

That is what the Secretary of Transportation will be looking at and coming back with, so we will be able to anticipate some of the things we will be looking at 6 years from now.

A very important section is 1203. That is the freight transportation gateways, freight intermodal connections. Freight movement in America is expected to grow dramatically in volume and value over the coming decades. Throughout the reauthorization hearings, the Environment and Public Works Committee heard concerns about inadequate freight facilities, insufficient capacity, and insufficient connections.

The GAO recently released a report, dated October 2003, a little over a month ago, regarding freight transportation, recommending strategies needed to address planning and financing limitations. The report noted that the major challenges to freight mobility all shared a common theme—congestion, including overcrowded highways, freight specific check points.

Additionally, the GAO reported two main limitations that stakeholders encounter in addressing these challenges. The first related to the limited visibility that freight projects receive in the planning and prioritization process. S. 1072 directly addresses this problem by creating a freight transportation coordinator at the State level to facilitate public and private collaboration in developing solutions to freight transportation and freight gateway problems. This is one more area where we will have an increased emphasis on States.

The bill also ensures that intermodal freight transportation needs are integrated into project development and planning processes. The second limitation that the GAO found was inhibiting stakeholders was that Federal funding programs tend to dedicate funds to a single mode of transportation or non-freight purpose, thus limiting freight project eligibility among some programs. S. 1072 deals with this problem as well as making intermodal projects eligible for STP and NHS funding.

The Freight Gateways program found in this bill promotes intermodal improvements for freight movement through significant trade gateways, ports and hubs, and intermodal connections to the national highway system. States and localities are encouraged to adopt new financing strategies to leverage State, local, and private investments in freight transportation gateways, thus maximizing the impact of each Federal dollar.

The Freight Gateways program is funded from a set-aside of 2 percent of each State's NHS apportionment. However, in the spirit of State flexibility and ensuring that funds go to the areas of greatest need, a State is not required to spend the 2 percent of their NHS apportionment if they can certify to the Secretary that their intermodal connections are adequate. I think this is a recognition that the States do

know more about their needs than the Federal Government. That is one of the trends of this.

I know we are ready to recess. I yield to my colleague Senator JEFFORDS for the remainder of the time.

Mr. JEFFORDS. I will take very little time. I commend the chairman again and all the staffs, his and mine, for the incredible amount of work they have put into this effort.

Mr. INHOFE. They are even talking to each other now.

Mr. JEFFORDS. Yes, right. It is fantastic. We know also that we have a long way to go. The work you have done and my staff has done, all of us, has placed us in a great position to start. But now it is the opportunity for all the Members to check carefully to see how their States are doing and maybe make some improvements. We know we will have a number of amendments. We have a long way to go, but I think we are off to a great start. I expect we will have a great finish.

Mr. INHOFE. I would agree with those comments. However, I think we have the basic formula, and this is something for which I am going to be fighting because once you break into this and change the formula, that is going to change every State. That is something we have spent over a year now working out to get as much equity as possible. We look forward to the input from Members who are not on the committee.

Mr. JEFFORDS. They should all have the opportunity, and I know we will provide it. I think we have done a great job, so there should not be too much problem.

Mr. INHOFE. Mr. President, 12:30 has arrived and we are planning to break.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, at 12:30 p.m., the Senate recessed until 2:19 p.m. and reassembled when called to order by the Presiding Officer (Mr. VOINOVICH).

#### SAFE TRANSPORTATION EQUITY ACT OF 2003—Continued

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I know this is a day when we are having discussions about the highway bill, the transportation measure, and the highway portion of it. I appreciate the opportunity to share with my colleagues some of my thoughts on the work that has gone on. As I indicated yesterday, there will be a number of very important amendments. We hope to overcome the technical difficulties which make it impossible for Members to get to their offices so that they can present the amendments.

We have heard from a number of Members who are concerned because

they are not getting enough in the bill, but, frankly, this bill has much in it to commend, and we are looking forward to working in a cooperative manner to get this bill passed.

We have lost valuable time, obviously, as we had to get cloture yesterday and we are working under the constraints of the ricin presence today. So we are a bit delayed.

I reiterate, I appreciate and commend the great work of Senator INHOFE, chairman of the Senate Environment and Public Works Committee, the ranking member, Senator JEFFORDS, and my partner on the Transportation Subcommittee, my ranking member, Senator HARRY REID of Nevada. They have done an excellent job.

I believe the committee reported out a bill, S. 1072, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003, which we know as SAFETEA, which accomplishes several very important goals.

First, safety. Safety in this authorization is for the first time given a prominent position, being elevated to a core program. Our bill mirrors the administration's proposal continuing our commitment to our motoring public's safety. This is accomplished by providing much needed funding to reduce highway injuries and fatalities, all without the use of mandates.

A key component of the bill before us will go a long way to saving lives by providing funds to States to address safety needs at hazardous locations, sections, and elements. This includes roadside obstacles and unmarked or poorly marked roads that may constitute a danger to motorists, bicyclists, pedestrians, and other highway users.

We know in my own home State of Missouri that inadequate roads delay, deny, and derail economic development opportunities. But most important, inadequate highways kill people. We have more than three deaths a day on Missouri's highways. I think a large number—at least a third and perhaps more—of those are attributed to inadequate infrastructure.

When there is traffic of 10,000, 15,000 to 20,000 cars a day on a narrow two-lane road, there are going to be people passing when they should not and they run into other people head on.

I have lost friends. I know too many families who grieve the loss of loved ones. I can point out roads in Missouri where one can drive not very far and see white cross after white cross put up as a reminder that some lost their lives on those roads. They lost their lives because the traffic was heavy. Very often, someone not from the area or even not from the State has come in and is not familiar with the road and they pass where they should not. They meet someone else head on, and that is a tragedy. Several weeks ago, I attended the funeral of the husband of a former staffer of mine who has been incapacitated. He was killed on a two-lane road. It was a terrible tragedy and an unspeakable loss.

We heard numerous testimony from the administration that nearly 42,000 people are killed on our roads and highways each year. I think the bill reflects a continued commitment to making not only investments in our infrastructure but also to the general safety and welfare of our constituents.

The second feature of this bill which is very important is equity. While previous authorizations have talked about equity, our bill carefully balances the needs of the donor States while also recognizing the needs of the donee States.

For those who may not be familiar with the terminology, donor States such as Missouri and Oklahoma are ones that get less than a dollar back for every dollar they put in. Donee States are ones that get back more than a dollar for every dollar they put in. We are seeking to get a better return on our money, realizing that in this bill we cannot overcome the inequities between the donor and donee States.

There are many sections in the bill I am proud of supporting. One of the most important facts is all donor States will receive a 95 percent rate of return at least by the end of the authorization. These States include Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, New Jersey, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Utah, Virginia, and Washington. There are 24 States in total. These have been getting less than 95 cents in the past and will be getting up to 95 cents.

My home State of Missouri, like many of the donor States mentioned, has some of the worst roads in the Nation. According to a survey, Missouri has the third worst roads. Fifty-nine percent of its roads are either in poor or mediocre condition, requiring immediate repair or reconstruction. Missouri also has the second worst bridges in the Nation.

