

ORDER OF PROCEDURE

Mr. REID. I ask that when we move to the welfare bill, TANF, that on our side for 30 minutes 7 minutes be given to our manager, Senator BAUCUS; 7 minutes to Senator KENNEDY, the ranking member of the full committee; 5 minutes to Senator REED from Rhode Island; and 5 minutes to Senator BOXER from California.

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

The Senator from Wyoming.

ENERGY POLICY

Mr. THOMAS. Mr. President, I rise to speak about where we are, where we are going, and some of the difficulties we are finding in getting there. I was listening earlier as the Senator from New York and the Senator from Illinois were discussing some of the issues they consider to be problems with this administration.

They talked about the cost of energy. One of the reasons we are having some problems with the cost of energy is we have not been able to get an Energy bill passed that gives us any direction because it has been obstructed by the other side of the aisle, and it continues to be. So that is not a surprise.

They talked a lot about the health care problems. One of the reasons we have health care problems is the obstruction on the other side that will not allow us to move forward with malpractice insurance.

The same thing, of course, is true with Medicare. They were critical of doing something with Medicare. I remind my colleagues this is the first time in 30 years we have done something to help change Medicare, and it is going to be implemented over a period of time because there will need to be some changes in it. For the first time, people will be given an opportunity to get pharmaceuticals at less cost, and we will begin to have an opportunity to change Medicare from the way it was originally structured. It is very difficult to do that with the obstruction on the other side.

It is frustrating to be in the Senate where we are supposed to be making decisions, supposed to be moving forward. We do not all agree, that is certainly true, but we do have a system that allows us to go forward. That is what votes are for, but we cannot take votes. We continue to sit here and only talk about things.

I am particularly interested in the energy issue, of course. I think it is certainly one that we have talked about for a very long time. It now becomes more important because of the cost increases, because of the difficulties we are having with energy. It begins to be more apparent that we need to have an energy policy that has some plans for where we go over the next 5 or 10 years. We need to do that as soon as we can.

One of the things the Bush administration, Vice President CHENEY and the

President, did was to seek to have an energy policy. All we have heard are complaints and criticisms and still there is obstruction to having an energy policy, when it is so clear that that is precisely what we need to have.

We have higher gas prices at the pumps, partly because OPEC has backed off somewhat, but also because we have made it necessary for refiners to put into place about 18 different combinations of fuel. There have been unexpected disruptions from Venezuela and elsewhere. We are having higher home heating bills because of the stress on natural gas where the consumption is going up much faster than the production, and it is predicted to do that in the future for some time.

So we are still talking about these issues. People are more aware of them because of the blackout, because of the cost, and because of the difficulties. So we need to make some changes, but we need a policy. We are not talking about all that we can do instantly. We are saying we need a general policy, and that is what this policy is. It has to do with alternative sources. It has to do with efficiency. It has to do with conservation. It has to do with more research so that, for instance, there can be more clean coal burned.

Today, the Wall Street Journal said finally people are saying we are having trouble with natural gas because of the demand, but coal is the fuel that we have with the most fossil reserves in this country, and we can do it in a clean way. Particularly, western coal is low in Btu and low in CO₂.

We need to be moving in that direction. We need a balanced bill, and there are things we can do to accomplish that. We are going to have to change the fuels over a period of time.

Some, particularly on the other side of the aisle, say: Oh, well, we have to start using alternatives up to 40 percent in the next 5 years.

Right now, of all of our energy production, 3 percent is produced by alternatives such as wind. We can do much more in the future, and we hope that we do, but we cannot turn that corner right away. It is a very difficult thing to do.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. THOMAS. Mr. President, I certainly urge that we stop obstructing and move forward with an energy policy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming yields the floor.

The Senator from Oregon is recognized for 10 minutes.

Mr. REID. Mr. President, I ask the Senator if he will yield for a unanimous consent.

Mr. SMITH. Yes, I yield to the Senator from Nevada.

Mr. REID. Mr. President, our remaining time will be yielded to the Senator from Wisconsin, Mr. FEINGOLD.

THE DREAD OF ELECTION YEAR POLITICS

Mr. SMITH. Mr. President, as the new year arrived, I looked to coming back to Congress with, frankly, a sense of dread because I knew we were entering a political year, a year where the stakes are high, and the President stands for reelection. I knew there would be an awful lot of my work and the work of all of us tied up in partisan gamesmanship.

