

United States as if we do not have the technical capability to open up this area safely is not fraught with any degree of accuracy but it is simply misleading arguments that environmental groups continue to use to generate revenue in dollars.

I encourage each Member to recognize the obligation that we have. That obligation is do what is right for America. What is right for America is to produce more energy and and to produce clean energy here at home.

One of the inconsistencies we have is that nobody seems to really care where they get the oil as long as they get it. They do not concern themselves with whether it comes from a scorched Earth, lack of any environmental oversight a field in Iraq, or from fields in Saudi Arabia, or from the rain forests of Colombia. They only care if they get it.

As I have said time and time again, the world will continue to depend on oil, because that is what the world moves on. We have no other alternative.

Some people suggest we have alternatives, but hot air is not going to move us in an out of Washington, DC, although occasionally there is quite a bit of it here.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant 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 President, I ask unanimous consent that the order for the quorum call be rescinded.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 (Mr. CARPER). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. REID. Mr. President, under the order previously entered, the Senator from Connecticut is entitled to the floor. I ask unanimous consent that Senator KERRY be recognized, and that he be allowed to speak for—how long does the Senator from Massachusetts wish to speak?

Mr. KERRY. A few minutes.

Mr. REID. Up to 15 minutes.

Mr. KERRY. Not more.

Mr. REID. And following that, I would advise the Senate that we will be in a position, at that time, to ask unanimous consent to proceed with legislation today, tomorrow, and Monday, and maybe into Tuesday. The two leaders have worked this out. It is now being drafted, and the two floor staffs have agreed on what the language should be. It is being typed now, and we should be back in 15 minutes, following the statement from the Senator of Massachusetts.

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

Mr. REID. Mr. President, the business before the Senate is the homeland security bill; is that right?

The PRESIDING OFFICER. That is correct.

Mr. REID. Does the clerk need to report that or is it automatic?

The PRESIDING OFFICER. The clerk does not need to report that.

The Senator from Massachusetts is recognized for 15 minutes.

Mr. KERRY. Mr. President, thank you very much. And I thank the distinguished assistant majority leader.

UNANIMOUS CONSENT REQUEST— S. 2734

Mr. KERRY. Mr. President, I am going to be asking unanimous consent to proceed forward on the bill, but I am not going to do that until someone is here from the other side. And I know they are going to object, or most likely will object.

But let me bring to the attention of my colleagues in the Senate a situation that is not dissimilar to a situation we faced some months ago in trying to provide emergency assistance, under the Small Business Administration, to those who had been affected by the events of September 11 of last year.

We had a lot of small businesses in the country that were hurting that had collateral damage, if you will, as a consequence of those events. Many, many small businesses were dependent on the economy as it flows through all sectors. So whether it was a small dry-cleaner that was affected because they were not doing as much business because hotels were not doing as much business or a limousine company or a taxi company, there are many people who were affected tangentially because of the dropoff in air travel, and so forth.

It took us a number of months, almost six, unfortunately, in the Senate to respond in a way that many of us thought was both appropriate and adequate. And, again, we are sort of running into a strange kind of unexplained resistance by the administration to something that makes common sense, is very inexpensive but also very necessary for a lot of small entrepreneurs in our country. I am specifically referring to the Small Business Drought Relief Act.

In more than 30 States in our country, we have a declared drought emergency. And the drought is as significant in some places as it was during the great Dust Bowl years of the Depression in the United States.

Drought hurts more than farmers, more than ranchers. The purpose of this bill is to try to provide some emergency assistance, in an affordable and sensible way, for those small businesses that are not in agricultural-related fields but desperately cannot get help, and need it, and cannot get it because the SBA does not apply the law uniformly for all victims of drought.

The SBA makes disaster loans to small businesses related to agriculture that are hurt by drought, but they are turning away small businesses that are in industries unrelated to agriculture, and claiming that those businesses are

not entitled to it because drought does not fit the definition of disaster.

That is just wrong. It is wrong because the law does not restrict them from making loans to those small businesses. It is wrong because that is not the intent of the Congress to turn away those small businesses, and they should be following the law and following the intent of Congress.