I guess I ought to remind people the one State that ranks even worse than Missouri is our neighboring State, Oklahoma, the State of the chairman of our committee. So obviously we have an interest in bringing about some repair and some safety improvements.

During the reauthorization of TEA-21, the previous currently extended highway authorization, donor States did not think it was possible to achieve a 95 percent rate of return. Under our proposal, we are able to get them there—get all of us there. However, I am aware some of the donor States are concerned that they hit the growth caps and they do not achieve a 95 percent return in the first year. We were unable to bring all donor States up as early as we might have wished due to budgetary constraints and balancing the needs of the donor States with the needs of donee States. For this reason, as the donor States grow, the donee

States see a gradual decline to bring greater equity between the States.

I am proud to tell all Senators from all States, however, that every State will grow at least 10 percent over the funding provided in the current bill TEA-21. This new bill, SAFETEA, also addresses several environmental issues such as the need to ease the transition under the new air quality standards. The conformity process is better aligned with air quality planning, as well as streamlining the project delivery process by providing the necessary tools to reduce or eliminate unnecessary delays during the environmental review stage.

The third aspect of the bill which I think is very important is there is a sufficient level of growth. The administration proposed, in my view, an insufficient level of growth for our Nation's aging infrastructure. The reason for offering the Bond-Reid amendment, which was adopted on the budget amendment in this body with 79 votes last year, was because the administration's SAFETEA proposal came in at only \$200 billion for highways. During the last year's budget debate, I, along with Senator REID, offered an amendment to fund highways at \$255 billion over 6 years, and that was supported by a vote of 79 to 21. I am pleased to report that the bill we have before us follows the Bond-Reid amendment providing a 31 percent increase in funding over TEA-21. While this is not as high as some might have wanted, we are able to achieve this goal without raising fuel taxes.

Last, I think it is important to note that this is a jobs bill. The Department of Transportation estimates that every \$1 billion in new Federal investment creates 47,500 jobs, or more. Accordingly, in 2009 our comprehensive 6-year bill at \$255 billion will sustain over 2 million jobs.

According to the Associated General Contractors, the same \$1 billion investment yields \$500 million in new orders from manufacturing and \$500 million spread through other sectors of the economy. Construction pay averages, at \$19 per hour, 23 percent higher than the private sector average. Failure to enact a 6-year bill will deprive us of the 90,000 jobs that would be created.

Another accomplishment of our package is it will ensure that transportation projects are built more quickly because environmental stakeholders will be brought to the table sooner, environmental issues will be raised earlier, and the public will have better opportunities to shape the projects. Projects more sensitive to environmental concerns will move through a more structured environmental review process more efficiently and with fewer delays. The bill also ensures transportation projects will not make air worse in areas with poor air quality while giving local transportation planners more tools and elbow room to meet their Federal air quality requirements.

This bill will put transportation planning on a regular 4-year cycle, re-

quire air quality checks for projects large enough to be regionally significant, and reduce the requirements for other projects.

In addition to the benefits of this bill, I want to discuss a couple of specific items. I think these benefits are clear, and I think they commend the bill to anyone who is interested in good highways, safety, and jobs.

There is an amendment that was adopted in the committee which I find troubling. It was adopted in the committee without my support. The Highway Stormwater Discharge Mitigation Program requires 2 percent set-asides from highways. That is about \$1 billion. It is a mandate that tells States what they have to do with their highway money.

I was hoping we would not get into mandates such as that. It is a massive environmental program. As the occupant of the chair knows, there are tremendous needs for environmental investment, particularly in clean water, safe drinking water, and other water needs. But this is a highway bill and I do not think it makes sense to tell all the States that they are going to have to set aside 2 percent of the funds apportioned to each State under the surface transportation program for use only on storm water mitigation activities in a new section 176.

I think the bill as introduced more than adequately addresses the issue of contaminated runoff from highways while also protecting States' flexibility to manage their programs to meet their individual needs. The bill as introduced increases State flexibilities and opportunities to address storm water pollution in two ways.

First, it makes storm water projects eligible under the National Highway System program, whereas under current law these projects are only eligible under the STP program.

Second, the underlying bill extends eligibility to storm water mitigation projects that are not tied to ongoing reconstruction, rehabilitation, resurfacing or restoration, only to an existing Federal aid highway. Therefore, the States have the flexibility. The States with storm water problems will know they have those problems and they will have the flexibility to direct the money to storm water. They have much greater flexibility. The bill as introduced allows those States that choose to do so to use their highway money for storm water. The States that have other means for addressing storm water and need the money for roads can use it for roads.

I think we ought to address the problems on water issues, clean water and safe drinking water, but let's stay with the highway bill and not try to shoe-horn a new environmental program into it.

While roads certainly contribute to contaminated runoff, the appropriate place to address storm water runoff is in the context of other clean water programs through the water infrastructure bill. If gas receipts increase, it

could exceed the amount we provide EPA to address all other clean water programs combined without ever assessing if this is the best place to devote funds.

To me, this could be a serious problem for States where there is not storm water. We have storm water problems in Missouri. We just need the flexibility. We don't need a mandate. There are other States that do not have storm water problems and they should not have to deal with it.

Another item that is important: Many of my colleagues will recall that in 1974, specific Federal money for grade crossing safety was first established, the Rail/Highway Grade Crossing Safety Program. A determination was made by Congress that at least one-half of the funds provided for the crossing program should be utilized for the installation of protective devices—flashing lights, gates, bells, and the circuitry that operates these devices.

The rationale for these provisions was to assure that the constrained funds made available by Congress would not just be “saved” to install costly grade separations. Instead, Congress wanted to assure that the funds would enhance safety in the broadest possible way through the installation and upgrade of crossing warning devices at many more locations would be possible if the funds were reserved mostly for crossing separations, particularly in rural areas of the country.

The committee adopted an amendment in markup that did three things. It increased funding for the section 130 program from \$100 million to \$200 million. It included specific funding for other hazards and grade separations. But it also eliminated the current law provision that requires at least one-half of the section 130 funds be available for protective devices.

In an effort to assure that the maximum level of safety be realized at the highest number of grade crossings throughout the United States, the current law provision of section 130 that says at least one-half the programs be used for protective devices I think should be restored to the program.

The section 130 program has a very credible safety performance record. When measured as a percentage of reduction in accident fatalities since its inception, the grade crossing program has been the most effective highway safety program. This record of accomplishment certainly justifies maintaining the existing programmatic structure of the program. I hope the Senate will be willing to restore the current law requirement for one-half of the section 130 program for grade crossing protective devices.

Let me just tell you my experience in Missouri. There are 3,879 public highway/rail crossings and 3,011 private highway/rail crossings. Only 1,629 of the public highway/rail crossings in Missouri are equipped with active warning devices, flashing light signals and/or gates—about 42 percent. The re-

maining 58 percent are referred to as passive crossings and are equipped with crossbuck signs only.

