

According to a report from the EPA, the impact of the Federal Reformulated Fuels Act on the fuel supply could range from a one percent shortage to a one percent surplus. The report further stated that, due to the transition assistance, the actual impact is more likely to be on the surplus side.

Mr. JEFFORDS. The renewable fuels and MTBE provisions contained in H.R. 4, as passed by the Senate, constitute an agreement among many competing interests that is designed to get rid of MTBE and increase renewable fuel use.

After the reformulated gasoline program went into effect in 1995, many refiners chose to use MTBE to satisfy the minimum 2 percent oxygen requirement of the program. Oxygenates reduce tailpipe emissions of carbon monoxide and other ozone precursors and provide a clean source of high octane, thereby displacing such toxic gasoline octane enhancers as benzene, toluene, and 1,3 butadiene. After implementation of the RFG program, increasing detection of MTBE in ground water and surface water led California to establish a schedule to ban MTBE and 13 other States have followed with their own MTBE bans.

It became clear that the combination of a phase out of MTBE in these states and the continued existence of the two percent oxygen content requirement for RFG could result in a potentially disruptive and abrupt transition to ethanol in states that did not have a history of using ethanol. To facilitate the ban of MTBE, and to provide greater flexibility in producing RFG, states and refiners requested Congress and the administration to lift the RFG oxygen requirement. At the same time, ethanol producers saw a major opportunity for market growth and were reluctant to support elimination of the RFG oxygen requirement.

To address the challenge of maintaining market growth for ethanol, providing greater flexibility in making clean-burning gasoline, and reducing the use of MTBE, Senators LUGAR and DASCHLE in 2000 introduced the Renewable Fuels Act, S. 2503. That bill would allow States to waive the 2 percent oxygen requirement and established a nationwide renewable fuels standard (RFS) to roughly triple the use of ethanol from current levels over 10 years. That RFS requirement would apply to refiners, who would be able to generate, bank, and trade credits for the use of renewable fuels, such as ethanol and biodiesel. This mechanism was designed to increase the use of renewable fuels, provide maximum flexibility in the use of those renewable fuels, while ensuring that eliminating MTBE from gasoline supplies will not lead to greater dependence on foreign oil. As a result of the credit trading and banking, refiners will use renewable fuels where and when it is most economical to do so, and no State will need to use any particular amount of renewable fuel.

That legislation also established that ethanol produced from cellulosic bio-

mass, which is particularly energy-efficient and produces superior greenhouse gas benefits, would receive 1.5 credits for every gallon used. This should spur the establishment of new ethanol facilities across the United States that will use wood waste, municipal solid waste, switchgrass, and other innovative feedstocks.

In September of 2000, the Environment and Public Works Committee passed legislation, S. 2962, which incorporated many of the elements of S. 2503, but Congress adjourned prior to enactment of that bill. The EPW Committee again took up the issue in September of 2001, passing legislation to allow states to waive the oxygen requirement, banning MTBE, and providing additional resources for cleaning up MTBE contamination, but not including a renewable fuels standard. As the Senator from New Hampshire mentioned earlier, that legislation, S. 950, was largely incorporated into S. 517, the Energy Policy Act. A separate section establishing a renewable fuels standard also was included in S. 517. Subsequently, negotiations between the Environment and Public Works Committee, the Energy Committee, and ethanol, public health, environmental, and petroleum interests produced a compromise that replaced the initial MTBE and renewable fuels provisions of S. 517.

During debate on the RFS, concerns were raised that it could lead to gasoline price increases. In response, Senators MURKOWSKI and DASCHLE asked the Energy Information Administration (EIA) to evaluate the potential costs of implementing the RFS, as well as the other fuels provisions in S. 517. The EIA found that the RFS would raise gasoline prices by less than 1 penny per gallon in RFG areas and less than one-half a cent per gallon nationwide. The EIA also noted that these were upper-bound estimates that did not account for the economic benefits that would result from the credit trading and banking provisions. The American Petroleum Institute estimated that the maximum cost increase for a gallon of gasoline due to the implementation of the RFS would be less than one-third of a cent per gallon.

Concerns have also been expressed that requiring the nation to use more renewable fuels could lead to supply shortages and price increases. The evidence suggests that there will be abundant supplies of renewable fuels to meet the RFS. The RFS begins in 2004, requiring 2.3 billion gallons of ethanol to be used in that year. According to the California Energy Commission report on nationwide ethanol supplies, issued in August of 2001, there will be 2.7 billion gallons of ethanol capacity in place by then, so renewable fuels supplies should be plentiful.

