-Levin amendment passes, there

will be not only no standard whatsoever in place, there will be a process that will allow for delay into the far future. And there is a provision in the Bond-Levin amendment which undoes the current safety standards. There is no safety standard at all. In NHTSA, they ask to look at it, but it undoes the current safety standard.

Mr. President, this is a question of whether or not we are going to do what 88 percent of the people in America want us to do and only 9 percent are opposed to, and that is to save a significant amount of oil that we import from the Persian Gulf, from countries that have the ability to dictate to the United States the price in our future—whether we will save that and simultaneously contribute to global warming problems, as well as health in America.

There are two stories here. There is the lie and there is the truth. To my right, that purple machine in the photograph is the lie. No American will be forced to drive any different automobile. My wife drives an SUV. She supports this effort because she knows she can still drive an SUV that is efficient. Cars such as Suburbans are not even included in this measure.

We have seen advertisements suggesting that people will have to farm with a subcompact car. How insulting is that to the intelligence of Americans, who know they want more efficient cars? This doesn't even cover tractors. It doesn't even cover the basic trucks, the large trucks in the country.

This is the most extraordinary expenditure of money in phony advertisements to scare the American people that I have ever seen here—perhaps since the tobacco debate. Here is the truth. This is Ford Motor Company's own advertisement. They advertise an SUV—a vehicle that gives you all the room and power you want but uses half the gasoline. That is the Ford Motor Company advertisement that stands as a stark contrast to these extraordinary, ridiculous scare tactics.

My colleagues have been told that if we raise the CAFE standards, that will harm safety. Let me read from the Chairman of the National Academy of Sciences, from March 10 of this year. Paul Portney says:

This proposal of ours is roughly consistent with what the academy identified as being technologically possible, economically affordable, and consistent with the desire of consumers for safety.

What safety organization in America supports the Bond-Levin proposal? Not one. Not the major safety organization, the Public Citizen Center for Auto Safety; they support what we are trying to accomplish. The reason they support it is that there are no safety provisions whatsoever in the Bond-Levin proposal. In our proposal, there is, however, an ability to live up to the safety standards.

You have heard the National Academy of Sciences report distorted again and again. The update of that report,

on which NHTSA has signed off, says you can build a car in America that is just as competent as any SUV today and provides safety.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has approximately 1 minute.

Mr. KERRY. They try to suggest that this is a jobs problem. The fact is that our workers in Detroit have the ability to build all the cars America can buy that are just as large as the cars we have today but are more efficient. What they need is an auto industry that asks them to do it, that gives them the cars that are so designed. It is extraordinary that my colleagues have so little confidence in the ability of the American worker and American ingenuity to provide cars that are going to be competitive well into the future with the Japanese and Germans.

I think we should celebrate the capacity of the American worker, and that is what we are asking people to do. Every year, there has been an opportunity to delay, to obfuscate. The opponents have chosen to do it. The only people who support Bond-Levin are those who support the specific automobile interests, the Big Three, people who work there—not the safety people, not consumers, not the environmental interests of the country.

Generally speaking, this is a pattern of delay and obfuscation. We will have an opportunity after this vote to vote on the Kerry-McCain alternative that reduces the level even further. I ask my colleagues to remember that there is no CAFE requirement at all in Bond-Levin. We will have no standard whatsoever. We will have years of lawsuits and years of delay. It is one more step in Detroit's effort to prevent us from having an opportunity to have cars that are competitive and meet the needs of the future.

I retain the remainder of the time.

The PRESIDING OFFICER (Mr. REED). Who yields time?

Mr. LEVIN. Mr. President, how much time remains in support of the amendment?

The PRESIDING OFFICER. The Senator from Michigan controls 2 minutes and 1 second, and the time of the Senator from Massachusetts has expired.

Mr. LEVIN. I yield 30 seconds to Senator STABENOW.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, this is not about the Ford Escape. We are pleased the auto industry is moving forward. The CAFE number does not reflect the fuel economy improvements of one particular vehicle. It is a fleet average. GM has from 2000 to 2001 improved fuel efficiency for eight different vehicles, and their CAFE number did not change.

It is a system that does not work. It is crazy. It is discriminatory against the American auto industry. I encourage a vote for this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, the Senator from Massachusetts said the amendment before us would eliminate existing safety standards. That is flat out wrong. He summarized a quote from one member of the National Academy of Sciences. I want to read one line from the National Academy of Sciences on the exact point:

Equal treatment of equivalent vehicles made by different manufacturers is a requirement of equity. The current CAFE standards fail that test.

I have much more confidence in the workers of this country and their representatives than my friend from Massachusetts. They strongly oppose this amendment. The UAW favored CAFE when it first came into existence. They favored CAFE. They strongly oppose the Kerry language because it discriminates against equally efficient vehicles made in America.

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

Mr. LEVIN. I yield the remainder of my time to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri has 10 seconds.

Mr. BOND. Mr. President, I thank the Senator from Michigan. It is not fair to say there are no safety standards. The Levin-Bond amendment requires safety be considered in setting the standards. There will be standards.

I have just come from a press conference with Diane Steed, former NHTSA Director, speaking on behalf of the National Safety Council. The National Safety Council is extremely concerned about the Kerry proposal and its likelihood to kill more people. Therefore, I urge support of the Levin-Bond amendment.

I ask unanimous consent that Senator VOINOVICH be added as a cosponsor.

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

All time has expired. The question is on agreeing to amendment No. 2997.

Mr. LEVIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

Mr. LEVIN. Did the Chair add Senator VOINOVICH as a cosponsor?

The PRESIDING OFFICER. The Chair did.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 62, nays 38, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—62

Allard	Bond	Byrd
Allen	Breaux	Campbell
Baucus	Brownback	Carnahan
Bayh	Bunning	Carper
Bennett	Burns	Cleland

Cochran	Helms	Nelson (NE)
Conrad	Hutchinson	Nickles
Craig	Hutchison	Roberts
Crapo	Inhofe	Santorum
DeWine	Johnson	Sessions
Domenici	Kohl	Shelby
Dorgan	Kyl	Smith (NH)
Ensign	Landrieu	Specter
Enzi	Levin	Stabenow
Feingold	Lincoln	Stevens
Fitzgerald	Lott	Thomas
Frist	Lugar	Thompson
Gramm	McConnell	Thurmond
Grassley	Mikulski	Voinovich
Hagel	Miller	Warner
Hatch	Murkowski	

NAYS—38

Akaka	Edwards	Murray
Biden	Feinstein	Nelson (FL)
Bingaman	Graham	Reed
Boxer	Gregg	Reid
Cantwell	Harkin	Rockefeller
Chafee	Hollings	Sarbanes
Clinton	Inouye	Schumer
Collins	Jeffords	Smith (OR)
Corzine	Kennedy	Snowe
Daschle	Kerry	Torricelli
Dayton	Leahy	Wellstone
Dodd	Lieberman	Wyden
Durbin	McCain	

The amendment (No. 2997) was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. INHOFE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia is to be recognized to offer an amendment on which there will be 10 minutes of debate.