Missouri installed 212 active warning devices between 1997 and 2003 and spent nearly \$24 million on these projects from section 130 funds.

Currently, the Highway/Rail Crossing Safety Program in Missouri is required by the Federal Highway Administration to spend \$1,999,000 annually for protective devices and the same amount for hazard elimination. The protective device money can only be used to install lights, gates, signs, and/or pavement markings at highway/rail crossings. The highway hazard funds have more flexibility to them and can be used to build a grade separation, close a crossing, improve the roadway at or near a crossing closure in order to reroute traffic.

It is important to maintain funds in the hazard elimination category so our Department of Transportation and departments of transportation around the country can continue to work with local communities on crossing closure projects and corridor projects.

Mr. President, I thank the Chair for giving me the opportunity to address these vitally important programs. I see our other members, leadership members of the EPW committee, are here to address these issues.

With that, I will yield the floor and thank the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, it is my understanding we do not have anyone to speak on the highway bill. There are several people who desire to speak on other matters. We will have no objection, although if we get back on the bill we would like to enjoy some type of priority.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, actually my intention was to speak in favor of the highway bill and compliment our colleagues for the construction of this legislation, but I did also want to comment on several other issues. I will be relatively brief. If others present themselves to the Senate who wish to speak at length on the highway bill, I will accommodate that.

At a time when our economy has had a pretty tough time, the one certain way to produce jobs is through a highway bill. This is the kind of legislation that invests in the infrastructure of our country, and we know exactly its consequences. It produces jobs and it produces them very quickly all across this country. The construction and the maintenance of roads and bridges and the basic investment in infrastructure in this country is a certain way not only to expand the economy but to expand our job base.

In recent years, we have had a slowdown in the economy. Now we see what is called a “recovery,” but the recovery does not include a recovery of U.S. jobs. That is a major deficiency and a

serious problem. I believe the legislation brought to the Senate today that will be debated for some while dealing with a new highway bill is important legislation for this country.

At a time when we have record budget deficits, if we were really producing an accounting system that worked the way it should work, most Members of the Senate would recognize this bill is funded by money that is put in a trust fund. When people drive up to the gas pumps and fill their tank, they are paying an excise tax. There is a specific purpose for this excise tax, and that is to improve the roads, bridges, and infrastructure of the country. It is important to understand we raised the money for this, by and large, through an excise tax.

I know there is debate about formulas and other issues, but, in my judgment, Senator INHOFE and Senator JEFFORDS have done extraordinary work in bringing this bill to the Senate. I like the bill and intend to support the basic construct of what they have done.

While I mention this bill is largely paid for with excise taxes, the tax on gasoline and other similar excise taxes—when you fill up your tank you are paying a tax and expect that to be invested in America's roads and infrastructure—we have in the rest of Government, in a budget released yesterday by the President, serious deficiencies.

#### THE PRESIDENT'S BUDGET

Let me mention in the construct of discussing various spending issues, the budget released yesterday is a roadmap and a series of choices by the President. I heard the President say last week before he released this budget that, with respect to Federal budget deficits, he needed action by Congress. It is important to note that the budget deficit requested by the President in his own submission yesterday was the largest deficit in this country's history of budgets submitted by Presidents. This fiscal year, we are now told by the President and by his own budget in this fiscal year, the budget deficit will be over \$520 billion. That, clearly, is a failure of fiscal policy and a failure of choices.

I have said repeatedly the President's construct of fiscal policy just does not add up. I come from a small town and a small school, but mathematics works the same way in a small school or big school as in a big town or a small town: Two and two equals four. In budgets where we talk about trillions, two and two still equals four. We cannot increase defense spending substantially, increase spending on homeland security substantially, cut taxes again and again and again, and tell the American people it will all work out; that we will just grow sufficiently; and it will all be just fine.

It is not all just fine. In the middle of all of this we ran into a recession, an attack against this country on 9/11, the requirement to wage a war against terrorism. But then at the same time the

President is saying, let's increase spending and let's cut our revenue.

The slowest member of my high school class would have understood where that ends up. It ends up in the largest deficits in history. The \$520-plus billion deficit is, actually, by the way, a faulty number as well because that is taking all the Social Security trust funds and using them to show that number. The Social Security trust funds also belong over here. They are required to pay for Social Security benefits in the future and they are being saved for that purpose, and we ought not include them in this operating budget. For that reason, the current budget deficit is somewhere around \$660 billion this year. That is the amount of money that our children and their children will be obligated to pay in the future.

There is an urgency and a seriousness that I don't see represented in the budget the President sent to us yesterday. In his budget, he proposes a very large Federal budget deficit. But his budget also says, I will request zero spending for operations in Iraq and Afghanistan. At the moment, we know we spend \$5 billion a month for operations in Iraq and Afghanistan, a little over \$1.25 billion a week. Five billion a month is \$60 billion a year. And what does the President say it will cost in this budget? Zero. So this budget is not an honest reflection of what he is going to spend, either.

Frankly, I don't understand that. I don't understand why a budget comes with no plan to fix the serious and urgent problems and, in fact, will miss the mark on what we will actually spend by well over \$200 to \$300 billion.

Last year at this time the President said he thought the Federal budget deficit for the year we are in would be \$307 billion. Well, it is not. It is well over \$200 billion more than that 1 year later.

My point is, this is off the track and out of kilter. It needs leadership from the President and the Congress to fix it. It starts with the first step, which is a budget document that honestly reflects what is going to happen to the best of our ability. The budget document sent to us, regrettably, is a political budget, not a budget document. We need to do better than that.

On the issue of spending, I also want to discuss the February 2, Wall Street Journal article, page 1, "Halliburton Hits Snafu in Billing on Kuwait." It says that as a contractor for the Federal Government, where the taxpayers pay the bill, Halliburton, was billing the taxpayers for 42,042 meals every day but they were only serving 14,000 meals a day. What is it called? A "snafu." They are overbilling us by \$16 million and it is called a snafu.

I am sorry, not in my hometown. This is either the sloppiest accounting in the world by a contractor that should not be doing the work or it is cheating. One or the other. It is not a snafu.

The fact is, we are throwing money at these problems. We are contracting

with companies without bids, and the result is the American people are being overcharged. This, too, is contributing to overspending and an increase in Federal budget deficits.

Let me make one more point about overspending and budgets. The one area in which the President recommended an increase in funding—I was surprised, as I was looking through the small details, cuts in funding and things that affect Indian children's health, for example, or Indian children's education—the one area where the President recommended some increased funding was in the wild horses and burros program. He actually put a few million extra in that program.

I was looking at that. We have 39,000 wild horses and burros, and I like horses—by the way, I grew up raising horses—39,000 wild horses and burros. Do you know how much the program costs to maintain wild horses and burros? Forty-one million dollars requested by the President. That is over \$1,000 per horse or burro. They could have their own apartment in my hometown for that.

I don't understand. This is all about choices and priorities. I just pulled one little issue where increased spending exists, wild horses and burros.

