

I encourage consideration of opposing the amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. CANTWELL. Mr. President, I ask unanimous consent that the pending amendment be set aside.

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

AMENDMENT NO. 3234 TO AMENDMENT NO. 2917

Ms. CANTWELL. Mr. President, I send to the desk amendment No. 3234.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Ms. CANTWELL], for herself, Mr. DAYTON, Mr. WELLSTONE, Mr. FEINGOLD, Mrs. BOXER, Mr. WYDEN, Mrs. MURRAY, Ms. STABENOW, and Mr. JEFFORDS, proposes an amendment numbered 3234 to Amendment No. 2917.

Ms. CANTWELL. 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 amendment is printed in today's RECORD under "Text of Amendments.")

Ms. CANTWELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HARKIN. I would like to say a word about an amendment to the energy bill that I filed today and about a couple tax provisions on which I have been working. As my colleagues know well, I have long sought to promote hydrogen and fuel cells as clean, efficient energy technologies that also will enable an economy based on domestic renewable energy sources. There are a number of provisions in the energy bill that help move us in this direction. I am pleased that the bill includes the Hydrogen Future Act I introduced in the Senate to reauthorize DOE hydrogen energy programs. The energy tax provisions intended for the bill include strong tax credits for both stationary fuel cells and fuel cell vehicles, as well as for hydrogen and hydrogen fueling appliances.

However, I believe more Federal action is needed to accelerate the commercialization of fuel cell technologies and bring their benefits to our country. In particular, the Federal Government needs to take bolder action to bring

about the introduction of fuel cell passenger vehicles and of a hydrogen refueling infrastructure. Thus my amendment would create a federal fuel cell vehicle pilot program. In this program the Department of Energy would work with other federal agencies to identify several Federal fleets that would be suitable for demonstrating fuel cell vehicles under a variety of real-world conditions. DOE would help install the necessary fueling infrastructure at those sites; this infrastructure could also be used for a stationary fuel cell at the same location and be made available to other fuel cell vehicles. DOE would purchase several hundred fuel cell vehicles, and DOE and the companies that make the vehicles would assist the federal fleets to operate and maintain these vehicles in normal service. Data would be collected both to improve the next generation of vehicles and to assist fleet operators in incorporating fuel cell cars, and there would be regular reporting to Congress. The amendment also requires at least a 50 percent cost share from non-federal sources, as in most DOE demonstration programs. The total authorization for the program over six years would be \$350 million.

This amendment includes a second provision for a study of the potential of stationary fuel cells in federal buildings. Even before fuel cell vehicles are commercially available, fuel cells have a great potential for providing distributed, highly reliable power for buildings, as well as heat. This study would look at what should be done to incorporate fuel cells into new federal buildings, so that planning for the buildings from the first stages can optimize the use of fuel cells and so that appropriate incentives can be put in place to encourage Federal purchase of stationary fuel cells. Again the Federal Government can become a lead consumer to foster commercialization of fuel cells and to demonstrate their benefits.

We also need to build a hydrogen fueling infrastructure. I am working with the Finance Committee to make two important changes to the excellent alternative fuel provisions that are in their package, in order to make the provisions effective for hydrogen fuel. The first would extend the credit for installation of hydrogen fueling property through 2011. This would simply match the credit for the fuel cell vehicles themselves, and recognizes that it will be several years before commercial fuel cell vehicles are readily available and there is significant demand for hydrogen fuel. The second change would alter the definition of refueling property so that not only storage and dispensing of hydrogen but also production of hydrogen from natural gas and other alternative fuels would be included. This is necessary because unlike natural gas, for example, today you can't just pipe in the hydrogen to a fueling station. You need to make the hydrogen on-site, most likely be reforming natural gas. This amendment

would clarify the definition to be sure that such equipment is covered.

Finally, on the tax provisions, I hope to extend the tax credit and the exemption from the excise tax for biodiesel. Biodiesel is a renewable product made from soy beans that can be mixed with diesel roughly like ethanol is mixed with gasoline. Its use would cut our use of diesel and thus our consumption of petroleum, and also cut associated emissions. The tax provisions include a three-year tax credit for biodiesel. While this credit could be very helpful to establishing a strong biodiesel industry, three years is not enough to ensure return on investment in a new biodiesel plant. Both the investors and the creditors need a longer planning horizon to be confident of a stable market for the biodiesel. Thus I hope we will be able to extend this important new incentive in order to maximize its effectiveness.

With these provisions, and many others in the bill and the tax package, I look forward to a bright, clean, domestic, renewable energy future.

#### LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

Mr. REED. Mr. President, my colleague, Senator COLLINS, and I would like to engage in a colloquy regarding the Low-Income Home Energy Assistance Program, or LIHEAP.

The Northeast-Midwest Senate Coalition, which I chair with Senator COLLINS, is a bipartisan coalition of Senators from the Northeast, Midwest and Mid-Atlantic dedicated to improving the environmental quality and economic vitality of the region. The Low-Income Home Energy Assistance Program is a vital program to our region. LIHEAP provides home energy assistance to some of our Nation's most vulnerable citizens, including families with children, the elderly, and disabled individuals.

People in our region know that cold weather kills. Mr. President, the facts speak for themselves. According to the Centers for Disease Control, between 1979 and 1998, hypothermia claimed the lives of over 13,000 Americans, twice as many Americans than died due to excessive heat. Residential energy costs in the Northeast and Midwest are more expensive which means that families in the region spend a greater amount of their incomes on home heating. It also requires more energy to heat a home than to cool one. LIHEAP households in our region spend over twice as much to heat their homes in the winter than it costs to cool a home in the south in the summer. According to the Department of Health and Human Services, during the peak winter heating season, energy bills can frequently reach up to 30 percent of a low-income family's income, especially if they live in sub-standard housing.