I might add that the SBA has in effect right now disaster declarations in 30 States that I just talked about. For instance, in South Carolina, the entire State has been declared a disaster by the SBA, but the administration is not helping all of the drought victims in South Carolina that are looking for help.

Let me share with you the declaration of drought itself. It addresses this question of intent.

Small businesses located in all 46 counties may apply for economic injury disaster loan assistance through the SBA.

Let me read to you from the declaration:

Small businesses located in all 46 counties may apply for economic injury disaster loan assistance through the SBA. These are working capital loans to help the business continue to meet its obligations until the business returns to normal conditions. . . . Only small, non-farm agriculture dependent and small agricultural cooperatives are eligible to apply for assistance. Nurseries are also eligible for economic injury caused by drought conditions.

What do I mean by other businesses that may be affected by drought? In South Carolina, conditions are so bad that small businesses dependent on lake and river tourism have seen their revenues drop anywhere from 17 to 80 percent. So you have victims of the drought that range from fish and tackle shops to rafting businesses, from restaurants to motels, from marinas to gas stations. Their livelihood is no less impacted and no less important than those who have been deemed to fit under only the agricultural definition.

Thousands of small businesses make their living in tourism, recreation industries, not just in South Carolina but in many other parts of the country, including my State of Massachusetts, in Texas, Michigan, Delaware, and elsewhere.

In fact, for a lot of States around the Great Lakes Basin, sport fishing, as reported by the Committee on Small Business and Entrepreneurship, brings into the region some \$4 billion a year. There are many industries that are dependent on water that are affected by drought, and they ought to be eligible for this help.

Is this opening Pandora's box with respect to a flow of lending that we cannot afford? The answer is definitively no. The SBA already has the authority, but its lawyers have decided not to help these industries based on their own interpretation of a definition, despite the fact that Congress believes otherwise.

That defies both common sense and fairness. Small businesses with everything on the line desperately need this,

especially at a time when capital is a lot tighter for working capital purposes, where the lending is significantly tighter from the banks and from other traditional credit sources.

Our bill, the drought relief bill, does not expand the existing program. It simply clarifies existing authority. That is a matter of common sense.

In terms of cost, the Congressional Budget Office estimates a cost of about \$5 million annually. What we have here is a resistance by somebody in the U.S. Senate to allowing this to go forward based on about a \$5 million annual estimate by CBO.

This chart of CBO's estimate is a tally of the estimated spending under the SBA's disaster loan program which shows the differential with this particular bill.

This bill is bipartisan. The principal cosponsors are Senator BOND and Senator HOLLINGS. All the members of our committee—the Committee on Small Business and Entrepreneurship—voted in favor of this bill. There are 25 cosponsors, Democrats and Republicans; 17 Governors have written us to express their support of this legislation in hopes we will pass it, including 15 of the Southern Governors' Association.

I ask unanimous consent that letter, and others, be printed in the RECORD.

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

SOUTHERN GOVERNORS' ASSOCIATION,
Washington, DC, August 19, 2002.

Hon. JOHN KERRY,
U.S. Senate, Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KERRY: We are deeply concerned that small businesses in states experiencing drought are being devastated by drought conditions that are expected to continue through the end of the summer. We urge you to support legislation that would allow small businesses to protect themselves against the detrimental effects of drought.

Much like other natural disasters, the effects of drought on local economies can be crippling. Farmers and farm-related businesses can turn in times of drought to the U.S. Department of Agriculture. However, non-farm small businesses have nowhere to go, not even the Small Business Administration (SBA), because their disaster loans are not made available for damage due to drought.

To remedy this omission, Sen. John Kerry (D-Mass.) introduced the Small Business Drought Relief Act (S. 2734) on July 16, 2002, to make SBA disaster loans available to those small businesses debilitated by long drought conditions. This bill was passed by the Senate Small Business Committee just eight days later. Also, the companion legislation (H.R. 5197) was introduced by Rep. Jim DeMint (R-S.C.) on July 24, 2002. Both bills are gaining bipartisan support, and we hope you will cosponsor this important legislation and push for its rapid enactment in the 107th Congress.