The Senator from Georgia.

AMENDMENT NO. 2998

Mr. MILLER. Mr. President, I call up an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. MILLER], for himself, Mr. GRAMM, and Mr. HUTCHINSON, proposes an amendment numbered 2998.

Mr. MILLER. I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To prohibit the increase of the average fuel economy standard for pickup trucks)

On page 177, before line 1, insert the following:

SEC. 811. AVERAGE FUEL ECONOMY STANDARDS FOR PICKUP TRUCKS.

(a) IN GENERAL.—Section 32902(a) of title 49, United States Code, is amended—

(1) by inserting “(1)” after the after “AUTOMOBILES.—”; and

(2) by adding at the end the following new paragraph:

“(2) The average fuel economy standard for pickup trucks manufactured by a manufacturer in a model year after model year 2004 shall be no higher than 20.7 miles per gallon. No average fuel economy standard prescribed under another provision of this section shall apply to pickup trucks.”.

(b) DEFINITION OF PICKUP TRUCK.—Section 32901(a) of such title is amended by adding at the end the following new paragraph:

“(17) ‘pickup truck’ has the meaning given that term in regulations prescribed by the

Secretary for the administration of this chapter, as in effect on January 1, 2002, except that such term shall also include any additional vehicle that the Secretary defines as a pickup truck in regulations prescribed for the administration of this chapter after such date.”.

Mr. MILLER. Mr. President, I rise to urge my colleagues to vote in favor of the Miller-Gramm-Hutchinson of Arkansas amendment to protect pickup trucks.

Our amendment is very simple. In fact, I cannot remember seeing a more simple amendment ever offered on the floor of the Senate. It is easy for all of you to understand. And I will tell you something else that is important, it is easy for the folks back home to understand.

Pickups are now required to meet a standard of 20.7 miles per gallon. This amendment simply says that standard cannot be increased. The only thing greater than its simplicity is its fairness. We absolutely should not impose an undue safety risk and extra cost of higher CAFE standards on our farmers or on our rural families or on our carpenters, plumbers, painters, electricians—those small businesses that rely so heavily on the pickup that keeps our Nation moving.

These are the hard-working people with calloused hands who build our homes and work our farms. They are the forgotten Americans who work from dawn to dark and then turn on the headlights of their pickup so they can see to work another hour.

They never ask us for anything they have not earned. All too often in this great citadel of the people we turn our backs on these folks. They have no lobbyists. They don't have a single one; pickup pops are not organized. No soft money comes from them, and not much hard money. They are too busy working. As the pickup goes, so goes the very heart and muscle of this great country.

If you apply higher CAFE standards to pickups, you will make them unaffordable for some and you will make them unsafe for all. A “yes” vote is a vote for the working man. A “yes” vote is a vote for rural America. A “no” vote is a vote against the working man. A “no” vote is a vote against rural America.

In 1 year alone, the year before last, working people in this country bought 3,180,000 pickup trucks in 29 of our States. Pickups account for between 20 percent and 37.4 percent of all registered vehicles. Folks across this country buy pickups, not just because they are affordable and not just because they are safe. They also buy them because they have to have them. They have to have them to do their work. Pickups are as essential to the carpenter as his hammer; as essential to the painter as his paintbrush.

So we must leave this American workhorse, the pickup truck, alone. Don't pick on the pickup.

The PRESIDING OFFICER. Who yields time? The Senator from Nevada.

Mr. REID. Mr. President, under the authority of Senator DASCHLE, I yield 5 additional minutes to Senator BINGAMAN in opposition to this amendment. That will be a total of 6 minutes.

The PRESIDING OFFICER. Is there objection? The Senator from Texas.

Mr. GRAMM. Mr. President, I do not object. I think I have 5 minutes reserved to speak on the amendment.

The PRESIDING OFFICER. The Senator has 5 minutes. Is there objection to the unanimous consent request? Without objection, it is so ordered.

The Senator from Texas.

Mr. GRAMM. Mr. President, first of all, I congratulate my dear colleague from Georgia. I thank him for his leadership on this issue. I say to him I am very happy again to be married up together, promoting the interests of the people who do the work and pay the taxes and pull the wagon in America.

If you want to know how far out of touch with reality this Congress is, all you have to do is look at this CAFE standard debate. The American people want to be safe in their cars and trucks, and they have work to do. It is not uncommon in my State for people to get up in Corsicana at 4:30 in the morning, get in their pickup, drive to Dallas, work all day and work that pickup all day until 6 or 7 o'clock at night and then drive that pickup back to Corsicana. Every morning in small towns all over this country, people who work for a living and get their hands dirty in the process use their pickups for transportation and to make a living. There are not good substitutes.

Our colleagues tell us: Oh, there are substitutes. We can have a substitute for the pickup. You don't need that big Dodge. You don't need that Chevrolet. You don't need that Ford. You don't need that Toyota pickup. They have an alternative. But they don't live in Mexia. They don't carry around tools. They are not hauling lumber. They are not getting their hands dirty working for a living, and they are totally and absolutely out of touch with the people who do the work in this country. Our amendment simply says: Leave pickup trucks alone.

Try as I may to understand people who have a different mindset than I do—and I know many of my views are hopelessly out of fashion—but try as I do to understand it, sometimes I cannot. We will impose billions of dollars of cost on little towns to try to change arsenic standards for drinking water based on a projection of a very small effect on the health and lives of Americans. But, yet, when the National Academy of Sciences, the most prestigious scientific body on the face of the Earth, concludes that the existing CAFE standards may be costing as many as 3,600 lives a year—we are not talking about the new standards, we are talking about the old standards—the people who go absolutely ballistic over these little towns are nowhere to be seen. If Fallon, NV, has arsenic in its drinking water, and if the mayor

and his children and grandchildren have been drinking it for years with no appreciable effect or no effect, we have no doubt in our mind about imposing those costs because we are so concerned about an effect on people. Yet, when hundreds of times as many people are killed by these CAFE standards, we act as if that is all right because fuel efficiency is a good goal.