This winter, the average temperature in Rhode Island was in the low-30s. Without heat, these temperatures are

life-threatening. In my State, sweaters and blankets are not enough to keep you warm. If heating assistance is not available, low-income families, senior citizens and disabled individuals living on fixed incomes make drastic choices, they go without food, prescription drugs and other basic necessities in order to maintain heat in their homes. On average, it cost \$1,200 to heat a home in Rhode Island last year. Low-income families cannot afford these costs. LIHEAP provides vital assistance to keep the heat on for these households.

In February, my home State of Rhode Island ran out of LIHEAP funding and had to close its program. I received phone calls from a number of senior citizens who were unable to heat their homes because they ran out of heating oil. To help low-income families address the runaway costs of home energy bills, we need greater funding for this program. This year, Senator COLLINS and I lead a bi-partisan letter supported by 37 Senators that requested \$3 billion for the LIHEAP program in fiscal 2003. I will ask unanimous consent to print a copy of the letter in the RECORD, and I want to thank Senators HARKIN and SPECTER for their strong and consistent support of this program.

Senators HARKIN and SPECTER increased LIHEAP funding by \$300 million in fiscal year 2002. Unfortunately this was not enough to help States address the unmet need. During the winter of 2000/2001, the Nation experienced extraordinarily and unprecedented levels in energy costs along with colder winter temperatures. Many low-income families and senior citizens are still trying to pay off from the energy debt they incurred last winter. While energy prices are lower this year, they are not low by historic standards and the prices for natural gas and home heating oil remain at significant costs for many Americans. The recession is also an increasing need for assistance.

There is something that President Bush can do immediately to help low-income households meet their energy needs. Congress appropriated \$300 million in the FY2001 Supplemental Appropriations bill for emergency LIHEAP assistance. For incomprehensible reasons, the President has chosen not to release the emergency LIHEAP funding. And, the President's budget inexplicably requests \$300 million less for this program in 2003. Leadership and action are urgently needed to help low-income working families and senior citizens, and I hope the President will take action to release the emergency funds.

Next year, the Health, Education and Labor and Pensions Committee will begin reauthorizing the LIHEAP program. I want to thank Senator KENNEDY for his support of this program. I look forward to working with him and my colleagues to improve the LIHEAP program and increase funding.

Ms. COLLINS. Mr. President, I would like to thank Senator REED for his

comments. LIHEAP is a vital heating assistance program for low-income families with children, senior citizens and disabled individuals. My colleagues in the Northeast-Midwest Senate Coalition work tirelessly every year to increase funding for this program and to ensure that these resources get to those most in need.

There is a terrible reality some low-income households must face each winter, to heat or to eat. Imagine a hard working low-income family that cannot cover the costs of basic necessities in the winter having to ask: Do I heat my home or provide enough food for my children? Or, imagine being an elderly couple and living on a fixed income who has to decide: Do we pay the heating bill or do we buy medicine? In Maine, a majority of our low-income families use heating oil to stay warm. When there is no oil, there is no heat. LIHEAP is the program that keeps the heat on for these families.

My State of Maine had to lower this year's benefit by \$100 in order to serve the 48,000 households that needed assistance. Over 60 percent of the recipient in my State are elderly living on a fixed income of only \$10,000 a year. This year, 4,500 additional households applied for assistance. Many of these families needed help because they are unemployed and have exhausted unemployment benefits. While energy prices are lower this year, they are high for low-income Mainers. The average LIHEAP benefit of \$338 per household pays for only a little more than one tank of fuel for these families. In Maine, the average annual cost to heat a home with oil is \$1,200.

The LIHEAP program was enacted to respond to the higher fuel prices and severe winters in cold weather States. Its primary focus is to alleviate winter heating crises. Heating homes is expensive. According to the National Fuel Funds Network, at the end of the 2000/2001 winter heating season, at least 4.3 million low-income households were at risk of having their utility service cut-off because of an inability to pay their winter home energy bills. In the Northeast and Midwest, the cost to heat a home is more expensive than to cool a home in the south, and families have to spend a greater amount of their incomes on home heating. LIHEAP households in the Northeast and Midwest spend over \$1,200 on residential energy. This is 14 percent of their household income in the Northeast and 18 percent in the Midwest. LIHEAP households spend over twice as much to heat their homes in the winter than it costs to cool a home in the south.

The current allocation formula acknowledges the important public health role this program serves in cold weather States. Since its enactment, Congress reaffirmed the commitment of this goal. The program has been reauthorized a number of times and Congress maintained its commitment to low-income families faced with high heating bills. It did this by ensuring

that no State would receive less than it did when the program was enacted.

Low-income households will take drastic, and unsafe, measures to try to stay warm in winter when they are in jeopardy of losing heat. When home energy bills are unaffordable in winter, low-income households rely on alternative heating sources such as ovens or space heaters. The National Fire Protection Association reports that house fires show a sharp increase in the cold-weather months. Half of the home heating fires and three-fourths of the home heating fires deaths occurred in the months of December, January, and February. Not being able to afford utilities place low-income households at increased risk to house fires and illness or death.

We need to increase funding for this vital program. Thirty-seven of my colleagues joined Senator REED and I in seeking increased appropriations for this program for fiscal year 2003. I look forward to working with Chairman KENNEDY and Ranking Member GREGG on the HELP Committee on reauthorization of this important program.

Mr. REED. Mr. President, I ask unanimous consent the letter to which I referred be printed in the RECORD.

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

U.S. SENATE,

Washington, DC, April 2, 2002.

Hon. TOM HARKIN, *Chairman*

Hon. ARLEN SPECTER, *Ranking Member*  
Subcommittee on Labor, Health and Human  
Services, and Education Appropriations,  
Senate Committee on Appropriations, Wash-  
ington, DC.