#### THE FOOD AND DRUG ADMINISTRATION AND THE COST OF PRESCRIPTION DRUGS

Mr. President, let me finally make a point about something that was announced in the last 2 days by the Food and Drug Administration. While this does not relate to the Federal budget, it relates to the budget of every American dealing with the cost of the price of prescription drugs.

The Food and Drug Administration campaign to warn against Canadian drugs. It says: "Next week the FDA will begin a campaign saying it is dangerous to import drugs from Canada."

I am sorry, this is the Food and Drug Administration which is supposed to be a regulatory agency. It is supposed to regulate, not represent, the pharmaceutical industry. Yet here we have the FDA doing all it can to try to tell the American people that importing prescription drugs from Canada is unsafe. It is total nonsense.

The Canadians have the same chain of custody as we do. The same pill, put in the same bottle, made by the same company, is sent to a pharmacy in Winnipeg and is sent to a pharmacy in Pembina, ND. The pills are not different because they are identical, both FDA approved; the difference is price. And often the American is paying double, triple, or 10 times the price that is charged in Canada.

We pay the highest prices in the world, and it is unfair. Those of us who are developing plans by which we would have our pharmacists or our consumers access the identical prescription drug for a much lower price from Canada are now confronting the FDA, which seems to be working full time for the pharmaceutical industry.

I wish Mr. McClellan would take a look at his job description because

there is not any way on Earth he can describe a system in which—for example, in the one I propose, North Dakota pharmacists, in a pilot project, buying from licensed pharmacists in Canada FDA-approved drugs—there is not any way the FDA can credibly suggest there is a safety issue. There is no way they can credibly suggest that. Now, they may try, but if they do, they are not being honest with the American people.

#### THE 9/11 COMMISSION AND AN INDEPENDENT COMMISSION TO EVALUATE INTELLIGENCE WITH REGARD TO IRAQ

Finally—I know my colleagues are waiting to speak—I want to mention two things about commissions. The 9/11 commission is now meeting. It has a May deadline. That needs to be extended. It has had to issue subpoenas to this administration to get information from the administration about events prior to 9/11. What on Earth could people in the administration be thinking about requiring the issuance of subpoenas to get them to cooperate?

Besides the issue of subpoenas, they still have not gotten adequate cooperation from the White House for interviews and information they want. I believe the time for the commission ought to be extended. I also believe the administration ought to comply fully with all the requests for information immediately. I do not, for the life of me, understand why an independent commission investigating 9/11 and the information that led up to it should have any problem getting any information from anyone in this Government. It makes no sense to me.

And finally, the issue of an independent commission to evaluate the intelligence with respect to Iraq. Mr. Kay, the former chief weapons inspector, says our intelligence community failed, failed the President. He should have said failed the Senate, failed the Congress, failed the American people. What happened?

The President is suggesting an independent commission that he appoints. I do not support that. I do not think the executive branch should or could investigate itself, even with a commission they determined independent, especially when they select the commission.

There should be an independent commission as a matter of Federal law, and this Congress ought to pass legislation that authorizes it and funds it. And we ought to do so soon. The safety and security of this country depends on good intelligence.

We are told by Mr. Kay that the intelligence community has failed this country. We need to urgently get to the bottom of it.

Mr. President, I will have more to say later. The Senate, I believe, is on an abbreviated schedule today for a number of reasons. I know my colleague, Senator KENNEDY, wishes to speak, so I yield the floor.

THE PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator from North Dakota.

EDUCATION AND HEALTH CARE

Mr. President, I want to make a brief comment about the impact of the budget in two important areas; that is, how it relates to the education of the children in this country and, secondly, how it relates to the issues of health care and health care coverage.

Just about every age group will be hurt by this budget. This budget hurts children, hurts our economy, and I believe, it hurts our democracy.

The latest Bush budget does not help young children start school ready to learn. It does not fund public school reform and improvement. It does not extend college opportunity. It does not train workers for new jobs that are needed because of the Bush Administration's poor stewardship of this economy.

For young children and parents, the President's budget cuts the very sound Even Start literacy program. This program helps not only children learn to read but it helps their parents learn to read. By helping previously illiterate or barely literate parents and children learn to read at the same time, you see a quantum increase in both groups' academic achievement and accomplishment. It has been one of the most successful programs we have in terms of expanding literacy in this country. That program is eliminated by the Bush budget.

Over 1 million children and parents will not get Even Start literacy training under the Bush budget. For children in grade school, once again, the President has reneged on his pledge to leave no child behind. This budget leaves over 4.6 million children behind. They will not get better teachers or smaller classes or after-school help they were promised.

In fact, every year President Bush has been in office, he has shortchanged by greater and greater amounts his promise to fund the No Child Left Behind Act.

In 2002, President Bush shortchanged No Child Left Behind by \$4.2 billion; in 2003, \$5.4 billion; in 2004 by \$7.6 billion; and this year by \$9.4 billion. In total, President Bush has broken his No Child Left Behind promise by over \$26 billion since the day it was signed into law.

That law provided reform in the education of our K through 12th grades. But what we understood when we passed the law was that if we were going to have reform in our education system we had to fund it. That was what was at the heart of the No Child Left Behind Act, the concept of resources for school reform and improvement, and why it had very broad bipartisan support.

If we had reform, in terms of better trained teachers and after-school programs that provided supplementary services, curriculum reforms, and the range of different types of parental involvement, and the kind of help and assistance for those needy schools that

needed help and assistance, it was going to require resources to bring the 9 million children, who are the children who are basically the target of No Child Left Behind, up to proficiency over a 12-year period, and all of them had to be included.

That was the agreement. That is why we spent a good deal of time in those negotiations working out what was going to be actually the authorization, because we knew those funds were going to be necessary to be able to achieve those kinds of reforms. We find out now it has been \$26 billion short since the time that law was signed.

This budget eliminates 38 different education programs. It eliminates the gifted and talented education. It eliminates the dropout prevention programs. We have schools in this country where they have 30 or 40 or even 50 percent of their children who drop out between the 8th grade and the 12th grade. It is even higher in a number of different schools that I know about. We have about 540,000 children who drop out every single year.

The attempt in terms of No Child Left Behind Act was to try to reach out and find these children and move them back into the education system. When you eliminate any of the dropout prevention programs, you are basically giving up on hundreds of thousands of children. We know what happens to these children if they are not challenged or helped or assisted or given a helping hand to get back into the education system.

One of the most successful new ideas in education has been in the areas where you have very large schools, to try and break those schools down to create smaller schools within the larger schools. It has been extraordinarily successful.

I visited those schools myself in a number of cities in this country. I can remember visiting them in Chicago, as well as in my own city of Boston. We have seen the difference that has made in terms of moving into what we call the "smaller schools," which get smaller class sizes, more intensive kinds of relationships between the teachers and these children. We have seen it has demonstrated to have a marked improvement in terms of academic achievement and accomplishment. Despite all the research on the value of small schools, President Bush wants to eliminate support for smaller learning communities. It just doesn't make sense.