As 11 southern states are presently experiencing moderate to exceptional drought conditions this summer, we cannot afford to wait to act. We urge you to cosponsor the Small Business Drought Relief Act and push for its consideration as soon as possible.

Sincerely,

Gov. Don Siegelman of Alabama, Gov.
Mike Huckabee of Arkansas, Gov. Roy

E. Barnes of Georgia, Gov. Paul E. Patton of Kentucky, Gov. M.J. "Mike" Foster, Jr. of Louisiana, Gov. Parris N. Glendening of Maryland, Gov. Ronnie Musgrove of Mississippi, Gov. Bob Holden of Missouri, Gov. Michael F. Easley of North Carolina, Gov. Frank Keating of Oklahoma, Gov. Jim Hodges of South Carolina, Gov. Don Sundquist of Tennessee, Gov. Rick Perry of Texas, Gov. Mark Warner of Virginia, Gov. Bob Wise of West Virginia.

STATE OF SOUTH CAROLINA,
OFFICE OF THE GOVERNOR,
Columbia, SC, July 9, 2002.

Hon. JOHN KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KERRY: The State of South Carolina is in its fifth year of drought status, the worst in over fifty years. Some parts of the state are in extreme drought status and the rest is in severe drought status.

99% of our streams are flowing at less than 10% of their average flow for this time of year. 60% of those same streams are running at lowest flow on record for this date. The levels of South Carolina's lakes have dropped anywhere from five feet to twenty feet. Some lakes have experienced a drop in water level so significant that tourist and recreational use has diminished.

State and national climatologists are not hopeful that we will receive any significant rainfall in the near future. To end our current drought, we would need an extended period of average to above average rainfall.

Droughts, particularly prolonged ones such as we are experiencing now, have extensive economic effects. For farmers who experience the economic effects of such a drought, assistance is available through the USDA. For small businesses, assistance is available only for agriculture related small businesses, i.e. feed and seed stores. For businesses that are based on tourism around Lakes and Rivers, there is currently no assistance available.

We have reports of lake and river tourism dependent businesses experiencing 17% to 80% declines in revenue. The average decline in revenue is probably near 50% across the board.

My staff has contacted Small Business Administration and they are not authorized to offer assistance to these businesses because a drought is not defined as a sudden occurrence. Nonetheless, a drought is an ongoing natural disaster that is causing great economic damage to these small business owners.

I am requesting that you assist us in this situation by proposing that the Small Business and Entrepreneurship Committee take action to at least temporarily amend the SBA authorizing language and allow them to offer assistance to small businesses affected by prolonged drought. This would allow Governors to ask SBA for an administrative declaration of economic injury because of drought. The low interest loans SBA can offer these businesses would allow many of them to weather the drought and remain in business for the long run.

My staff has also been in contact with Senator Hollings' legislative staff. I hope together, we can find an expedient solution to the plight of these small business owners. Short of finding a way to control the weather, this may be our only option to help their dire situation.

Sincerely,

JIM HODGES,
Governor.

STATE OF NORTH CAROLINA,
OFFICE OF THE GOVERNOR,
Raleigh, NC, July 18, 2002.

Hon. JESSE HELMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HELMS: I am writing to urge your support for legislation recently introduced in the Senate to add drought as a condition for which small businesses may apply for Small Business Administration Economic Injury Disaster Loans.

The Small Business Drought Relief Act (S. 2734) will correct the current situation facing our small businesses in North Carolina. SBA disaster assistance is not available despite a historic drought that is impacting not just our agriculture sector, but causing real business and revenue losses, which threaten some firms with job layoffs or even bankruptcy.

These businesses need help, and access to low-interest SBA loans can offer a lifeline to allow paying bills and making payrolls until business returns to normal.

I urge you to push for rapid action on this important enhancement to SBA's ability to help our people through this time of trouble.

With kindest regards, I remain

Very truly yours,

MICHAEL F. EASLEY,
Governor.

STATE OF NORTH CAROLINA,
OFFICE OF THE GOVERNOR,
Raleigh, NC, July 18, 2002.