DEAR CHAIRMAN HARKIN AND RANKING MEMBER SPECTER: We are writing to express our strong support for the Low Income Home Energy Assistance Program (LIHEAP). We appreciate your consistent support for this critical program to help low-income families and senior citizens address high energy burdens. We recognize the difficult choices that you face this fiscal year, however, we believe that the strong and continued growth in households requesting LIHEAP assistance demonstrates that the funding needed for this program has never been greater. We respectfully request that you consider appropriating \$3 billion in regular LIHEAP funds for FY2003 and provide advanced appropriations for FY2004.

LIHEAP is a vital safety net for our nation's low-income households. For many low-income families, disabled individuals and senior citizens living on fixed incomes, home energy costs are unaffordable. Without LIHEAP assistance, low-income families and senior citizens face the impossible choice between paying their home energy bills or affording other basic necessities such as prescription drugs, housing and food. In FY2001, states received \$2.25 billion in regular and contingency LIHEAP funding. Despite this historic level of funding, it is estimated that states were only able to serve 17 percent of the 29 million eligible households. Currently, states only have \$1.7 billion available in LIHEAP funds for FY2002. Sixteen states estimate that they will be out of funding by the end of March.

We also request advanced appropriations for the program for FY2004. Advance funding allows states to plan more efficiently, and therefore, more economically. State LIHEAP

directors begin planning in spring and early summer for the upcoming year. Without advanced funding, state directors are unable to plan program outreach or leverage resources as effectively. Advanced funding will also ensure that states have the necessary funding to open their programs at the beginning of the fiscal year in order to provide timely assistance to low-income families who cannot afford to wait.

We look forward to working with you to secure the necessary LIHEAP funding to meet the needs of millions of low-income families. Thank you for your consideration of our request.

Sincerely,

Jack Reed, Susan M. Collins, Olympia Snowe, Carl Levin, Joseph Biden, Paul D. Wellstone, Debbie Stabenow, Joseph Lieberman, Paul Sarbanes, Charles Schumer, George V. Voinovich, Dick Lugar, James M. Jeffords, Bob Smith, Mark Dayton, Hillary Rodham Clinton, John F. Kerry, Lincoln Chafee, Patrick Leahy, Herb Kohl, Barbara A. Mikulski, Edward Kennedy, Max Baucus, Kent Conrad, Jay Rockefeller, Dick Durbin, Robert Torricelli, Conrad Burns, Christopher Dodd, Mike DeWine, Patty Murray, Gordon Smith, Blanche Lincoln, Byron L. Dorgan, Jeff Bingaman, Ron Wyden, Jean Carnahan, Maria Cantwell, Jon S. Corzine,

#### ETHANOL AND THE HIGHWAY TRUST FUND

Mr. BAUCUS. Mr. President, ensuring necessary and affordable energy supplies, including ethanol-blended motor fuels and other initiatives, is important to the quality of life and economic prosperity of all Americans. Policies to achieve these objectives, however, should not come at the expense of transportation infrastructure improvements.

By directing 2.5 cents from the sale of gasohol to the highway trust fund, we can begin to alleviate a growing problem for many States—lower highway trust fund contributions and therefore lower highway apportionments.

Furthermore, a major goal of TEA-21 was to restore the integrity of the highway trust fund by depositing all motor fuel taxes in the trust fund and then spending that money on highway, and some transit, programs. Gasohol's 2.5 cents is the only user tax on vehicle fuel that does not flow into the highway trust fund. I am proud to have it as part of the energy tax package.

I would especially like to thank Senators HARKIN, WARNER, and the ranking member of the Finance Committee, Senator GRASSLEY for their help in getting the 2.5 cent provision in the energy tax package. But the 2.5 cents is just the beginning.

I had planned to introduce an amendment, along with Senators HARKIN and WARNER, that would truly make the highway trust fund "whole." This amendment would keep the ethanol subsidy, but make sure that it is the Treasury's General Fund that subsidizes ethanol—not the highway trust fund.

The ethanol subsidy is good energy policy, good agriculture policy and good tax policy. Yet, ironically, it is the highway trust fund that bears the

burden of the subsidy. Since it is good general policy, I believe that the general fund should bear the burden of the subsidy.

I have been asked by several Senators not to offer an amendment at this time. I have complied with the requests of my colleagues. However, I am fully committed to recouping the 5.3 cents for the highway trust fund at the next possible opportunity.

I would like to thank Senators WARNER and HARKIN for working so closely with me on this matter. I look forward to continuing that work as soon as possible.

I am pleased to see progress being made to include the highway trust fund in our collective thoughts as we discuss energy policy.

Mr. HARKIN. Mr. President, I congratulate the chairman of the Finance Committee, Senator BAUCUS, for his strong leadership in working to secure the integrity of the highway trust fund and promote the use of ethanol and other renewable fuels like biodiesel. I also commend the hard work of Senator WARNER to preserve the trust fund.

There is no question that a strong highway system is vitally important to the efficiency of our economy. Poor roads mean higher costs to move goods, raising prices to consumers and making us less competitive in a world marketplace. It also means inconvenience to our citizens. The use of fuels containing ethanol or soy is both extremely important to the economy of rural America and good for the environment. The Federal Government wisely promotes ethanol as a fuel through the Tax Code and in other ways. But, on the negative side, against the logic of our country's need, current law provides that increased use of ethanol in fuel means a reduction in the highway trust fund and fewer dollars being spent to repair and improve our roads and bridges. I would note that mass transit currently is not adversely impacted under the law.

I was very pleased to be an original cosponsor of S. 1306, Highway Trust Fund Recovery Act, which provides for the shifting of the excise taxes on alcohol fuels from the general fund to the highway trust fund starting on October 1, 2003. I am very pleased that the measure has been included in the package of tax measures that the Finance Committee proposed to be added to the energy bill along with the very important legislation on biodiesel.