Another program which has had a very significant success has been the Star Schools Program. What we recognized in many States, even including my own, when the State budget is cramped, it is difficult enough to get a well-trained teacher in physics or in the more advanced science areas. Nonetheless, you will have some very gifted and talented children in that school who have an aptitude for math or for science, and the Star Schools Program basically said, with the establishment

in the school of what it costs—approximately \$1,500 for a receptor—you have a very highly trained educator who teaches those children by distance learning.

They can teach 2,000 or 3,000 children and provide help to maybe a handful of children in a particular school district who have a great aptitude in math and science but do not have the kind of academic teacher who can help them. The Star Schools Program has been invaluable in many different parts of the country. The technology reviews have shown that these children can learn almost as well with this kind of instruction as they can with a teacher in front of them. That program has effectively been eliminated.

For the college students, I refer to the Department of Education Fiscal Year 2005 Budget Summary. Since this President took office, public college tuition is up 26 percent, according to the College Board. Yet the Bush budget provides zero increase for Pell Grant student aid. On page 52 of the Administration's Education Budget Summary, it says, Pell grants: 2003, \$4,050; 2004, \$4,050; 2005, \$4,050. That zero increase in the face of rising tuition. No help. The average income of a Pell recipient is \$15,000. These are gifted, talented, hard-working young people who can get into any school, any college in the country, who have to struggle by nature and by circumstances. That Pell grant has been a lifeline to them in terms of their ability to go on to school and to college. And what is the answer of the administration to these young people: Go out and borrow more. See what you can do with your repayments to the banks.

That is bad education policy, and it makes very little sense.

For those out of work or in jobs but seeking to upgrade their skills, this budget adds \$250 million for community college, but at the same time the Bush administration has cut \$900 million in job training programs over the past three years. For similar programs, they are going to get \$250 million, but with the other hand we're going to try to take \$900 million. It just doesn't make sense.

So whether it is the very young children, whether it is the children who are going K-12, whether it is the children who are going to college, or whether it is the men and women trying to get new job training, these programs, which I believe are a national priority, have been reduced.

If any one of my colleagues at any time went to any hall anywhere in America and asked the American people how much out of a dollar of Federal money is being spent for education and what would they like it to be—I have done that several times—they will find out, after national security, which is No. 1, they talk about Medicare and Social Security—that is right up there—and right after that comes education. They hope it is 20 percent, 15 percent, 18 percent. Then when they

find out that it is about 2 percent, less than 2 percent and declining, they are absolutely appalled. Not that money answers everything, but the money is a reflection of a national priority.

This business about making choices, \$2.4 trillion in this budget and short-changing the investment in education of our children, that is what this is. I would be glad to debate it in very considerable detail with any of my colleagues and will at any time.

I want to add a word with regard to the health care situation, the general concerns that I find in traveling around my own State. People are concerned primarily by two issues. One is the cost of health care and the other is whether they can find affordable coverage in health care insurance.

There is virtually nothing in this budget in terms of controlling cost. We gave up a great opportunity when we passed the alleged Medicare reform bill to permit the Secretary of Health and Human Services to actually negotiate with the drug companies like the Veterans' Administration can to bring lower costs to our seniors. But that proposal was rejected by the administration and by the Republican majority. As a result, we have seen the continued escalation of cost, and costs will continue to rise. There is virtually nothing in this legislation to do anything about getting a handle on health care costs.

And with regard to health insurance coverage, we see we have cut Medicaid. A million people who qualify for Medicaid are going to be off Medicaid. Half of those are going to be children, the poorest of the poor. A half a million are going to be without the Medicaid coverage that provides very good coverage for the children. National priorities? There are close to a trillion dollars in tax breaks in this budget, but denying Medicaid coverage to 500,000 children, the neediest of the children, that is a matter of choice.

We will have a chance to debate it. We are now just talking about what is in the President's proposal.

The insurance industry and the trade associations did very well in the budget. Health savings accounts will benefit, which are products of the insurance companies. Health savings accounts get about \$24 billion over a 10-year period with the initiative in this budget. Association health plans will do very well for the trade associations, even though those plans will mean an increase in the cost of premiums for health insurance for others. Then we have the proposal for tax credits for health insurance. That is really some proposal. The budget includes a proposal to give a \$1,000 tax credit for health insurance to an individual—but the coverage actually costs \$4,000. The budget also proposes giving families a \$3,000 credit, but a family policy costs nearly \$10,000. That is like throwing someone who is in the river needing help a 4-foot line, when they need a 10-foot line to save them. Just try to find

a family health insurance policy that is worthy of its name for \$3,000 in this country. We know that is completely unrealistic.

Finally, when we talk about fighting disease, take AIDS or TB, there is a cut of some \$356 million for CDC. Two major bioterrorism programs have been cut \$144 million. These programs provide the assistance to contain a bioterrorist attack locally. You need the initial help to the primary responders, who are police and firefighters and nurses. Then you need to contain a disease outbreak. For that, we need to help our hospitals and our other health clinics in order to contain disease outbreaks so they do not spread. That is particularly important, as anybody who has listened to the experts on bioterrorism will tell you. Those programs have been seriously cut.

Then the most amazing reduction is the CDC cut, \$364 million, when we are confronting the danger of SARS, Ebola, other dangers that come from countries all over the world.

Under Dr. Gerberding, who has been an outstanding public servant at the Centers for Disease Control, CDC has been extraordinary in protecting the American people and people all over the world. The budget provides a reduction in support for the CDC. We are having a hearing in our committee on mad cow disease, in the HELP Committee this week. You name it, there is another disease that comes from overseas every day, and our front line of defense is the CDC. They have some of the most talented experts in the world in that agency, and the budget undermines it in a significant way. It makes no sense.

We will have a chance to debate these issues later as we consider the full budget. For the average American, who is concerned about their job—and they are concerned about their jobs because they find out, with all of the uncertainty about our economy, that they lose their job and they know if they are able to find another job, they will be paid about 22 percent less, average, nationwide than the job they are holding—if they are able to find one. They are uncertain about their jobs, and they are uncertain about what is happening in schools with their children. This budget does little about that uncertainty. They are uncertain whether they will be able to save enough to send their children to college. That is because of the proposals of the administration to eliminate overtime.

We have to understand the amount that is earned on overtime has been used day in and day out to pay tuition for working families for their children who go to college, or to pay a mortgage. So people are worried about the economy. They are worried, if they are unemployed, that their unemployment insurance has been lost. They are worried about that. If they are among the 1 in 7 Americans who are making the minimum wage, they realize they haven't gotten any increase in the last

7 years. Where is anything about that, or anything about education, or anything about health care for the children? It has been missing in that budget. But the trillion dollar tax break for the wealthy is included. It is the wrong priority.

The American people are going to reflect on these misguided priorities as they watch our votes when we debate the budget in the Senate. If they don't do it then, they will do it in November.

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

The PRESIDING OFFICER (Mr. CRAPO). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURBIN. 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. DURBIN. Mr. President, I spoke earlier to the Senator from Oklahoma and he indicated one of his colleagues, the Senator from Pennsylvania, may be coming to the floor, and perhaps also the Senator from Arizona. I wanted to defer to them because we want to go back and forth.