I will confess to my colleagues, I do not much enjoy it. I look at my friend from Nevada, Senator REID, and I see a great human being. When I look at Senator FEINGOLD, I see another great human being. I love the message of compassion of the Democratic Party. I know where their hearts are. This is not about good people or bad people. This is about competing ideas.

But because I had that view—my father was a Republican, and my mother, a Udall from Arizona—I understand good people can differ on these issues. Because of that sort of bipartisan approach to life I have always had, in my former life as a businessman, as candidates for public office would come to our company and ask to meet with us and our employees, I welcomed Democrats and Republicans alike equally.

Unfortunately, what I often came away with was the feeling those on the Democratic side loved my employees but they hated employers. That is because they would demand we create jobs and then they would say the way you do that is you raise the minimum wage, increase your regulations, and raise your taxes. I came to understand by doing the books, by doing accounting, one of my most significant costs was Government overhead.

All of them are well meaning. But all of them make it more difficult for capital to come together so labor can be given work to do.

As my colleagues have come to the floor and complained about various aspects of this current obstructionist period—you know, we talk about medical liability, the Senator from Wyoming talked about energy, others have talked about judges—I have to talk today about the whole issue of FSC/ETI and how critical it is we find a way through this morass of partisanship to getting this bill done. What we do by failing the American people is to impose on manufacturers a European tax and a penalty to American potential for creating jobs. I don't think that is what Senators intend, but that is what is happening if we don't get FSC/ETI through this process.

As I mentioned earlier, I love the compassion I hear from my Democratic friends. Yet when I look at some of the policies that are advanced, what I see are policies designed to make the United States more like Western Europe, more like socialist democratic welfare states.

I recently had an experience on a trip with Senator SHELBY and Senator CANTWELL when we had traveled to

Berlin to meet with Gerhard Schroeder. The German Chancellor was explaining to us his policies to reduce taxes, to reduce regulation, to reform medicine and Social Security. I said in humor, Mr. Chancellor, your policies would make Ronald Reagan smile.

His response was: It isn't because I want to do this, but I must do this because Germany no longer grows. We no longer have opportunity for our people. Our economy is dead in the water and yours is growing at a spectacular rate.

He even commented to the effect: You worry about losing jobs? We wonder why Mercedes and BMW are building plants in South Carolina.

It is because you can get a return on investment here.

I think we have to get beyond this lamentable side of the Democratic message, we love employees but we hate their employers, because the truth is both have to win and there is room for both. These policies that are punitive are well-intended. They want a vote on the minimum wage. I am ready to vote on that. They want to vote again on the overtime provision. We have voted on all these things before. These are not reasons to hold up progress on FSC/ETI. But that is what is happening.

We have to vote two, three, four times on policies already decided by this bicameral Capitol Hill. It is so very frustrating. I don't want America to become a democratic socialist welfare state. I don't care how well meaning all that was when they constructed the French and German economies, but I know, as Vice President CHENEY pointed out last week, while our economy was growing at nearly 8 percent in the last half of last year, their economies were growing at 1.4 percent.

So as we look to where these policies that are being proposed lead, let's understand we don't want to become like that. We want to be Americans. We want the American economy to produce jobs and to ensure freedom. All the well-intentioned taxes, regulations, and burdens of costs that are put upon employers ultimately translate into harm to employees. I think we have to start pointing that out.

In the FSC/ETI bill we passed through the Finance Committee, there was included in that a very important provision I was proud to sponsor. It was the repatriation provision. One of the good things the Europeans do and many of the other countries with whom we compete do, when their companies invest over here they let them take the money back to their home country without a tax. They let it be taxed once here. They don't retax it.

As to American companies who compete overseas, we allow them to be taxed over there and then we tax them again when they come back. So this repatriation provision, which for 1 year would have treated our companies like our competitors treat their companies, would have dropped the tax from 35 percent to 5.25 for 1 year. That would

have created over 650,000 jobs. All the economists said that. It would have brought \$300 billion into the economy, and it would have increased Federal tax receipts by nearly \$12 billion a year. It is a win-win. Yet we are stuck trying to re-vote on votes we have already voted, holding up this critical legislation, which I promise you is a vote against jobs. To obstruct this bill is a vote against American jobs. It is a vote for a European tax increase on American workers.