Enacting the Highway Trust Fund Recovery Act is the first step. The next step is to provide that the highway trust fund be made truly whole for the 5.3 cents not collected for gasohol. We have agreed to not offer a proposal to accomplish that goal during the floor debate of this measure. However, it is my intention to work with Senator BAUCUS, Senator WARNER and others to try to accomplish the goal of passing legislation to fully reimburse the highway trust fund from the general fund as soon as possible.

Mr. INHOFE. I commend the Senators from Montana and Iowa for their vigorous support of the highway trust fund. Because of their efforts, the measure pending before us, the trust fund, will recoup an additional 2.5 cents per gallon of ethanol currently being deposited into general revenue.

The Senator from Montana has also been very aggressive at trying to make the trust fund whole with respect to the current 5.3-cent per gallon ethanol subsidy. Although he and I do not agree on how to best address this issue, we are in agreement that the highway trust fund should not pay to subsidize any fuel source. Our surface transportation infrastructure needs are such that we cannot afford to forego any revenue source.

Certainly one of the key factors in the economic engine that drives our economy is a safe, efficient transportation system. If our economic recovery is going to continue to expand we cannot ignore the immediate and critical infrastructure needs of highways, bridges, and State and local roadways systems.

I believe this issue is best resolved through the reauthorization of the surface transportation program next year. Furthermore, it is my hope that the final result will be one that can be embraced by all sides in this debate.

Thus, I will be pulling together a working group of the highway community, the renewable fuels community, the refiners and the agricultural community to begin discussions on how we can make the highway trust fund whole. I ask unanimous consent that a letter from the Renewable Fuels Association be printed in the RECORD.

(See Exhibit 1.)

Again, I thank my colleagues from Montana and Iowa for their leadership on this issue and look forward to working with them to devise a permanent solution to this drain on the highway trust fund.

Mr. JEFFORDS. I applaud Senator BAUCUS for his efforts to enhance the flow of revenues into the highway trust fund. In particular, his suggestion that the time has come to redirect the 2.5 cents in ethanol tax that is now going into the general fund back to the highway trust fund is both timely and constructive.

As we reauthorize the surface transportation program over the coming months, I look forward to working with Senator BAUCUS and others on the broader issue of the Nation's shifting fuel mix and the implications of that trend on the highway trust fund.

Mr. SMITH of New Hampshire. As the Senators know, the compromise fuels package in the Daschle energy bill, which includes my language to ban MTBE and clean up the contamination caused by this gas additive, will also dramatically increase the use of ethanol. This compromise came after lengthy negotiations with several members of the Senate. We all worked in good faith to reach this agreement.

However, the increase in ethanol use will, over time, have a negative impact on the highway trust fund due to the ethanol subsidy which exempts ethanol from a good portion of the gasoline tax that pays into the trust fund. This is a concern that virtually all members of the Environment & Public Works Committee share, and it is a problem that we will have to address. I believe that reauthorization of TEA-21 is the proper place to fix the trust fund problems caused by the increased ethanol use.

Between now and the time we introduce TEA-21 reauthorization, I would encourage all parties to work together, in a similar fashion to the way we reached the fuels compromise, in order to reach a consensus on the ethanol tax subsidy. If we work together in good faith, I have little doubt we will find a solution that can be included in reauthorization. I look forward to working with my colleagues in that process.

Mr. DASCHLE. Our Nation's vulnerability to foreign energy production has been brought into bold relief by the continuing turmoil in the Middle East. It is imperative that our Nation take greater strides to promote the use of domestic, renewable fuels as a means of reducing our dangerous dependence on imported oil and strengthening U.S. energy security.

An aggressive program to produce and use more renewable fuel should be one of the pillars of our Nation's energy policy. And, as America uses more renewable fuel, we need to make sure that the financial soundness of the highway trust fund is not inadvertently undermined. That is why I strongly support Chairman BAUCUS' efforts to ensure that future use of ethanol will have no impact on the trust fund. I applaud his efforts in this regard and pledge to do whatever I can to see that we hold the highway trust fund harmless as we seek to make America more energy independent.

Mr. WARNER. Mr. President, I rise to support the efforts of Chairman BAUCUS and Ranking Member GRASSLEY to ensure that the tax package from the Finance Committee begins to reform our tax policies to provide equitable treatment for the highway trust fund, the only source of Federal revenues to improve our Nation's transportation infrastructure.

The Finance Committee's package ensures that revenue from the 2.5-cent excise tax on the sale of gasohol will be transferred to the highway trust fund.

It has been my privilege to work closely with Senator BAUCUS as a senior member of the Committee on Environment and Public Works during the development of the Transportation Equity Act for the 21st Century, TEA-21. He has always been a steadfast partner on surface transportation issues, and once again, he is providing the necessary leadership to protect the solvency and purpose of the highway trust fund. All vehicles, regardless of whether they use gasoline or gasohol, cause the same damage to our roads. The

highway trust fund is the only means to finance highway maintenance and expansion activities, and without the Highway Trust Fund Recovery Act our States would receive less funding to improve our roads.

Depositing the 2.5 cents into the highway trust fund, however, is an important first step, but only part of the solution. I have been working with Senator BAUCUS and others to offer an amendment to provide for the full transfer of 5.3 cents to the highway trust fund, but we have decided to reserve this issue for another time. I remain fully committed to restoring the integrity of the highway trust fund by recovering the entire 5.3 cent per gallon subsidy that gasohol currently receives.

The bill before the Senate also contains other provisions which will contribute to further reductions in revenues to the highway trust fund. Depending on the final disposition of the renewable fuels provisions, revenues to the highway trust fund could significantly decrease as the renewable fuels mandate increases. I look forward to working with Chairman BAUCUS, Ranking Member GRASSLEY, and the leadership of both parties to fully restore revenues to the highway trust fund so that our national network of highways remains a premiere system.