Mr. INHOFE. He is in the cloakroom. May I inquire about how much time the Senator from Illinois would like to have?

Mr. DURBIN. About 20 minutes.

Mr. INHOFE. We will go back into a quorum call, then, until the Senator from Pennsylvania arrives.

Mr. DURBIN. That is fine. 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. SPECTER. 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. SPECTER. Mr. President, I have sought recognition to comment on the pending highway bill, and also to offer legislation on the Abandoned Mine Reclamation Program Extension Reform Act of 2004.

The highway bill is pending, and tomorrow Secretary of the Interior Norton will be in Harrisburg to announce the President's program. The administration has made available this statute for introduction which should be done on a timely basis this afternoon since there will not be morning business tomorrow because of the Joint Meeting of Congress.

First, my comments are directed toward the highway bill. Yesterday, I voted against cloture—that is, voted against cutting off debate—because of my view that there ought to be more consideration to the bill before we proceed to take up the bill itself.

I am concerned about the total cost of the bill in light of the position of President Bush's administration where there have been concerns raised about

the total cost because we are facing such a large deficit this year. I do believe that infrastructure—highway construction, mass transit, and bridge repairs—is indispensable for economic growth and economic development, but in the very complex Federal budget all of these matters have to be prioritized.

We are looking at a budget next year of \$2.4 trillion, where there is a projected increase of close to 10 percent—9.7 percent—for homeland defense, 7 percent for the Department of Defense, and less than 1 percent for discretionary spending.

I am concerned about where we are heading on all of those lines, with very heavy emphasis of concern about a deficit which is projected in excess of \$500 billion.

We faced these problems in the past. I am in my 24th year in the Senate, and it is not unusual for us to be facing very difficult problems. Two years ago, we did not even have a budget resolution, a matter of some considerable concern on the political scales where the Democrats were in control and we did not have a budget. Last year, we had major problems in the appropriations process. As it is well known, we did not pass the omnibus bill until last month. So we are not unaccustomed to having major problems as we look forward to the budget.

I am comforted by the famous words of Winston Churchill that somehow we always muddle through and that democracy—paraphrasing Churchill again—is a terrible system except compared to all others. I believe we will be able to work through the budget problems we have.

Notwithstanding the economic problems, we now see an upturn, and I think we are heading for better days on the economy. I think that will have a very profound effect on the deficit in the long run. It is difficult to realize, or surprising, perhaps I should say, that less than 3 years ago we were projecting a \$5.6 trillion surplus in 10 years and we were talking about paying off the national debt. Then an economic downturn, facing two wars—one against al-Qaida and one in Iraq—we have had very substantial problems. But we have a very productive country, we have a great work ethic, and I think we will have an economic rebound. I think that will have a very profound effect on easing the difficulties of the deficit.

Notwithstanding those factors, we are looking at a tough deficit, and I think more consideration needs to be given on this bill as to how we are going to face the overall problems and establish priorities.

With respect to the allocations in this bill, I believe that my State, the Commonwealth of Pennsylvania, is not being dealt with appropriately, not being dealt with fairly. My colleague, Senator SANTORUM, and I wrote to the distinguished chairman of the Committee on Environment and Public Works on January 28 listing the con-

cerns we have. I realize there has not been sufficient time for the chairman to respond to this letter, but that is part of the concern.

Senator SANTORUM and I wrote this letter as soon as we could after we knew what was in the highway bill and knew how Pennsylvania was going to be treated. Again, I am not unaware that it is a very difficult matter to make allocations among 50 States and it is not possible to satisfy everyone. I have heard quite a number of my colleagues express concerns that their States were not being appropriately treated. But I believe that when the facts are analyzed, Pennsylvania ought to have more of a share of this highway bill, or even more of a share of a reduced highway bill, if the bill were to be pared down to come within the confines of what the President has in mind for the highway bill.

The allocation that Pennsylvania has is the fourth lowest increase, an increase of 19.54 percent over the 6 years. With that limited increase, Pennsylvania will not even be able to keep up with inflation.

Pennsylvania has a very extensive highway system. It is the fourth largest highway system among the 50 States. It has some 40,500 miles of State highway, totaling more highway miles than New York and New England combined. It has some 25,000 bridges, and the highway system in Pennsylvania—a frost belt State, an older State by contrast with the expansion of the South and the West—has found the highways very heavily used and subject to very difficult weather conditions.

Eighty-eight percent of the nearly \$300 billion worth of goods delivered from inside Pennsylvania each year arrive on the State's highways. Pennsylvania's highways are the prime routes for delivering goods imported from ports across the mid-Atlantic region.

We have many interstate highways. When calculating the appropriate share of highway funding, due consideration ought to be given to the usage of the highways. If you take some States and areas—Florida, for example, or Maine, or the State of Washington, or southern California—those areas are not as heavily transited. But Pennsylvania has major interstates both east-west and north-south: Routes 80 and 90, Route 480, Routes 95, 81, 79, 83, in addition to a vast complex of highways across the State.

It is my view that Pennsylvania ought to have a higher allocation and ought not to be limited to an allocation which will be less than the inflation rate over 6 years.

There has been some justification offered on the basis of the contention that Pennsylvania had a very large share in the past when Congressman Bud Shuster was the Chairman of the House Transportation and Infrastructure Committee. It is certainly true that the ways of the House and the

ways of the Senate accord some special consideration for people who are chairmen, who can establish the mark, but I do not think that Chairman Shuster's departure from the House of Representatives ought to be used as the basis for saying Pennsylvania ought to be reduced in its share.

When one takes a look at the allocation for Pennsylvania, the rate of increase is the fourth lowest among the 50 States. Nobody can deny that Pennsylvania ranks very high among the States which service the country. Traffic coming from the west coast goes through Pennsylvania; some of it on the Pennsylvania Turnpike but a great deal of it on Interstate 80, some on Interstate 90. There is tremendous traffic north to south on Interstate 81, and I-95 is a major highway transiting the east coast.

It is my hope that before this bill is finished we can have an adjustment. I know other Senators are equally concerned as am I. The vote I cast against cloture to cut off debate yesterday was in the nature of a protest vote. I had no illusions in casting the vote. I did so late in the proceeding when the requisite 60 votes had already been achieved for cloture, so there was no doubt that my vote was not going to be determinative or influential. The cloture was going to be imposed.

I have heard many complaints from my constituents who are very dissatisfied with the allocation both as to highways, which affects bridges as well, and transit. I cast that protest vote. I still think we ought to be considering both of those factors. One factor is what is the appropriate priority taking into account the views of President Bush on the increase in expenditures on this bill over what had been allocated or what has been considered appropriate by the President and factoring in the priorities we have on the budget which we are now considering. I hope yet to be able to support this bill, but I am not going to support a bill which does not treat my State fairly.

My vote and the votes of others who have similar views may not be dispositive because there is great public interest in this bill as a jobs bill, very important on the infrastructure to facilitate transit both on the rail lines and on the highways. But fair is fair and I think there have to be some significant modifications to the total amount of this bill, the priorities established, and how Pennsylvania is treated.