Nevertheless, additional consumer protections were incorporated into the legislation. Under the bill, the Department of Energy is required to evaluate supply and logistics of transporting

and blending renewable fuels. If problems are anticipated, the Administrator of the Environmental Protection Agency is instructed to reduce the level of the RFS in 2004. In subsequent years, States that are concerned about renewable fuels prices or supplies may apply to the Administrator of the Environmental Protection Agency to reduce the RFS in whole or in part. State applications must be acted upon within 90 days.

The legislation creates a narrow prospective safe harbor from liability for defect in design or manufacture of a renewable fuel by virtue of it being mandated by this legislation. To qualify for this limited protection, manufacturers of such fuels must have evaluated them for EPA with respect to their toxicity, carcinogenicity, air quality impacts, water quality impacts and they must be used in compliance with any restrictions imposed by EPA. All other causes of action or damages available under applicable State or Federal law are unaffected by this legislation including, but not limited to, negligence, duty to warn, personal injury, property damage, environmental damage, wrongful death, compensatory damages, and punitive damages.

The Senate passed its bill on April 25 and appointed conferees on May 1. We should move quickly to begin this conference because there are many difficult matters to negotiate. Fortunately, the compromise provisions which we have been discussing relating to MTBE and renewable fuels appear to have broad support, judging from the votes in the Senate, and should be amenable to swift agreement among the energy bill conferees.

So, as I mentioned during the debate on S. 517 as part of my summary of these provisions, this is not an ideal package, but it meets the test of improving and protecting air and water quality and promoting renewable energy.

Mr. SMITH of New Hampshire. Mr. President, I agree with the chairman that this legislation is not ideal, but it accomplishes our main goal of remediation and prevention of MTBE contamination. I am pleased that the House has appointed its conferees today and I hope that we can move that conference to an expeditious conclusion maintaining the integrity of the compromise that we worked out here in the Senate.

SUPPORT FOR THE LOCAL LAW ENFORCEMENT ENHANCEMENT ACT

Mrs. BOXER. Mr. President, I was deeply disappointed that the Senate did not have enough votes to move forward on the hate crimes bill—even though a clear majority of the Senate supports this important measure.

During the debate, many of my colleagues addressed the constitutionality of this legislation, and the role that the Federal Government should play

with regard to hate crimes. What speaks volumes to me about the importance of this legislation—and the reason the Senate's inaction is so disappointing—are the stories. The people behind the numbers. The victims and the survivors.

In the strong hope that we will revisit this matter in the near future, let me share some of these stories—some of the awful realities of the crimes we are talking about. The most recent happened just last week in Riverside, CA.

Last Thursday, two gay men were stabbed repeatedly in the back outside a popular gay bar. One of these men, 40-year-old Jeffrey Owens, died hours later. Michael Bussee, 48-years-old, managed to survive.

According to the media reports, both men had come to the bar to celebrate a friend's birthday. After leaving the bar with their partners, Jeffrey Owens wanted to show everyone the pictures he had taken on a recent trip to Joshua Tree National Park. When he went to retrieve the pictures in his car, a man approached Michael Bussee, punched him, and then stabbed him in the back. Noting the commotion, Jeffrey Owens approached the perpetrator, and was stabbed four times in the back. Before stabbing Jeffrey, the attacker screamed a homophobic slur.

Apparently, neither man knew how badly he had been hurt. Jeffrey Owens didn't even realize he had been stabbed until he stepped out of the car at the county hospital in Moreno Valley, when his friends saw his blood-soaked seat.

Jeffrey Owens died hours later, after two operations. Michael Bussee was treated and released.

There are countless other stories I could share with you, but I will only touch on a few of them here today.

On September 7, 2000, a Los Angeles resident was charged with murder and hate crimes for allegedly killing a 65-year-old Hispanic man, Jesus Plascencia, by running him over at least twice in a parking lot. Authorities say she made comments about her hatred of Hispanics after she murdered him and referred to him as "dead road kill."

On September 18, 2001, someone threw a Molotov cocktail through the window of a Sikh family's home in San Mateo, CA. The fuse was lit but, due to some miracle, the firebomb did not explode as it hit the head of a 3-year-old child in the house.