Mr. REID. I share my colleagues' concern about the losses to the highway trust fund that result from sale of ethanol-blended fuels. These losses to the highway trust fund have two causes. First, 2.5 cents of the existing tax on ethanol goes into the General Fund rather than the highway trust fund. Senator BAUCUS has introduced a bill to address this problem and I am a cosponsor of that legislation.

Second, the trust fund loses revenue because the tax on ethanol-blended gasoline is lower than taxes on other fuels. With the mandate contained in this bill, this subsidy will have an increasingly negative impact on revenues into the highway trust fund.

Next year we will reauthorize the Transportation Equity Act for the 21st Century. This Nation has tremendous transportation infrastructure needs that must be addressed if we are to keep our roads safe and our economy moving. As we begin work on this important legislation, I hope that we can address the significant losses to the trust fund that result from current ethanol policy. I look forward to working with my colleagues on this and other issues related to the reauthorization of TEA-21.

Mr. BAUCUS. Once again, I would like to state my intention of dealing with the "5.3-cent problem" as soon as possible. I look forward to working with these Senators and others as we work to protect the highway trust fund our Nation's source of funding for our surface transportation system.

## EXHIBIT 1

RENEWABLE FUELS ASSOCIATION,  
Washington, DC, March 22, 2002.

Hon. JAMES M. INHOFE,  
Russell Senate Office Building,  
Washington, DC.

DEAR SENATORS INHOFE, BAUCUS, SMITH, CONRAD, GRASSLEY, JEFFORDS, REID AND DASCHLE: The Renewable Fuels Association (RFA) appreciates your leadership on including a "Renewable Fuel Standard" in the Energy Policy Act of 2002 (S. 517). This program will provide significant energy, environmental and economic benefits for the Nation.

At the same time, we recognize that an increase in the production and use of renewable fuels, including ethanol, will have an impact on Federal highway excise tax receipts. The RFA does not believe any state should be penalized by the use of renewable fuels. Sound transportation policy and sound energy policy should not be mutually exclusive. Thus, as Congress works to reauthorize highway and transportation funding next year, we wholeheartedly encourage Congress to work towards addressing the issues surrounding the Highway Trust Fund and other transportation trust funds as they relate to ethanol.

Much has been made of ethanol's impact on Highway Trust Fund receipts in FY 2003, and at the appropriate time, prior to or during the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21), Public Law 105-178, we look forward to working with the United States Senate, the House of Representatives and the Administration, to create the appropriate program to address the needs of these programs.

Additionally, we support transferring the 2.5 cents currently directed to the General Fund for deficit reduction, back to the Highway Trust Fund as is included in the "Energy Tax Incentives Act of 2002" (S. 1979), which has been approved by the Senate Finance Committee earlier this year.

Transportation funding issues are not simple, and we look forward to working with you on this important issue on a unified front to address the many needs of the transportation, petroleum, and renewable fuels industries.

Sincerely,

BOB DINNEEN,  
President.

Mr. GRASSLEY. Mr. President, I appreciate the efforts by Chairman BAUCUS for correcting an oversight by Congress when it failed to shift from the general fund to the highway trust fund, 2.5 cents per gallon collected from sales of gasohol. Similar adjustments for other fuels were made by a previous Congress, but not for gasohol.

I also want to thank the chairman for refraining from offering an amendment at this time that would require the general fund to contribute 5.3 cents to the highway trust fund for every gallon of gasohol sold.

It is wise to wait until next Congress when we can look at the big picture. Next year, we need to analyze all revenue sources for the highway trust fund to determine if adjustments are appropriate.

We also need to determine if adjustments are appropriate in the way we spend the Highway Trust Funds that are collected. For instance, we may determine that it makes better sense for mass transit subsidies to come from general funds instead of from the highway trust fund.

We may find that the subsidies for special motor fuels such as propane, methanol, and liquified natural gas should be paid from the general fund instead of the highway trust fund. These three fuels are not paying the full 18.3 cents per gallon. Propane receives a 4.7 cent subsidy, liquified natural gas receives a 6.4 cent subsidy, and methanol receives a 9.15 cent subsidy. Much needs to be addressed as we reauthorize the highway bill, and approaching this very important matter in a piecemeal fashion would be a mistake.

#### AVIATION EMISSIONS

Mr. BURNS. At this time, the General Accounting Office is working on a study—requested by the House Committee on Transportation and Infrastructure, Aviation Subcommittee—to conduct a comprehensive overview of key issues associated with emissions from aviation activities. This study would cover the same subject matter as contemplated in Section 803 of H.R. 4. At this time of tight budget constraints, it is not a good use of limited resources to produce redundant studies. Accordingly, I urge Senator MURKOWSKI in conference on the Energy Bill to strike the language in H.R. 4 requesting an aircraft emissions study.

Mr. MURKOWSKI. I agree that this study does appear duplicative.

Mr. BURNS. In addition to the GAO study, I wish to bring your attention to a voluntary effort to address emissions from the aviation sector, known as the “EPA/FAA Local Air Quality Initiative.” As part of this voluntary initiative, the Environmental Protection Agency, Federal Aviation Administration, States, airlines, aerospace manufacturers, and environmental groups are working together to develop analyses that address the same subject matter detailed in H.R. 4.

Mr. MURKOWSKI. I agree with my colleague from Montana that there is no need at this time for another study on this issue. The Senator has my assurance that I will work to remove this provision when we go to conference.