Mr. President, I believe I have already asked unanimous consent that the text of the letter from Senator SANTORUM, Senator INHOFE, and myself, dated January 28, be printed in the RECORD at the conclusion of the comments I made on the highway bill.

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



U.S. SENATE,

*Washington, DC, January 28, 2004.*

Hon. JAMES M. INHOFE,  
*Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.*

CHAIRMAN INHOFE: We are writing to express our deep concerns with the recently released highway funding formula to be used in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003 (SAFETEA) proposal. Were this proposal to be enacted, it would have a significant negative impact on Pennsylvania.

Pennsylvania is a key gateway connecting New England and the Northeast to the Midwest and Mid-Atlantic. As such, our roads are by no means limited to Pennsylvanians but are often used by cars and trucks from around the country. Pennsylvania has the fourth largest highway system among the 50 states, with 25,000 bridges and 40,500 miles of state highway, totaling more highway miles than New York and New England combined. Furthermore, Pennsylvania's highways are the prime routes for delivering goods imported from ports across the Mid-Atlantic region. Truly, Pennsylvania is the "Keystone State" when it comes to moving goods from East-to-West and North-to-South in our region.

In addition to heavy use, the extreme weather conditions of the Mid-Atlantic region have taken their toll on Pennsylvania's highway system. 46 percent of the Commonwealth's roads are in poor condition, while 42 percent of the Commonwealth's bridges are structurally deficient. Such conditions have a tremendous economic impact: driving on Pennsylvania's roads in need of repair costs motorists \$2.4 billion each year in extra vehicle operating costs; traffic accidents and fatalities cost Pennsylvania drivers an additional \$2.7 billion annually; and congestion leads to costs totaling \$2.3 billion per year.

Under your committee's proposal, Pennsylvania's funding increases at the fourth lowest rate among all the states. It is unlikely the proposed 19.54 percent increase over six years will keep pace with inflation, amounting to a cut in Pennsylvania's highway funding. Such meager levels do not account for Pennsylvania's disproportionate needs.

In light of the infrastructure maintenance needs, population, and geographic location of our commonwealth, we find it completely unacceptable for Pennsylvania to be a donor state in the final year (FY2009) of the SAFETEA program and are convinced that the funding levels in other years are insufficient in light of Pennsylvania's place in our national highway network. While we will continue to work on highway and transit issues and will likely be supportive of many provisions in the SAFETEA bill, we could not support a final SAFETEA bill that so unfairly shortchanges Pennsylvania.

We strongly believe that highway funding must be based in large part on the impact each state's transportation system has on its region and the nation and that a national highway program should direct federal funding to national needs. We welcome the opportunity to work with you to address this matter so that Congress can enact positive federal transportation policy this year.

Sincerely,

ARLEN SPECTER.  
 RICK SANTORUM.

(The remarks of Mr. SPECTER pertaining to the introduction of S. 2049 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SPECTER. In conclusion, I compliment the chairman of the committee, Senator INHOFE. I know how

hard he has worked on this bill. I know how many people have come to him with concerns. That is one of the vicissitudes of being a chairman. I get the same treatment when I post my bill on the subcommittee for Labor, Health, Human Services, and Education and I post my bills on Veterans' Affairs.

I compliment Senator INHOFE and the ranking member, Senator JEFFORDS, for what they have done here. It is a major matter, bringing a highway bill to the floor. It is my hope that, working together as Senator INHOFE, Senator JEFFORDS, Senator SANTORUM, and I have always done, we will be able to at least reconcile some of these concerns.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I listened with great interest. I think he has some excellent points, I say to the Senator from Pennsylvania. He extensively quoted Churchill. I would like to add another quote to that:

Truth is incontrovertible. Ignorance can deride it, panic may resent it, malice may destroy it, but there it is.

I say that because there are some things—It is only natural when the Senator from Pennsylvania is not serving on the committee that he would not be quite as familiar with the development of the formula as perhaps someone who is on the committee. So I would like to respond to a couple of points because I really believe we have a very fair formula.

First of all, the formula Congressman Shuster put together is the basis for this bill. I happened to serve in the other body in the committee under Congressman Shuster back during the development of TEA-21. During that time, of course, he was pretty notorious getting a lot for his State. I understand that. I should be more that way myself.

But I would only like to suggest—if staff would be good enough to hold this chart up—this is Pennsylvania. Over here, take 1384 in the red, that is the average amount for each year. If you took all 6 years in the TEA-21 and averaged them out, that would be the amount. That would be \$1.3 billion. Then, if you watch each year as it goes up, you end up with a substantially higher amount.

Let's compare that, if we may, with California. I saw an op-ed piece by the senior Senator from California in which she was very complimentary of the way this worked. If you look, you see they end up in almost the same place as Pennsylvania does percentage wise. But it all comes in the last year. That is because they are a donor State. In order for the large donor States to be able ultimately to reach 95 percent, it has to be done in the last year. I think we all understand that.

But when you compare the two charts, I would say if she is satisfied, then the Senator from Pennsylvania should be elated.

I would like to share one other thing, too. I chair the committee. If you take the total amount of road miles that we have in Oklahoma compared to Pennsylvania, it is almost the same, when you take out the toll roads. Of course, we are not dealing with toll roads here.

With the same number of road miles, each year Pennsylvania gets 3.5 times as much as Oklahoma gets. If anyone should be complaining, using that as a criterion, I should be the one.

I think it is very important you share with your constituents some of the things that are in this bill and how well I believe Pennsylvania is treated.

The Senator from Pennsylvania talked about bridges. According to the surveys that have been taken by the Department of Transportation, Oklahoma's bridges are No. 50 in the Nation—way behind Pennsylvania. These are things that need to be corrected. Many of these things will be corrected in this bill.

So I would only say formulas are very difficult. There is no magic formula that is going to make everyone happy. I remember the formulas in TEA-21 and ISTEA, and there were complaints from many States on those. No formula is going to satisfy everyone, but I honestly believe, when I look at Pennsylvania and compare it to California or Oklahoma or some of the other States, that they are very well cared for.

With that, I yield to any questions the Senator might have.

Mr. SPECTER. Mr. President, just a comment or two. I did compliment the Senator from Oklahoma, the distinguished chairman, for being so well prepared. Perhaps he should have charts on all the States. I don't know. Perhaps he would have charts on the States where you anticipate difficulty or others on a comparative basis. But this Senator is not likely to be satisfied, as a general matter, with what satisfies the Senator from California. I think if we check the voting records of Senator INHOFE and Senator SPECTER and the junior Senator from California, Mrs. BOXER, we will find Senator INHOFE and Senator SPECTER on one side and Senator BOXER is on the other side a lot more times than not.

So, I will take a look at the charts and I will take a look at the statistics. I do agree with the chairman that it is a complex matter.

The first opportunity I have to review it is once I see the bill and I will make the analysis with California, and with Oklahoma. I have some substantial familiarity with Oklahoma because I have traveled the highways of Oklahoma a great deal. As the Senator from Oklahoma knows, I am a native of Kansas and went to the University of Oklahoma and drove that highway from Wichita to Norman on many occasions. To my recollection, it was a pretty good highway, but that has been a while ago.