I don't know a better goal than to have people drive pickups. I don't know any more reliable Americans than those who drive pickups. I don't know people who more deserve good government than people who drive pickups. So this amendment is critically important.

Finally, if anybody cares about the automobile industry, let me remind my colleagues that we are trying to get out of a slowdown, a minor recession. We have just had the administration impose tariffs up to 30 percent on steel and while many Members of Congress support that, I do not. This action means money will be taken right out of the profit margin of American automobile producers because the Germans and the Japanese are not going to pay these higher prices for steel.

If we come in now with these new CAFE standards on big-selling items such as pickups, this will further hurt automobile manufacturers and their workers. In my State, pickups are the largest selling vehicles. If you take trucks in general, trucks in general outsell cars in Texas. My guess is that is true in most of your States.

I urge my colleagues to vote for this bipartisan effort on behalf of people who drive and use pickups—people who do the work and make America work, and who deserve to be represented on the floor of the Senate. I am proud that Senator MILLER has seen the day that they are represented.

Mr. MURKOWSKI. Mr. President, how much time remains for the proponents?

The PRESIDING OFFICER. There is no additional time except for the time remaining to the Senator from Georgia, who has 41 seconds remaining.

Who yields time?

Mr. MILLER. Mr. President, I yield 41 seconds to the Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I thank my good friend from Georgia.

For those of you who have ever driven a pickup and gotten stuck in the snow, you need a four-wheel-drive pickup to get out. We would not have been able to develop the Trans-Alaska Pipeline without the U.S.-made pickup. It has the heavy undercarriage that can stand the gravel roads. The Senator from Texas is quite correct. The rest of the country lives on the pickup, and the transportation is used as part of your toolbox. You get your tools in it, you go out to work, and you get a job done. There is simply no other way you are going to accomplish this.

I think the Senator from Georgia in his reference to what is in this amendment—automakers make more fuel-eff-

icient pickups—there is nothing in this amendment that would prevent that. The reality is a pickup is a heavy piece of equipment that is designed to do a job. We should support the amendment of the Senator from Georgia.

The PRESIDING OFFICER. Who yields time?

Mr. BINGAMAN. Mr. President, how much time do we have in opposition?

The PRESIDING OFFICER. The Senator from New Mexico has 6 minutes.

Mr. BINGAMAN. Mr. President, I yield myself 3 minutes, and then I will yield 3 minutes to the Senator from Illinois.

Let me put this in perspective. We just had an amendment agreed to on the Senate floor which essentially says that we in the Congress are not going to specify what the corporate average fuel efficiency or economy number ought to be; that it ought to be left up to NHTSA, the National Highway Traffic Safety Administration, to make those decisions.

The Republican leader came to the floor and said we should do this because clearly we need to be sure that the decision is made on the basis of sound science and solid data. Those were the two phrases he kept using—sound science and solid data.

The Senator from Michigan continually referred to the fact that we should not adopt some arbitrary number; that is totally contrary to common sense. Now we have an amendment by my good friend the Senator from Georgia which says let us make it permanent law—that beginning 2 years from now with model year 2004 and after, for all pickups, it is prohibited for NHTSA or anyone else to impose a fuel efficiency standard in excess of what has been the standard for many years, 20.7 miles per gallon.

The last amendment said that NHTSA would make the decision. This amendment takes that away and says we are making the decision. It will be 20.7 miles per gallon on pickups starting in 2004, and from then on it is permanent law. I don't think we can have it both ways. If we know best, then fine, we shouldn't have adopted the last amendment. If NHTSA knows best, then we shouldn't adopt this amendment.

I understand where the votes are. I understand that everyone wants to wrap themselves in the flag of the pickup pops and indicate that they don't want to pick on pickups. I understand all that rhetoric.

I have a lot of pickups in my State. But I don't see why people who drive pickups should be required to be buying vehicles that are less fuel efficient than the rest of the population. The truth is these people who work so hard and have callused hands and are driving pickups don't want to have to pay more at the gas pump than anyone else. And this amendment essentially will ensure that they have to pay more from now on. They may get a very fuel-inefficient pickup, but every time they

go in to fill up, they are going to be paying more because of this amendment, if it is agreed to.

I urge my colleagues to oppose the amendment.

I yield the remainder of our time to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask to be recognized for 2 minutes, and then yield 1 minute to Senator LEVIN from Michigan.

Mr. President, I rise in opposition to this amendment. With the last vote, we threw in the towel on fuel efficiency. We said this Congress is incapable of requiring the automobile manufacturers to make a more fuel-efficient car so that America could have energy security and energy independence. We gave up on it. We turned it over to NHTSA and said: Study it, look at it, and we will get back to you.

Now, with this amendment, we are saying we are going to exempt pickup trucks forever and that 20.7 miles a gallon is all we will ever ask of them. We will not ask Detroit to make a pickup truck that is more fuel efficient. And the argument has been made that it is unfair, that it is unpatriotic, that it is impossible to ask the drivers of pickup trucks across America to ask for a more fuel-efficient vehicle—even 1 more mile per gallon.

Let me tell you what is also unfair. It is unfair to ask the men and women in uniform in the United States to risk their lives in a war in the Middle East to fight to preserve more imported fuel to fuel these vehicles on the highways. These hard-working farmers and ranchers and blue-collar men and women who drive these pickup trucks have kids who may be forced to serve in the military to fight a war because of our dependence on Middle East oil.

With the last vote, we bowed down to the special interests on fuel efficiency. And I want to tell you that as a result of it, we are going to continue to bow down to OPEC for decades to come. That is not in the best interests of people who drive cars and pickup trucks in America.

The PRESIDING OFFICER. Who yields time?

Mr. BINGAMAN. Mr. President, I yield the remainder of our time to the Senator from Michigan.

Mr. LEVIN. Mr. President, how much time remains?

The PRESIDING OFFICER. One minute fifteen seconds.

Mr. LEVIN. I will split that time evenly with my colleague from Michigan.

Mr. President, we have decided to refer to NHTSA for the next 15 months the complicated question of whether or not we ought to increase CAFE on what vehicles and by what amounts. This amendment runs contrary to what we just agreed to.