#### CLIMATE CHANGE PROVISIONS

Mr. BINGAMAN. Mr. President, the substitute for Title X of the Senate Amendment 2917, and title XIII, encompass significant bipartisan progress on the topic of climate change policy. This progress has been reached in discussions involving staff for many Senators with keen interests in this area, including myself and Senator MURKOWSKI on behalf of the Committee on Energy and Natural Resources, Senators BYRD and STEVENS, Senators KERRY and HAGEL, and the chair and ranking members of the Committee on Governmental Affairs and the Committee on Commerce, Science and Transportation. All these Committees that I just mentioned have important jurisdictional responsibilities under rule XXV related to the climate change provisions in this bill. There is one major area in the proposed changes to Senate Amendment 2917 that is still not in agreement, and that will be left

to conference for further discussion, but will describe that in a moment. What has been agreed to, and for which there is commitment on the part of the co-sponsors of this amendment to advocate for here in the Senate and maintain in conference, is substantial.

First, we have developed a streamlined set of findings and a Sense of Congress relating to climate change, the shared international responsibility to address the problem, and the role of the United States in that matrix of shared responsibility. Senate Amendment 2917 had, in effect, two sets of findings in this regard. Developing a single set of agreed-to-statements, on the part of a broad cross-section of Senators with active interests in climate change policy, is an important accomplishment.

Second, we have taken the fundamental elements of S. 1008, introduced by Senators BYRD and STEVENS and agreed to nearly all of them. S. 1008 was introduced on June 8, 2001 and referred to the Committee on Governmental Affairs. That committee held a hearing on the bill on July 18, and marked the bill up in a business meeting on August 2, 2001. It was ordered reported by voice vote, and the Committee’s report, as well as additional views of some members, was filed on November 15, 2001. This legislative history should be relevant to those who will be responsible for implementing these provisions. One of the agreed-to elements brought in from S. 1008 is a requirement for the development of a National Climate Change Strategy, which will be updated every 4 years. That Strategy and its updates will be reviewed by the National Academy of Sciences, which will provide its findings and recommendation both to the President and to Congress. The Strategy will be the central focus for integrating, across the government, a consideration of the broad range of activities and action that can be taken to reduce, avoid, and sequester greenhouse gas emissions both in the United States and in other countries. The development of the Strategy is also intended to draw on broad participation from the public, scientific bodies, academia, industry, and various levels of State, local, and tribal governments. Another agreed-to element from S. 1008 is the creation of an Office of Climate Change Technology in the Department of Energy, and authority for creation of other necessary offices to carry out the National Climate Change Strategy in other agencies. The DOE Office will have a special role in bridging the gap that now exists between the more conventional energy technology R&D programs now in place at DOE and the necessary research that is pointing the way to breakthrough technologies that could have a pronounced effect on our ability to meet the climate change challenge. The substantial increase in authorization for this function that was contained in S. 1008 is maintained.

Third, we have come to agreement on how to improve the structure of coordi-

nation of climate change science and monitoring programs across government, including the creation of a mechanism to fill gaps in research efforts among the various agency programs. Substantial portions of a bipartisan Commerce Committee bill, S. 1716, the Global Climate Change Act of 2001, introduced by Senators KERRY, STEVENS, HOLLINGS, INOUE and AKAKA, are included in these sections. This bill emerged from a series of hearings held by the Committee during the 107th Congress on the state of scientific knowledge of climate change and its impacts and possible technological means to address the problem. These Commerce Committee provisions include amendments to the Global Change Research Act, as well as language that ensures the programs and capabilities of the National Oceanic and Atmospheric Administration and the National Institute of Standards and Technology to monitor, measure, understand, and respond to climate change and climate variability.

The one area of remaining disagreement in Title X relates to the proposed White House Office of National Climate Change Policy, in Section 1013 of the proposed text for Title X. I believe that it would be true to say that the co-sponsors of this amendment, at a minimum, all support having a locus of accountability for the development and implementation of climate change policy in the Executive Office of the President. All of us believe that it should be headed by a Senate-confirmed appointee. We did not, however, reach consensus on how this position should be structured and whether the appointee should be a new or existing position. We have agreed to move forward to conference with the language of S. 1008, with the expectation that we would be able to engage the White House at that point and come to a final resolution of how to provide for the central accountability in the Executive Office of the President that is acceptable to all parties.

On all other issues in Titles X and XIII aside from Section 1013, though, we are in agreement. We recommend their acceptance to our colleagues here in the Senate and, if adopted, plan to support these provisions strongly in conference.

Mr. MURKOWSKI. I would like to thank my colleague for his statement and indicate my support for the agreement that we have reached. These two titles of Senate Amendment 2917 lay the foundation for a sensible approach to managing the risk of climate change while providing the energy we will need for continued economic growth. The elements contained in these titles—improved scientific research, investment in development of improved energy technology, transfer of these technologies to markets at home and overseas, and coordinated climate policy development—are the same elements that were contained in S. 882 and S. 1776 in the 106th Congress, and S. 1294

in the 107th Congress, legislation that I was pleased to sponsor or cosponsor along with others. Title XIII also contains the elements of my legislation, S. 815, to improve research in the Arctic, including on topics of climate change. I want to thank Senator BINGAMAN and his staff for their leadership on forging this important bipartisan approach to our Nation's climate policy, and I want to thank all those Senators and staff who helped to bring these Titles into being.

Mr. BYRD. I would like to thank my colleagues for their statements and indicate my support for the agreement that we have reached. I would also note the historic nature of what has been negotiated, refined, and supported by the Senate here today. The passage of a national climate change strategy, along with the improved integration of science and technology programs, is critical to our Nation's long-term energy policy. I appreciate that other Members also believe that, at a minimum, there needs to be a Senate-confirmed appointee in the White House to oversee climate change policy. While I understand that there is not full agreement on this issue at this time, I believe that it is important to have a new, separate office in the White House to serve as a focal point for this multifaceted, multidimensional, long-term issue. After further discussion, I hope that these important provisions will be supported by the House energy conferees and the White House as a part of a national energy policy.