In Santa Barbara, CA, a 37-year-old gay man named Clint Scott Risetter was killed after an alleged arsonist poured gasoline over him while he slept and set him on fire. The perpetrator says he killed Risetter "because he was gay," and because he had "a lot of hatred toward gay people."

And the list goes on and on. These stories are what make this bill so vitally important.

This bill would extend current Federal hate crime protection—which cov-

ers race, religion, color and national origin—to gender, sexual orientation and disability. It would also make it easier to prosecute hate crimes at the Federal level.

It is an extremely important tool to help our already overtaxed State and local law enforcement by allowing Federal assistance, when necessary, in the investigation and prosecutions of hate crimes.

It would provide Federal assistance to State, local and Indian law enforcement officials who have run up extraordinary expenses in connection with their investigation and prosecution of hate crimes. It would also provide training grants to help local law enforcement officers identify, investigate, prosecute, and prevent hate crimes. Finally, it would allow the Justice Department to back up local law enforcement by removing arcane obstacles that prevent effective prosecution of hate crimes motivated by race, color, religion, or ethnicity.

This bill has broad support from notable law enforcement agencies and state and local leaders, including 22 state Attorneys General, the International Association of Chiefs of Police, the National Sheriff's Association, the Federal Law Enforcement Officers Association, and others. With this broad-based support, and with the need so clearly urgent, this bill should be immediately passed.

Two years ago we stressed the importance of passing hate crimes legislation. We cited the examples of James Byrd, Jr., of Matthew Shepard, and others. And we passed it.

Here we are, two years later, making the same arguments and conducting the same debates. This time, the victims have new names: most recently, in my State of California, names such as Jeffrey Owens, Michael Bussee, Jesus Plascencia, and Clint Scott Risetter.

The time to act is now. It is my hope that we will pass this vital legislation by the end of this year.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred June 1, 2001 in Modesto, CA. The home of an inter-racial couple and the couple's two children were threatened when someone threw a Molotov cocktail at the couple's home. Police believe it was a hate crime, citing other evidence such as a watermelon thrown on the driveway, a box of grits, a frozen bag of black-eyed peas, and a 40-oz. King Cobra beer.

I believe that government's first duty is to defend its citizens, to defend them

against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

LEGISLATION TO DENY U.S. TAX-PAYER MONEY TO ARAFAT AND THE PALESTINIAN AUTHORITY

Mr. SMITH of New Hampshire. Mr. President, I rise today in support of my legislation to prohibit any U.S. taxpayer money from ending up in the hands of Yasser Arafat and the Palestinian authority.

Unfortunately, Yasser Arafat is not a partner in the peace process.

As long as the United States continues to provide money to the Palestinian authority through grants to non-governmental organizations, some of that money will end up in the hands of those who wish to do harm to Israel.

We must stand shoulder to shoulder with Israel in the war against terrorism.

We must also send a clear message to Yasser Arafat and the Palestinian leadership that the United States will not tolerate terrorism against Israel.

Israel is a true friend and ally.

And, as a Nation, we share many of the same values—democracy, respect for human rights, freedom of the press, a strong desire for peace and prosperity, to name but a few.

During the Camp David summit in July of 2000, it was Israel that was prepared to make tremendous concessions to ensure peace in the Region.

As we all know today, Arafat refused to reach a peace agreement, and walked away from the negotiating table.

Yasser Arafat did not want peace because he needs the conflict for them to stay in power.

Instead of peace, they chose terror.

My staff has compiled a list of terrorist attacks on Israel last year. In 2001, 79 attacks cost 160 innocent Israelis their lives, and wounded another 1,200. Since then, of course, we have all seen the tremendous cost in human lives and misery from many more terrorist attacks on innocent civilians, and the resulting isolation of Yasser Arafat and the civilized world's condemnation of the Palestinian authority.

We dare not forget the level of terror visited upon Israel by Palestinian terrorists.

Arafat is using his own personal forces to attack Israel through suicide attacks.

Furthermore, he is allowing Hamas and Islamic Jihad safe harbor in the West Bank and Gaza Strip.

Hamas and Islamic Jihad are two of the most heinous terrorist organizations in the world, responsible for the deaths of numerous innocent people.

Keep in mind, at one time, Arafat promised to get rid of these organizations.