I could not disagree more with our friend from Illinois when he says we threw in the towel in terms of increasing CAFE with this last amendment.

That was my amendment. We specifically said we are going to increase it, but we are going to do it in a rational and responsible way, considering all the criteria which should be considered. We should not adopt the standard on this floor. The Miller amendment, I am afraid, does that for one particular type of vehicle.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I rise to oppose this amendment.

CAFE relates to fleet-wide averages. If we take out pickup trucks, we put more pressure on fuel efficiency standards for SUVs and minivans. I hope we will instead use the last amendment as the way that we will approach vehicle fuel efficiency and that we will not pit our farmers against our soccer moms.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I ask unanimous consent that I be made a cosponsor of this amendment.

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

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the Miller amendment, No. 2998.

Mr. MILLER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 56, nays 44, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—56

Allard	Dorgan	McConnell
Allen	Edwards	Miller
Baucus	Enzi	Murkowski
Bennett	Frist	Nelson (NE)
Breaux	Gramm	Nickles
Brownback	Grassley	Roberts
Bunning	Hagel	Rockefeller
Burns	Harkin	Santorum
Byrd	Hatch	Sessions
Campbell	Helms	Shelby
Carnahan	Hutchinson	Smith (NH)
Cleland	Hutchison	Smith (OR)
Cochran	Inhofe	Stevens
Conrad	Johnson	Thomas
Craig	Kyl	Thompson
Crapo	Landrieu	Thurmond
Daschle	Lincoln	Voinovich
DeWine	Lott	Warner
Domenici	Lugar	

NAYS—44

Akaka	Ensign	McCain
Bayh	Feingold	Mikulski
Biden	Feinstein	Murray
Bingaman	Fitzgerald	Nelson (FL)
Bond	Graham	Reed
Boxer	Gregg	Reid
Cantwell	Hollings	Sarbanes
Carper	Inouye	Schumer
Chafee	Jeffords	Snowe
Clinton	Kennedy	Specter
Collins	Kerry	Stabenow
Corzine	Kohl	Torricelli
Dayton	Leahy	Wellstone
Dodd	Levin	Wyden
Durbin	Lieberman	

The amendment (No. 2998) was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. BINGAMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

AMENDMENT NO. 2999

Mr. KERRY. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself and Mr. MCCAIN, proposes an amendment numbered 2999.

Mr. KERRY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. KERRY. On behalf of Senator MCCAIN and myself, I ask unanimous consent that the amendment be temporarily set aside.

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

Mr. KERRY. Mr. President, I want to speak for a few moments about where we now find ourselves. I was talking with the distinguished Senator from Michigan, who won a significant vote by the Senate a little while ago with respect to, instead of having the Senate set a standard, sending the CAFE standard to NHTSA and asking NHTSA to do so within a specified period of time. I understand the dynamics, but may I say there is an incredible schizophrenia in what the Senate has done in these two votes, because on the one hand the minority leader and many of our colleagues came to the floor to argue that the Senate doesn't have the ability—we don't have the science, the information, and we don't have enough capacity to make a determination about how the overall fleet ought to be determined. Then, of course, with the amendment of the occupant of the chair, the Senate decided all of that goes out the window; we do that by exempting pickup trucks.

I sympathize with the occupant of the chair that pickup trucks ought to be treated differently. I am not arguing about that. Clearly, they are a mainstay to a huge amount of economic activity and people who contribute very significantly to the fabric of this country. But it is completely contrarian to say we are going to have NHTSA try to evaluate this and, on the next vote, we have exempted 20 percent of the available fleet, so that now, whatever fuel savings we have left to gain have to come out of the rest of the fleet—either passenger cars, SUVs, or others—if it is decided that any savings are going to come at all.

Now, just today, some polls were released that showed that 88.9 percent of Americans believe we are better off trying to raise the fuel efficiency of our automobiles, and they would like to see CAFE standards be at a level

where America is saving oil, where we are not importing oil from abroad to a greater degree.

Senator MCCAIN has worked diligently with a group of Senators on both sides of the aisle—Senator SNOWE, Senator COLLINS, Senator GORDON SMITH, and Senator CHAFEE, and Senators on our side, such as Senators HOLLINGS and FEINSTEIN—to come up with an agreement on a different approach on CAFE. It is an approach that embraces the concept of credit trading, so that you soften, reduce significantly, the pressure on an automobile company to meet the higher standard of, say, the 36 miles or 35 miles—or whatever it might be—by allowing that company to purchase credits from a greenhouse-gas-producing entity of some kind in the United States.

What you get from this is a two-fer: You get the reduction in greenhouse gases, and you also get the incentive for companies to move forward, meeting a higher standard of fuel efficiency. I hope NHTSA—now that the Senate has voted, it is my hope; and I am sure Senator MCCAIN joins me—that this will be a concept maybe they will embrace as they consider how we might come back to more effectively implement the standard.

What has happened here in the Senate is the result, to a large degree, of an extraordinary process of distortion over the course of the last days, where huge sums of money have been spent by an industry that has a lot of money, and rather than putting the money into fuel efficiency, they put it into advertising to maintain the status quo. It is ironic.

Mr. MCCAIN. If the Senator will yield on that point, isn't it particularly entertaining to hear the comments about the drivers of pickup trucks and how important it is for those good citizens—hard-working, poor citizens who drive the pickup trucks, not a penny of theirs pays for these advertisements that have distorted this issue so badly.

Wouldn't it have been more fair in the debate to talk about who is paying for all the advertising attacking you and me and anybody who wanted to increase CAFE standards? I don't think a single pickup truck owner paid for those ads. We know who it is. It is the automobile manufacturers. Isn't it the automobile manufacturers who have resisted every single change in safety or efficiency over the last 40 years in the United States of America? Isn't it true that to drag out a picture of an automobile called the "purple people eater" and somehow infer that that would be an automobile that the American people would be forced to drive, if we increased CAFE standards, has trivialized this entire debate?

I have to tell my friend from Massachusetts that I have been engaged in debates on the floor of the Senate now for quite a few years, as has the Senator from Massachusetts. I haven't quite seen the trivialization of a debate

in the manner with which this one was when they dragged out pictures of little European cars. Frankly, the Europeans buy those cars because they don't have parking spaces in the major cities in Europe. I suggest that perhaps the occupant of the chair might go to Germany and get on the autobahn sometime. He will see some pretty big automobiles traveling at very high rates of speed. If we had the little "purple people eater," maybe we ought to have shown the Porsches and the Mercedes Benz, which are extremely popular in Europe, as well.