Mr. STEVENS. I would like to thank my colleagues for their statements and indicate my support for the agreement that we have reached. Title X, of Senate Amendment 2917, will address an immediate need to stimulate our Nation's research and development in innovative technologies and attempt to resolve any remaining uncertainties on the causes of climate change. Title XIII will provide the mechanisms to better assess coastal vulnerability from climate variances and improve climate monitoring, observing and prediction. The Barrow Arctic Research Center, authorized in Title XIII, is intended to replace the decades old and poorly equipped Naval Arctic Research Laboratory in Barrow and will perform the desperately needed scientific research on climate change that is already impacting America's Arctic.

Mr. LIEBERMAN. I would like to thank my colleagues for their statements and indicate my support for the agreement that we have reached. As Senator BINGAMAN has indicated, this language incorporates the essential components of S. 1008, the Climate Change Strategy and Technology Innovation Act of 2001. Senators BYRD and STEVENS introduced this important legislation, and I am proud that the Governmental Affairs Committee which I chair quickly endorsed the bill. The committee report accompanying the bill explains the reasoning behind the legislation and, as Senator BINGAMAN

stated, should provide direction to those charged with executing the provisions of Title X. But I would like to summarize a few key points about why this is such an important contribution by Senators BYRD and STEVENS. First, they have found a constructive way to move forward in a bipartisan fashion on the issue of climate change, one of the most profound and daunting challenges we face as a Nation and, indeed, a world community. Second, the bill establishes a regime of accountability on climate change—under the legislation, the administration would be required to articulate a strategy to reach the long-agreed upon goal of stabilizing greenhouse gas concentrations in the atmosphere. Third, the bill provides support for the innovative technologies that will be essential to meet the challenge of climate change. This legislation is an important step forward on climate change, and I thank my colleagues for their work on this provision.

Mr. THOMPSON. I would like to thank my colleagues for their statements and indicate my support for the agreement that we have reached with regard to Title X. A lot of hard work has gone into this agreement. It is my belief that there are still many uncertainties with regard to climate change. However, I also believe that the potential risks of climate change warrant study, research and technological development. This substitute to Title X goes a long way towards achieving those goals. This amendment also recognizes that there are many contributors to climate change beyond CO<sub>2</sub> and I appreciate that black soot is included. My biggest concern with the substitute is the creation of a White House Office on Climate Change. As ranking member of the Committee on Governmental Affairs, I have great concerns about duplication and overlayering in government. I hope we can work this out in conference and I look forward to the White House weighing in on this important issue.

Mr. HOLLINGS. I would like to thank my colleagues for their statements and indicate my support for this bipartisan agreement on climate science and technology policy. The Committee on Commerce, Science, and Transportation over the years has developed and implemented the key statutes governing these matters. These include statutes establishing interagency science and research programs like the Global Climate Change Act, a coordinated Federal science and technology policy, such as is called for in the National Science and Technology Policy, Organization and Priorities Act, and those establishing the first tier atmospheric science and technology programs within NOAA and NIST. I fully agree that responsibility for policy relating to climate issues should rest with an individual who is accountable to Congress, much as we have done for overall science and technology policy by exercising our oversight authority

over the White House Office of Science Technology Policy, which will shoulder substantial responsibilities under this agreement.

Mr. KERRY. I would like to thank my colleagues for their statements and indicate my support for the agreement that we have reached. Included in that agreement is a Sense of the Congress on the international climate change negotiations. The resolution originally passed the Foreign Relations Committee in August of 2001. At that time, Senator BIDEN and Senator ROCKEFELLER played an important role in crafting it. The text as passed out of Committee called on President Bush to engage in the international negotiations and to present a proposal to the Conference of the Parties by October 2001 for a revised Kyoto Protocol or other binding agreement. However, since the Committee acted the state of the international negotiations has fundamentally changed. The revised text, as included in this legislation, reflects those important changes. I appreciate the work of Senators BIDEN and HAGEL in crafting the updated text.

I believe that the bipartisan consensus also strengthens the scientific and technical work that needs to be carried out and improves upon the structure for doing so. I am particularly pleased that the agreement incorporates provisions from the Commerce Committee's bill that will bring the world-class science, technology, and planning expertise of the National Oceanic and Atmospheric Administration (NOAA), the National Institute of Standards and Technology (NIST) and other Department of Commerce programs to bear on this problem—whether it is in climate observation, measurement and verification, information management, modeling and monitoring, technology development and transfer, or hazards planning and prevention. I am also pleased to see the bill includes language to establish a framework for a national coastal and ocean observing system, which is essential for climate prediction and coastal response planning.

Mr. HAGEL. I would like to thank Chairman BINGAMAN and Senator MURKOWSKI, and their staff, for their leadership in reaching an agreement on Title X. I would also like to thank my colleagues on both sides of the aisle for their efforts, particularly Senators BYRD and STEVENS who authored many of the original provisions included in Title X. This agreement represents the hard work of reaching a bipartisan consensus on a very challenging and difficult issue. While recognizing the need for greater coordination of climate change policy, I share Senator THOMPSON's concerns regarding the overlapping bureaucracy created by a new White House office and look forward to addressing this issue more fully in conference. Nonetheless, through the agreement reached on Title X we have made considerable progress in advancing climate change policy on a bipartisan foundation.

Ms. SNOWE. I thank my esteemed colleagues, Senator BINGAMAN and Senator MURKOWSKI, and those Senators who have taken part in this colloquy today as it shows an unprecedented effort to forge a bipartisan agreement to address the various issues relating to climate change and what our domestic approach and strategy should be for short and long term goals for stabilizing greenhouse gas concentrations through U.S. actions. In addition, it will help the nation continue its efforts to carry out the objectives of the United Nations Framework Convention on Climate Change signed by President George H.W. Bush in 1992 and ratified by the U.S. Senate. The major objective of the Conference is for the stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic, or manmade, interference with the climate system.