Hon. JOHN EDWARDS,
U.S. Senate,
Washington, DC.

DEAR SENATOR EDWARDS: I am writing to thank you for your support for legislation introduced in the Senate to add drought as a condition for which small businesses may apply for Small Business Administration Economic Injury Disaster Loans.

The Small Business Drought Relief Act (S. 2734) will correct the current situation facing our small businesses in North Carolina. SBA disaster assistance is not available despite a historic drought that is impacting not just our agriculture sector, but causing real business and revenue losses, which threaten some firms with job layoffs or even bankruptcy.

These businesses need help, and access to low-interest SBA loans can offer a lifeline to allow paying bills and making payrolls until business returns to normal.

I urge you to push for rapid action on this important enhancement to SBA's ability to help our people through this time of trouble.

With kindest regards, I remain

Very truly yours,

MICHAEL F. EASLEY,
Governor.

OFFICE OF THE GOVERNOR,
July 23, 2002.

Hon. JOHN F. KERRY,
Chairman, Committee on Small Business, Washington, DC.

Hon. CHRISTOPHER BOND,
Ranking Member,
Washington, DC.

DEAR SENATORS KERRY AND BOND: Much of Nevada and the Nation have been experiencing extreme drought over the past several years. In Nevada we have seen the effects of this situation through catastrophic range and forest fires, insect infestations and loss of crops and livestock.

Prolonged drought causes a drastic reduction in stream and river flow levels. This can cause the level of lakes to drop so significantly that existing docks and boat ramps cannot provide access to boats. In the case of range and forest fires we have seen small innkeepers and hunting and fishing related

businesses that have their entire season wiped out in a matter of a few hours.

Unfortunately for some small businesses, drought assistance is available only for agriculture related small businesses, such as feed and seed stores. For businesses that are based on tourism around lakes and rivers, there is currently no drought assistance available.

The Small Business Administration (SBA) is not currently authorized to help these businesses because a drought is not a sudden occurrence. Nonetheless, a drought is an ongoing natural disaster that causes great damage to these small businesses.

I would like to lend my support to S. 2734, The Small Business Drought Relief Act. This bill would amend the guidelines and authorize the SBA to offer assistance to small businesses affected by prolonged drought. With passage of this bill, Governors would be allowed to ask SBA for administrative declarations of economic injury because of drought. The low interest loans SBA can offer these businesses would allow many of them to weather the drought and remain economically viable for future operation.

Sincerely,

KENNY C. GUINN,
Governor.

COMMONWEALTH OF KENTUCKY,
OFFICE OF THE GOVERNOR,
Frankfort, KY, July 23, 2002.

Hon. JOHN F. KERRY,
Chairman, Committee on Small Business and
Entrepreneurship, U.S. Senate,
Washington, DC.

Hon. CHRISTOPHER S. "KIT" BOND,
Ranking Member, Committee on Small Business
and Entrepreneurship, U.S. Senate,
Washington, DC.

DEAR CHAIRMAN KERRY AND SENATOR BOND: As you know, much of our nation is struggling to overcome "moderate" to "extreme" drought conditions. Droughts, especially prolonged droughts, have extensive, devastating effects that damage crops and livestock, deteriorate soil, and fuel raging wildfires. These are only some of the irreparable effects that droughts can have on small businesses, communities, and state and local economies.

In general, federal disaster assistance is available for agriculture and agriculture-related small businesses that are impacted by drought. However, droughts hurt more than agricultural, forestry, and livestock businesses.

Prolonged drought also causes a drastic reduction in stream and river flow levels. This can trigger such a significant drop in the level of lakes that existing docks and boat ramps cannot provide access to boats, which impacts many additional small businesses.

As a result, many non-farm small businesses that are water-reliant also suffer staggering revenue losses in the wake of a drought disaster, yet they do not currently receive disaster relief. Unlike other natural disasters such as hurricanes or floods, the effects of drought build up over-time, last for several years, and are jeopardizing the future of these small business owners. The lack of federal disaster assistance available to these non-farm small businesses only forces undue job layoffs and bankruptcies and further disrupts drought-impacted communities.