The other thing I ask of my colleague that is a bit disturbing about this debate is this: All these comments about the health of our citizens and the risks to their lives and how this could be so dangerous because we would have more accidents, which by the way have been refuted by recent studies—

Mr. KERRY. Mr. President, if I could interrupt, I need to go into the cloakroom for a moment. I will yield the floor and let my colleague continue to speak.

Mr. MCCAIN. I thank my colleague. I am sure he will be responding to the questions.

Here we have a study from my home State of Arizona, the "Governor's Brown Cloud Summit," a study released January 16, 2002, concerning the very serious problem we have in the valley, where the city of Phoenix and surrounding cities are located. I hope colleagues will keep in mind that this is the same valley where, many years ago, doctors recommended people to go and live if they had respiratory problems. Part of the conclusions here are that:

Microns, often referred to as PM 2.5, is a significant cause of haze. Each particle, about the size of a single grain of flour, can float in the atmosphere for days, behaving much like a gas. Over half of the PM 2.5 is caused by the burning of gasoline and diesel fuel in vehicles, which are sometimes referred to as on-road mobile vehicles.

Then it says:

PM 2.5, the prime cause of poor visibility in the valley, also exacerbates health effects, such as asthma attacks and other heart and lung problems that cause people the need to go to the hospitals and is consistently associated with higher-than-average death rates. Reducing the amount of PM 2.5 will make the view of more distant landmarks clearer and reduce health effects. Improvements in visibility and health will be directly proportional to the amount of the emissions eliminated.

Recently there was an editorial in the Arizona Republic on March 9, 2002—"New study reveals wider health risks." The title is "Legislature Must Attack Brown Cloud":

We have always known the valley's brown cloud is ugly and unhealthy. Now we know it can be deadly. A new study indicates years of breathing that haze of particulate pollution will significantly raise a person's risk of dying of lung cancer and heart attack. For lung cancer, the risk is the same as living with a cigarette smoker, according to a report published this week in the Journal of the American Medical Association. The

study, funded by the National Institute of Environmental Health Sciences—

Not an automobile manufacturer—

is compelling because of its breadth. Researchers followed half a million people across the country for over two decades. No, it is not just desert dust. The most dangerous particles are much smaller, 2.5 microns or less, so tiny that it takes at least 28 to equal the diameter of a human hair. These ultrasmall particles which wreak havoc by penetrating deep into the lungs come from combustion.

Here in the valley, as elsewhere in the West, a big part of our particulate pollution spews out of tailpipes.

Long-term exposure to pollution increases risk of lung cancer, according to this study, by 8 percent.

The study concludes air pollution puts individuals at greater risk for heart attacks and lung cancer. Pollution has been correlated to reproductive, musculoskeletal, respiratory, and gastrointestinal problems. It is of particular concern to children and older people as their immune responses are less capable of dealing with the stresses caused by pollutants.

Arizona has the second highest rate of asthma sufferers in the Nation. Approximately 300,000 Arizonans have asthma. The 2002 report by the Journal of the American Medical Association, says:

Six hundred sixty-six premature deaths in Arizona are from exposure to particulate matter.

This is serious business. This is not pictures of little European cars. This is not comments about the great individuality of the pickup truck driver. This is about life and death of children and older people. That is what this argument is about and, unfortunately, that has not been part of this debate. It certainly could not have been part of this debate that I know of.

It is calculated that brown cloud material would be reduced by 1.8 metric tons per day in 2010, if the use of clean burning fuel was implemented.

My State, Arizona, got an F, the worst rating on air quality, in 2001 from the American Lung Association. Ninety percent of the workforce in my State drives to work. One in every 4.5 cars is an SUV; 54 percent of the passenger vehicles sold in Arizona qualify as light-duty trucks. I would be the last representative to try to take away an SUV from my family, my neighbors, or my constituents.

Phoenix received a D rating for the amount of smog from cars and trucks per person and an F for the amount spent on public transit versus highways per person. In Phoenix, we have 70 pounds of smog per person per year. In Pima County, vehicle emissions are responsible for up to 70 percent of area air pollution, making them a prime candidate for reduced emissions and cleaner burning cars.

An increase in CAFE would reduce my State's pollution by about 2.3 million metric tons per year. The California Air Resources Board established a zero emission vehicle program in 1990

to meet health-based air quality goals. Ten percent of new vehicles produced in 2003 have to be zero emission vehicles. As of 1990, other States may adopt the California program as their own but are otherwise prohibited from setting their own emissions standards.

The State of California has listed over 40 chemicals in diesel exhaust as toxic air contaminants. Numerous studies have linked diesel exhaust with cancer, bronchitis, asthma, and other respiratory illnesses.

It is very unfortunate that we are failing to address the severe health care problems and direct threat to the health of our citizens as we blithely believe the same old rhetoric from the automobile manufacturers of America which were wrong in 1974, they were wrong in 1976, and they are wrong today. At one time, they were against seatbelts. At one time, they were against airbags. At one time, they said the CAFE standards increase that Congress had the courage to pass years ago would drive them out of business. The last time I checked, they were doing pretty well.

I regret this action on the part of the Senate because I believe people will die unnecessarily over time as a result of the action we have taken today. We will revisit this issue because the problem in my State and America is getting worse rather than better.

I thank my colleague from Massachusetts. I know he has been made famous in newspaper and television advertisements all over America as being the one who is bent on destroying Western civilization as we know it. I do extend to him some sympathy. Some day we will have a rational debate on this issue, and we will bring the scientific facts forward, as I tried to do through different studies conducted by the Journal of the American Medical Association and the National Academy of Sciences, as to the threats to the health of Americans that our failure to address this issue presents.

Some day I am sure we will revisit this issue, and I hope the debate is devoid of pictures of small cars that are used in Europe as a threat to the American way of life, in which I know the Senator from Massachusetts and I would never engage.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the Senator from Arizona for his comments. I know he has been the recipient of those kinds of comments previously. He and I seem to find ourselves together on that occasionally.

I came to the Senate hoping I would always find that this institution debated facts and truth. Obviously, I am not naive. I know there are some politics; we all understand that. I am not trying to suggest that is not part of it. But the level of Harry and Louise-ing of this issue that we saw in the last days is a commentary on money in American politics and how the agenda

of the country gets distorted and the ways in which special interests and big money can mold an issue into a certain perspective completely devoid of some of the reality.