I am pleased that Title X calls for an Office of National Climate Change Policy in the White House and hope this direction is pursued as last year I expressed my concerns to the Administration that the national energy policy being developed in the White House should not be developed independently of our U.S. climate change policy. These policies should be seamlessly coordinated across a number of our federal agencies through a broad range of research activities and actions that begin to reduce our Nation's greenhouse gas emissions in an environmentally and technologically sound and economically feasible manner.

I am particularly pleased that Title XIII calls for an ocean and coastal observing system that will give us real time observations to help those of us on the Commerce Committee's Subcommittee on Atmosphere, Oceans and Fisheries greater understand, assess and respond to both human-induced and natural processes of climate change and support efforts to restore the health of and manage coastal and marine ecosystems and living resources. Activities will also include research on abrupt climate change urged in December 2001 by the National Academies for NOAA research to identify the likelihood and potential impact of a sudden change in climate in response to global warming. I look forward to working with my colleague and the White House on this issue of great importance not only to me, but to the Nation, to the international community, and to those generations to follow.

#### MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period for morning business, with Senators permitted to speak for a period not to exceed 5 minutes each.

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

#### TRIBUTE TO CAPTAIN, SELECT, TARA L. LACAVERA, U.S. NAVY

Mr. LOTT. Mr. President, I wish to take this opportunity to recognize and say farewell to an outstanding Naval Officer, Captain, select, Tara L. LaCavera, upon her change of command from Naval Station Pascagoula. Throughout her career, Captain, select, LaCavera has served with distinction. It is my privilege to recognize her many accomplishments and to commend her for the superb service she has provided the Navy, the great State of Mississippi, and our Nation.

Captain, Select, LaCavera began her career as a Fleet Support Officer in 1980 after completing a Bachelor of Arts in Journalism from the University of Georgia and attending the Officer Candidate School in Newport, RI. She served with distinction early in her career as Message Center Officer on the staff of Commander, Oceanographic Systems Command Atlantic; Regional Evaluation Center Watch Officer and Surveillance Training Operational Procedures Standardization at Naval Facility Brawdy, Wales, UK; Fleet Telecommunications Officer, Naval Telecommunications Area Master Station, Naples, Italy; and Intelligence Officer at Commander Naval Allied Forces Mediterranean, Naples, Italy. Later assignments included Administrative Department Head and Public Affairs Officer at NAS Whiting Field, FL; Protocol Officer and Special Assistant to the Commander, Commander in Chief, U.S. Atlantic Fleet; and Executive Officer, Naval Station Norfolk, VA. She received a Master of Science degree in International Affairs from Troy State University in 1990 and was selected as a 1994 Federal Executive Fellow at the John F. Kennedy School of Government, Harvard University.

As Commanding Officer, Naval Station Pascagoula, Captain, select, LaCavera's foresight during the planning and execution of numerous construction projects greatly enhanced the quality of life for the many Sailors of the home ported ships and tenant commands. The results include construction of a new Gulf Coast USO and Learning Resource Center, major expansions of the Fire Department and cardio-fitness center/gymnasium, addition of an on-base service station, and site selection for an off-base military housing project. She was responsible for the intense coordination and certification procedures required for the unprecedented full weapons off-load of the USS COLE, DDG 67, that entailed the safe handling of 86.3 thousand pounds of explosives from the severely damaged destroyer. After the terrorist attack of September 11, 2001, Captain, select, LaCavera immediately executed an increased security posture, utilizing recalled reservist, auxiliary security force personnel, and available base assets to provide harbor patrol and protection for home ported ships and other pre-commissioning units located at Ingalls Shipyard. Her strong guidance

and leadership ensured that Naval Station Pascagoula's personnel, facilities, and weapons platforms were well protected.

Throughout her distinguished career, Captain, select, LaCavera has served the United States Navy and the nation with pride and excellence. She has been an integral member of, and contributed greatly to, the best-trained, best-equipped, and best-prepared naval force in the history of the world. Captain, select, LaCavera's superb leadership, integrity, and limitless energy have had a profound impact on Naval Station Pascagoula and will continue to positively impact the United States Navy and our nation. Captain, select, LaCavera relinquishes her command on April 25, 2002 and reports as Chief Staff Officer, Naval Surface Warfare Center, Dahlgren, VA where she will continue her successful career. On behalf of my colleagues on both sides of the aisle, I wish Captain, select, LaCavera "Fair Winds and Following Seas."

#### SCOTTIE STEPHENSON

Mr. HELMS. Mr. President, this past week a deep sense of sadness settled in on the Helms family—and countless other families as well. Scottie Stephenson's life was finally ended at age 80 by an unyielding illness.

Scottie had gone on to her reward after 80 years of loving and being loved by everybody around her. For various reasons, I had to cancel my plans to be there when the final tributes were being paid to this remarkable lady who was declared many times to be the First Lady of Capitol Broadcasting Company in Raleigh—which, is where I began my years in broadcasting—and where I ended them when in 1972 I allowed myself to be talked into seeking election to the U.S. Senate.

Mrs. Louise "Scottie" Stephenson never quite accepted the death of her handsome husband, Nelson W. Stephenson, whom she married in 1948 but who died in 1961.

Scottie knew the end was approaching early this year. We discussed it a number of times always with the conclusion that when it happened, she would probably be the No. One Gate Keeper serving Saint Peter. As her condition worsened, I set aside a time each day to be devoted to discussions with Scottie about those years gone by when she and I were officers of Capitol Broadcasting Company. Those, she used to remark, were the "salad days".

Then came that inevitable morning when I called and a tape responded. Scottie had mentioned that she would arrange that.

Jim Goodmon, now president and CEO of Capitol Broadcasting Company, was in high school when he began working nights at Capitol Broadcasting.

Our hometown morning paper, the News and Observer, published in its April 17 editions a comprehensive obituary outlining many of the aspects of