Repatriation is a component of ending the FSC regimen that promoted exports by helping to bring into balance with our competitors American taxation on our companies which export abroad.

I listened with some humor last week when my colleague Senator KERRY, the Democratic nominee for President, introduced his tax plan. It contained my repatriation provision. But when we put it through the Finance Committee, Senator KERRY voted against it. But now it is included. I don't know. I am glad he changed his mind, but I don't know why the flip-flop. It is a great idea. It is important to do. I am glad he is now with us. I wish he were here today to vote on it. We could use his vote to get this off the Senate floor, to a conference, and into the American economy. It truly does produce jobs.

While I think it is easy to hate employers, it is easy to bash corporations, at the end of the day that is how American free enterprise does its work.

I know not all corporations are perfect. There is always a rotten apple or two to spoil the barrel. But most employees don't hate their employers, and most employers care about their employees. Most American companies are anxious to see America succeed. These are patriotic people. We have to understand there needs to be a win-win here. Right now the obstruction on FSC/ETI is a lose-lose for the American people.

If we want to see jobs created, we need to pass this bill. We need not to accede to a European tax through the WTO on the issue of FSC/ETI. We need to fix it now. We needed to fix it yesterday. We need to get it to the House so we can get it to the President and then get it to the union shop, the corporate board room, so labor can be re-employed, because American capital comes home.

The PRESIDING OFFICER (Mr. ENSIGN). The Senator from Wisconsin is recognized.

CORPS OF ENGINEERS MODERNIZATION AND IMPROVEMENT ACT OF 2004

Mr. FEINGOLD. Mr. President, I rise today to discuss the Corps of Engineers Modernization and Improvement Act of 2004, S. 2188, which I introduced right before the March recess. I am pleased that the senior Senator from Arizona, Senator MCCAIN, and senior Senator from South Dakota, Senator DASCHLE, joined me in cosponsoring this legislation.

This legislation is particularly timely because it comes at a time when Congress is debating the Nation's budget, and when we cannot ignore the record-breaking deficits that the Nation faces. Time and time again we have heard that fiscal responsibility and environmental protection are mutually exclusive. Through this legislation, however, we can save taxpayers billions of dollars and protect the environment. As evidence of this fact, this bill is supported by Taxpayers for Commonsense, the National Taxpayers Union, the National Wildlife Federation, American Rivers, the Corps Reform Network, and Earthjustice.

Reforming the Army Corps of Engineers will be a difficult task for Congress. It involves restoring credibility and accountability to a Federal agency rocked by scandals and constrained by endlessly growing authorizations and a gloomy Federal fiscal picture, and yet an agency that Wisconsin, and many other states across the country, have come to rely upon. From the Great Lakes to the mighty Mississippi, the Corps provides aid to navigation, environmental remediation, water control and a variety of other services in my State alone.

My office has strong working relationships with the Detroit, Rock Island, and St. Paul district offices that service Wisconsin, and I want the fiscal and management cloud over the Corps to dissipate so the Corps can continue to contribute to our environment and our economy.

This legislation evolved from my experience in seeking to offer an amendment to the Water Resources Development Act of 2000 to create independent review of Army Corps of Engineers' projects. In response to my initiative, the bill's managers, which included the former Senator from New Hampshire, Senator Bob Smith, and the senior Senator from Montana, Senator BAUCUS, adopted an amendment as part of their managers' package to require a National Academy of Sciences study on the issue of peer review of Corps projects.

S. 2188 includes many provisions that were included in two bills, one of which I authored and the other I cosponsored, in the 107th Congress. It codifies the idea of independent review of the Corps, and it provides a mechanism to speed up completion of construction for good Corps projects with large public benefits by deauthorizing low priority and economically wasteful projects.

The bill puts forth bold, comprehensive reform measures. It modernizes the Corps project planning guidelines, which have not been updated since 1983. It requires the corps to use sound science in estimating the costs and evaluating the needs for water resources projects. Under this bill, a project's benefits must be 1.5 times greater than the costs to the taxpayer, which alone would save the taxpayers over \$4 billion. And, to receive Federal project funding, local communities