We saw a National Academy of Sciences study used again and again in the most obviously distorted way. People would read from the study which referenced a 1993 analysis. Despite the fact that analysis has been redone since then, despite the fact there is a 2002 current year analysis, everybody kept going back.

Let us go back to 1993 because that is much more effective, even though it is not true. Across America, people were told they might have to farm with a compact car. I know the Chair does not believe that. People are not going to be farming with compact cars. Tractors are not even under CAFE standards. As to the level of reasonableness of the standard that could have been found with respect to light trucks or pickups, it is beyond imagination we would not be willing to come to grips with what I think is a greater truth.

Those most concerned with safety in America, those entities that consistently earn a reputation coming to the Senate with studies and analyses upon which all of our colleagues depend—the Center for Auto Safety, Public Citizen, people who have a reputation of representing the consumer—were against what the Senate did. Not one safety organization in America supported what was adopted.

I have learned to take my losses, and we are all going to live to fight another day. This issue is going to come back, I am absolutely convinced about that. We are going to face it.

I saw that the price of gas went up about 5 or 6 cents at the pump in the Washington area in the last couple of days. I remember when I was going to law school what it was like to study my torts and contracts sitting for an hour and a half in a line waiting to get gasoline, and I wished I had a car that did not require me to go into that line as frequently as it did so I could get to school and back on one tank of gas more frequently.

In Europe, people are driving cars that get 60 and 70 miles per gallon, and the question is pregnant here in America: Why aren't we?

There is a new poll that came out yesterday. It shows 88 percent of Americans want cars that are more efficient. I believe even those who drive pickups and light trucks all across America would like a truck that is more efficient. They pay their gas bill. They have to pay for the same costs as everybody else. It would be a lot more efficient if they could have some of that new technology.

In my judgment, we missed—it is my judgment, and I could be wrong, as everybody knows—an opportunity to help make America more competitive, to help save money for our consumers, and to beat back what has been a proven reluctance by an industry for years. This is not a matter of conjecture.

I know the Presiding Officer, the Senator from Georgia, knows Stuart Eizenstat. I know the Presiding Officer knows President Jimmy Carter very well. President Jimmy Carter sat in front of the Big Three, and they came to him and said:

Mr. President, we cannot do this. You are going to put us out of business. Stuart Eizenstat testified to our committee that he sat in that meeting and listened to the president of General Motors tell him it was impossible to meet the standards, but President Carter himself, somebody who understood technology, an engineer by training, made a courageous decision that we had to move forward. That courageous decision to move forward saved millions of barrels of oil—billions by now. It saved, many would say, the American industry because it made them competitive with the German and Japanese car that was increasingly gaining market share because Americans wanted cars that were more efficient.

I believe in the capacity of every UAW worker and every car manufacturer in America to build a car that is competitive with any car in the world. I believe in the capacity of American ingenuity and technology. I believe in our entrepreneurial spirit.

Today, we turned our backs on something President Kennedy did in the 1960s when he said we could go to the moon in 10 years. He did not know for certain we could get there, but he set a goal, and America met the goal.

We could have, today, set a goal for America. We could have said we are going to reduce the threat that our kids may have to go to another country to defend our gluttony on oil by becoming more efficient. We could have, today, had an opportunity to set a standard that would have pushed the technology curve so America could be the country that sells the cars of the future, all over the world, that are more efficient, more effective, and safer.

I misspoke earlier when I said something about the Senator from Michigan. I want to clarify it. I told him about it, and it was purely misspeaking. I said his bill would wipe out the safety standards. I did not mean the safety standards of CAFE that are in existence today. I meant it would wipe out the underlying safety standards in our bill. That, it did.

We had a safety standard that would have provided a rollover standard for SUVs. Every year we lose 10,000 Americans who are killed in rollover accidents in SUVs. SUVs are built with a very fragile roof. I think the roof weighs about 75 pounds, something in that vicinity. When the heavy SUV rolls over, people are crushed and killed. That could be prevented.

The safety people who supported our bill suggested we should have had that standard in this legislation. That has now been wiped out.

The reason this is so important is that there is a history. People know

NHTSA has not been a fighting agency for change or for standards. That is why when Ronald Reagan came in and Congress was going to do standards, everybody said: Oh, NHTSA ought to do it. Do not let Congress do it.

When Bush 41 was President, they said: Oh, Congress should not do this. NHTSA ought to do this. Then all of a sudden when President Clinton was in office, and Congress was in the hands of the Republicans, the whole argument flipped: Oh, we should not have NHTSA do this. We ought to have Congress do this.

Lo and behold, in 1995, the Congress prohibited the EPA from even evaluating what the impact might be of raising the CAFE standards.

There is a history, a history of delay, a history of resistance, a history of can't-do, a history of we do not want to do, a history of this is going to kill us. But when Congress had the courage to stand up and raise the aspirations of Americans, guess what. The industry met the standard and exceeded it. And guess what. We raised the numbers of workers in Detroit up to about 1 million in the year 1999, the highest level it had been for a number of years.

When I hear my colleagues say, "What about jobs," I do not think it is Toyota and Honda that moved to Mexico. The last measurement I had, it was the Big Three that had moved some plants to Mexico. Honda and Toyota are building plants in the United States of America, and they are increasingly building engines and automobiles in our country and grabbing market share.

Maybe the competition of the marketplace will spur some of these entities on but history has shown—look at Enron. There is an example. If ever we have learned in recent days what President Teddy Roosevelt taught us when he had the courage, coming from his party, to stand up against trusts in America, we learned of the unfettered, completely unrestrained, absolutely unregulated appetite of most businesses. We have found countless examples of abuses where sometimes someone is needed to act as a referee, to act as a standard bearer. I believe that someone should have been the Congress. It has not been, and it obviously will not be. So my hope is that as we go down the road, people will think hard about the gains that were lost today.

This is not the long-term solution for our country. I understand that. The long-term solution for our country is to be independent of oil, but 70 percent of the oil we consume in America is consumed in transportation. If we are going to reduce foreign dependence, we have only two choices: We either produce it in America or we reduce our dependency abroad. Since oil is the principal dependency, we cannot solve the problem when we only have 3 percent of the world's oil reserves but we use 25 percent of those reserves every year. The math is simple. Every child

in school can do the math. If the United States is using 25 percent of the oil, and we only own 3 percent of the oil reserves, either find the oil somewhere else or find an alternative to oil.