I thank you for recognizing that many fish and tackle shops, rafting businesses, restaurants, motels, camp grounds, marinas, gas stations, and other small businesses in Kentucky and other states are severely impacted by drought but are unable to receive federal disaster assistance. I strongly support your resulting efforts, the Small Business Drought Relief Act (S. 2734), which would allow the Small Business Administra-

tion to offer low-interest disaster loans to these businesses and afford them the same opportunity as agriculture-related businesses to recover and survive.

I appreciate your assistance and support and look forward to working with you and your colleagues on this very important matter.

Sincerely,

PAUL E. PATTON,
Governor.

Mr. KERRY. This is a letter from the Southern Governors' Association, with 15 southern Governors signing and asking us to pass this assistance. They have sent letters to Members of Congress asking them to support and pass the bill.

Finally, we are not talking about grants. We are talking about loans. These are going to be repaid. The default record of the SBA over the last 10 years is really quite extraordinary on the positive side of the ledger. The question is whether we are going to look to small businesses that are equally hard working as anyone else in the country, who, like farmers, are suffering the economic consequences of a drought that is beyond their control.

I thank Senator BOND for working with me to try to address this problem. I thank Senator HOLLINGS, particularly, the chairman of the Commerce Committee, for introducing the bill with me. I am particularly grateful to the small business owners who have brought this issue to our attention and who hope we can break out of any partisan resistance within the Senate in order to do what is right.

I hope my colleagues will permit us to proceed forward on this legislation.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KERRY. 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. KERRY. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar No. 535, S. 2734; and that the Bond amendment, which is at the desk, be considered and agreed to; the committee-reported substitute amendment, as amended, be considered and agreed to; the bill, as amended, be read three times, passed, and the motion to reconsider be laid upon the table; that any statements relating thereto be printed in the RECORD at the appropriate place as if read, without further intervening business or debate.

The PRESIDING OFFICER. Is there objection?

Mr. SANTORUM. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KERRY. Mr. President, my hope is, again, that Senators on the other side, who are also cosponsors of this bill, will assist us in trying to proceed forward because there is no rationale

for delay—I underscore—there was an e-mail circulated by somebody with some gargantuan unofficial estimate of cost that has no relationship to any legitimate estimate that has been made here. The CBO estimate clearly demonstrates that this measure is sensible, with a cost of about \$5 million a year.

What is happening is we are seeing a little bit of partisanship—maybe we are seeing a lot of it these last days here in the Senate. I hope we can overcome this in the next days. I look forward to working with Senator BOND and others to see if we can proceed forward on this legislation.

I yield the floor.

HOMELAND SECURITY ACT OF 2002—Continued

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, we all agree that one of the many important tasks of the new Department of Homeland Security will be protecting our country's computer infrastructure from cyber attacks. Computer technology is at the heart of our country's economy and has improved every aspect of our lives. Terrorists and others who wish to harm our country recognize that cyber attacks on our vital computer and related technological systems can have a devastating impact on our country, our economy and the lives of our people. The threat of cyber attacks, be it from foreign and/or domestic actors, is not new, but we all understand that the risks today are even greater.

The threat of a devastating cyber attack is real and the potential for harm is great.

A recent study found that cyber attacks on the Internet were projected to increase this year by as much as 65 percent. Just last year, two Russian hackers infiltrated American banks and businesses, stole private data, including credit card numbers, and extorted those companies by threatening to destroy their computers or release their customers' private information.

Since September 11, there has been growing concern about the risk to our country of a serious cyber attack, particularly one against our infrastructure which could have devastating consequences. Late last fall the FBI traced a suspicious pattern of surveillance against Silicon Valley computers originating from the Middle East and South Asia involving emergency telephone systems, electrical generation and transmission, water storage and distribution, nuclear power plants and gas facilities in the bay area. Recently, it was reported that energy companies have suffered a significant increase in cyber attacks—up 77 percent this year—which have raised concern that the country's power system may be within the cross hairs of cyber terrorists.

Given the vital role that computer and related technologies play in our