We cannot drill out of this predicament; we have to invent our way out. One of the ways to have invented our way out of it would have been to have adopted a standard that pushed the technology curve so our industry would suddenly become the world's leader, as we were in alternatives and renewables and photovoltaics in the late 1970s, when we made a similar effort to adopt those technologies.

I am proud we were fighting for this. I will stand up anywhere in this country and defend the rectitude of what we attempted to do and decry the lies that suggest everybody in America has to get into some little purple people eater, when Ford Motor Company itself is promoting an SUV with all the power you want, and all the room you want, and it uses half the gasoline.

There it is, the car of the future, from Ford Motor Company. There is not a pickup truck, there is not an SUV, there is not a vehicle in America that cannot be driven this size. Look at our buses; look at our fleets. In America today we are driving huge numbers of people in buses that are driven on compressed natural gas. We have alternative vehicles. Fleets are being purchased that way.

The Government has the opportunity to set the standard, requiring that no automobile is going to be bought for fleet use of the Government unless we are using hybrids and alternatives. We could begin to create the demand for the marketplace. There are all kinds of ways to try this, but it takes leadership.

Today I regret to say I don't think the Senate offered that. I hope it will in the future.

I yield the floor.

THE PRESIDING OFFICER. The Senator from Delaware.

Mr. CARPER. Mr. President, for 2 weeks we have debated the comprehensive energy policy we should have for this country. Most Members and most Americans agree we need to do two basic things: One, we need to create more energy; two, we need to conserve more energy.

Throughout the legislation we are debating, there are a variety of ways we will create more energy: make natural gas more readily accessible from northern Alaska; create renewable energy; more solar, wind, geothermal; interesting exploitation of biomass, biofuels, soy diesel, among others.

On the conservation side, we are not doing so well. On the conservation side, we need to do a whole lot better. The Senator from Massachusetts has alluded to how much oil we consume. We consume a whole lot, given the size and population of our country, compared to the rest of the world. Our oil imports account for roughly 60 percent of the oil we consume. That is up from 30 per-

cent when I came back to the United States at the end of the Vietnam war.

By the mid-1970s, we did not have much of a trade deficit. Today we have a trade deficit of \$300 billion a year. A good deal of that is oil. Roughly a little more than half of the oil we consume, we consume with cars, trucks, and vans we drive. To pass from the Senate and send to conference with the House energy legislation that does not make meaningful, measurable steps toward reducing the amount of oil we use for our cars, trucks, and vans is shortsighted and a mistake.

A month ago I had an opportunity to participate in a meeting convened by our majority leader, Senator DASCHLE. At that meeting were Senator LEVIN, Senator STABENOW, Senator KERRY, Senator CARNAHAN, myself, and others. We were at the behest of our majority leader to see if we might try to find middle ground between the approach Senator KERRY wanted to take on CAFE standards and the approach of Senator LEVIN.

I thought on that day and today I still believe there is a compromise, and a good compromise, between what each proposed then and what each proposes to do today. At that early meeting I laid out what I thought were five principles that should underlie any changes we make with respect to the fuel efficiency of our cars, trucks, and vans. I mention those again. Senator MIKULSKI alluded to them yesterday. No. 1, we need to reduce oil imports. That should be an embodied principle. No. 2, we should set clear, measurable objectives. No. 3, we should do our dead-level best to preserve American jobs. No. 4, we should provide reasonable leadtime to the auto industry for any changes that are going to be coming. No. 5, we need to think out the box. We need to be innovative.

I have never been a big one for micromanaging. I urged Senator KERRY in his legislation to move away from the idea that the Congress would set these interim goals for fuel efficiency. It is appropriate for Congress and the Senate to set longtime goals for fuel efficiency, be it CAFE or a reduction, a measurable, tangible reduction in oil imports. I am not as comfortable for the Congress setting interim goals. I would have that delegated to an appropriate entity.

Earlier today we debated the Levin amendment, for which I voted. I would like to be able to vote for the Kerry amendment not because I thought Levin was perfect, but there are a lot of elements that are good. Not because I think Kerry-McCain is perfect, but there is a lot that is good. If you put it together, we would have a good package.

I mention a couple aspects of the Levin amendment that I think are helpful and ought to be in the final package that hopefully will go to the President for his signature. The Levin amendment focuses on three or four major things that the Government

ought to do and can do well. One is significant investments of Federal dollars in research and development, for fuel cells, for hybrid technology, including diesel hybrid technology.

The Levin amendment acknowledges there is a responsibility, and a good opportunity, a responsibility for the Federal Government to help commercialize the new technologies in fuel efficiency, vehicle efficiency that are coming along. The Federal Government has the opportunity to use its purchasing power to buy large numbers of cars, trucks, vans, jeeps, SUVs, trucks, semitrucks, others that are more fuel efficient. We should do that in the military and on the civilian side and use our purchasing power to help commercialize the new technologies.

Another role for the Federal Government is with respect to tax policy. If we want producers of vehicles to produce more fuel-efficient vehicles, we need to include a tax incentive. The Levin approach provides that.

Similarly, if we want to make sure the vehicles that are energy efficient are purchased by consumers, we need to provide incentives for consumers to buy. We do that under the Levin approach.

The one element that is missing in the approach of Senators LEVIN and BOND is the biggest hole in the amendment: We do not set a clear, measurable objective. We can argue until the cows come home about whether or not we need to change CAFE, concerns of foreign and domestic production, are we fearful of exporting the building of small cars to other countries if we approach this the wrong way.

Maybe the debate should not be about CAFE at all. Maybe the clear, measurable objective we ought to debate is an objective that reduces oil imports, reduces the consumption of oil by our cars, trucks, and vans.

The House of Representatives has passed by a very narrow margin a flawed energy bill, flawed with respect to the measurable objective they set in reducing consumption of oil. But at least they have a measurable objective. And their measurable objective, as I recall, is over roughly another 5 or 6 years to reduce by, I think, 5 billion gallons the amount of oil that we consume. That is in their bill, with respect to our light trucks, vans, SUVs.

If we actually consider how many miles per gallon that equates to, it says we are going to improve our fuel efficiency by maybe a mile or mile and a half per gallon over roughly the next half dozen years. That is not much. That is far too modest a goal and certainly far too modest a goal for the next dozen years.

We are going to stay on this bill for a while longer. I wish very much we could vote for the Kerry-McCain amendment because it has changed a whole lot from what was originally envisioned and, frankly, what has been originally put in this bill, and it has been changed in ways that I think

make sense. I thank them for the changes, including ones I proposed, that they have been willing to accept.

Before we move off this bill, I hope we will come back to this thought; that while it is important that we preserve jobs and while it is important that we provide reasonable lead time for the auto industry, and while it is important that we think outside the box and invest in R&D and tax credits and commercialize the technologies that are coming along—those are all things that are important to do—it is also important for us to reduce our reliance on foreign oil.

For us, today, to think we are going to have to cram into these tiny little cars like the purple people eater that was put on display by Senator LOTT earlier is just not the case.

We build Dodge Durangos in my State. They get about 17 miles per gallon. If they introduce a gas hybrid engine, they will increase their fuel efficiency next year by about 30 percent. That is just next year, by 30 percent. There are ways we can use diesel hybrids to increase that 30 percent to something like 60 percent, if the diesel hybrid is able to meet our requirements for tier 2 clean air standards, particularly for nitrogen oxide and particulates. We can do these things and we don't have to sacrifice comfort, we don't have to sacrifice space, we don't have to sacrifice safety in order to have the kind of vehicles people want to buy and want to drive and to be able to remove our country's future from the hands of the folks who control so much of the oil in the world.

My wife has a Ford Explorer. She likes it a lot. It doesn't get very good gas mileage, but she likes it a lot. She likes the size and a lot of things about it. Probably the next car she buys will be a similar vehicle. I drive a Chrysler Town and Country minivan. I like it a lot, and with a young family, it meets our needs. I sure wish it got better gas mileage. I wish it got a lot better gas mileage. We can do those things.

Senator KERRY mentioned—I will just close with this—when John Kennedy was running for President in 1960, he talked about a goal of putting a man on the Moon, an American on the Moon by the end of that decade. Today, that may not seem to be a very big undertaking, but in 1960 it sure was. The idea we could take a man and put him in a space suit, put him in a missile and send him up to the Moon and let him walk on the Moon and turn around and fly back safely, the idea somebody at the time could was almost incomprehensible. But he said we could do this as a nation; that we ought to do it before the end of the 1960s. And we did.

If we could do that as a nation four decades ago, we can build cars, trucks, and vans that people want to buy and want to use in this country and at the same time reduce our reliance on foreign oil.

When I filled up the tank of my Chrysler Town and Country minivan in

Dover earlier this week, I know some of the \$20 I charged on my credit card to fill that tank is going to people around the world, or will end up in the pockets of people in nations that do not like us very much anymore. They don't have our best interests in mind, necessarily. In some cases, they will use the resources we continue to ship overseas when we purchase the oil—some of them are committed to using the resources we give them against us, to hurt us and hurt our people here and in other places around the world. We should not continue to be so foolish as to do that.

Before we leave this bill and vote on final passage next week, I believe we need to come back and address the issue of clear, measurable objectives and make sure as we go to conference with the House with respect to the use of oil, consumption of oil in our cars, trucks, and vans, that we have put in place some clear, measurable objectives that will reduce our reliance on that foreign oil.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. CARNAHAN). The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

DEPARTMENT OF TRANSPORTATION NOMINATIONS

Mr. McCAIN. Madam President, I come to the floor to discuss briefly the qualifications of two individuals who have been nominated for essential positions within the Department of Transportation.

Mr. Jeffrey Shane has been nominated to be the Associate Deputy Secretary for the Department of Transportation, and Emil Frankel has been nominated to be Assistant Secretary of Transportation Policy.

Last December, the Commerce Committee held a hearing to consider both these nominees and reported them out unanimously on December 19, 2001. We are approaching 3 months since they received committee approval. I think it is time for this Chamber to act on these two qualified nominees.

These are very important positions. One is Associate Deputy Secretary for the Department of Transportation and the other is the Assistant Secretary for Transportation Policy.

There is very little doubt, with all of the issues surrounding post-September 11 and our transportation security requirements, the situations at our airports, et cetera, that we should be putting qualified men and women who have been nominated without objection into those offices. They are important positions. The confirmations of Mr. Shane and Mr. Frankel have been placed in limbo due to an unrelated legislative matter.

As Associate Deputy Secretary, Mr. Shane would be in charge of the Office of Intermodalism at DOT. Secretary Mineta proposed a reorganization plan concerning DOT's policy functions. It would ultimately broaden Mr. Shane's responsibilities.

Under the proposal, the Deputy Secretary positions would be retitled "Undersecretary of Policy" and would manage all aspects of transportation policy development within the Department of Transportation. In addition, the Office of Intermodalism, the Office of Aviation and International Affairs, and the Office of Transportation Policy would report to the Under Secretary under this reorganization.

While this reorganization plan must be considered separately from the nomination, at this point it is important that Mr. Shane be permitted to carry out his duties as soon as possible. He has extensive experience and expertise that would be invaluable to the Department. He has also served in several prominent positions at DOT and the State Department and has been confirmed on several occasions by the Senate.

I believe Mr. Shane is one of the most widely respected individuals in the transportation community, particularly with respect to aviation issues. I have not always agreed with Mr. Shane in the past, but I have always respected his capability and his judgment. We should consider ourselves fortunate that such a qualified and distinguished individual wants to return to public service when he could continue a much more financially rewarding life in the private sector. It is inexcusable that his and Mr. Frankel's nominations have languished for nearly 3 months.

As Assistant Secretary for Transportation Policy, Mr. Frankel would be the chief domestic policy officer at the Department of Transportation. In that position, he would be responsible for the analysis, development, communication, and review of policies and plans for domestic transportation issues.

If there is anyone in this body who has not been to an airport recently, I have to tell them, we certainly need all the help we can get right now. On my last trip back from Phoenix, I spent an hour and a half standing in line in order to get through security, which is warranted, certainly, in these times. But we also need to modernize that system as soon as possible.

Since September 11, the Department of Transportation has been under tremendous strain dealing with critical aspects of interstate transportation as it relates to national security. The Department needs all the help it can get as it struggles with the new wartime reality. It is our obligation to give the Department of Transportation every reasonable resource at this time.

I am dismayed we continue to deny the Department the benefit of these nominees' public service. Our inaction sets a miserable example for others who might consider devoting part of their lives to public service.