But I again complement the Senator from Oklahoma, the chairman, on his



diligence, having the charts. We will take a very close look at it. The Senator from Oklahoma and I have worked together on many matters in the years we have worked in the Senate together. We approach this in the interests of our States, as we should, but also understanding the needs of other States.

We will try to come to at least some sort of accommodation as we work through the bill. I thank the chairman.

Mr. INHOFE. I appreciate the comments of the Senator from Pennsylvania. I in no way want him to misinterpret the comments I made as being critical of his analysis. Formulas are very difficult. TEA-21 is something we know was totally politically driven. That was a percentage of the total amount of money, so when they got up to 60 votes they could just shut the door and say: Fine, we have our bill. We tried not to do that, take consideration of donor/donee status, fast-growing States.

By the way, you heard the senior Senator from Texas yesterday talking about her dissatisfaction with what Texas was doing. When it gets down to it, under this formula or any other formula, if you do something for a fast growing State that keeps bumping up against the ceiling, you are going to be having a problem. If you try to correct that, it is going to go into the donee States, of which of course Pennsylvania is one.

It is a difficult choice. We spent a whole year working on this and I hope you have a chance to really look at it closely.

Mr. SPECTER. Mr. President, if I might ask the chairman, you say Pennsylvania is a donee State? We are a donor State here in the final year of your bill.

Mr. INHOFE. OK, in the first year, right now, you are a donee State.

Mr. SPECTER. We have been a donee State. If I hadn't been a donee State—for those who do not follow the terms, a donor is one who gives more than the State receives. Senator KYL is bowing. Arizona is in that status. A donee State is one which receives more than it contributes.

Had we really been a donee State throughout the six years of the bill—and I understand it was a slip of the tongue, or at least for 1 year, not the whole projection. But had I been able to hold the chairman to donee status, I would have withdrawn all my remarks and stricken them from the RECORD.

Mr. INHOFE. I was referring to 2003, where it is a very substantial donee State, recognizing it goes up and down.

By the way, Oklahoma has never been a donee State. Oklahoma was bumped against the ceilings: 73 percent, 80 percent, and then 90.5 percent, and of course we are looking forward to getting up to 95 percent, as I am sure the Senator from Arizona is going to share that enthusiasm.

Mr. SPECTER. Mr. President, Oklahoma makes up for donee status with its football team.

Mr. INHOFE. On occasions, yes.

Mr. SPECTER. When you comment about Pennsylvania being a donee State, that is for the existing bill, not the entirety of the one we are voting on now. We are a donor State in the last year, which is the reason for my exchange. I think the exchange has been useful. I see Senators waiting.

I yield the floor.

Mr. KYL. Mr. President, Penn State and the University of Oklahoma have had their share of victories and now it is time for somebody else to have their fair share.

I appreciate the hard work of the chairman, the Senator from Oklahoma. I make it very clear I join those who recognize the need for improvement of our highways. There is not a road in my State that could not stand some improvement. As a very fast growing State, Arizona needs to add to our highway miles.

I appreciate the fact that there is a need to create jobs, and highway construction certainly can help to create jobs in this country. However, it has always been the case that we prioritized because Members would literally ask for everything they could possibly get in the way of funding for their States. We have had to set limits. There is, after all, a limit on the amount of Federal revenue available for all good projects. Certainly, highways are no more important than education or health care or national defense or many of the other categories which also compete for the Federal dollar.

So while we acknowledge there is a need for a highway bill and that can have some jobs benefits, that should not be the driving force in terms of the competition with dollars for other worthwhile projects. We have to set a limit, particularly in this case where we have over a half trillion dollar deficit, according to the OMB; we have to be clear we do not spend more than we are taking in.

The reason this is a bad bill, and why I oppose it, first, it spends far too much money. Second, it spends more money than we collect in revenues from the gas tax. Third, it is very unfair to States such as mine, which are donor States. Arizona has always contributed far more than it has gotten back, and under this bill that gets even worse for the next 5 years.

Let me discuss each of those items very briefly. We start from the premise that we do need highways. We also have a huge budget deficit. Therefore, we have to clearly be sensitive about the kind of bill we pass. In this regard, the Secretary of the Treasury, Secretary Snow, and the Secretary of Transportation, Secretary Mineta, yesterday notified the Senate that they would recommend a veto of this bill if it raises the gas tax or other Federal taxes or draws money from the general fund. They wrote that the bill "should not use any mechanism that conceals the true costs to Federal taxpayers.

Highway spending should be financed from the highway trust fund, not the general fund of the Treasury."

The bill before the Senate violates this principle in a significant amount, by billions of dollars. Therefore, if my Senate colleagues insist on going down the road of passing a bill that violates the principles that the President has laid out, we risk having the President veto this bill. At a time when we have this large Federal budget deficit, it seems to me we ought to be joining with the President in trying to prioritize our spending and constraining it to at least the amount of revenue we take in, a balanced budget approach. That is the way we have done it in the past, and that is the way we should do it now.

Just the highway portion—and I make it clear there is a mass transit portion of this bill that has not gotten out of the committee of jurisdiction, the Banking Committee, and in terms of funding it is in the neighborhood of \$50 billion; it could be more or less and I do not mean to be tied to a specific figure, \$49 billion or 50 billion; I will leave that part out of the discussion because that part is not complete until we know the actual numbers—but the highway portion, the amount the Federal Government has to spend over the next 6 years, is \$231 billion. This is what the Bond-Reid amendment from last year in the budget resolution called for the Senate to fund. The House is looking at a number far higher than this. I even heard today that some people in the administration are looking at a number above this.

In any event, the number that the Finance Committee yesterday raised revenue for was \$231 billion. I sit on the Finance Committee and our job is to try to figure out what kind of revenues we are getting, and therefore, whether we could pay for \$231 billion of highway funding. What we learned was that the gas tax, the use tax, that funds highway construction, is only going to bring in \$196 billion during that same period of time. So the bill that the Senate said we should try to fund exceeds the amount of revenues by \$35 billion.

Now, there are four choices. We can reduce the amount we had hoped to be able to spend last year when we did not have this big Federal budget deficit number staring us in the face, and now that we know the size of the deficit, acknowledge that we were just a little bit too optimistic last year; we were a little bit too forward leaning, shall we say, and trim back to suit the revenues that we are actually going to be collecting. That is the first thing we could do. That is what we should do and what any family would have to do.

Because we are the Federal Government, we could raise taxes to make up that difference. I don't think that will happen. The President says he would veto the bill if that happened.

We could just go into greater deficit. But on both sides of the aisle I think

that would be met with great opposition. We do not want to increase the size of our Federal budget deficit.

That leaves the other alternative, and that is to take money from other areas in the budget and apply it to highways, to take general revenue funds, funds that might be spent on defense or homeland security or education or medical care, for example, to take that money away from those programs and spend it on highways instead. That is what is being proposed.

But it gets worse because the effort that is undertaken here is to confuse the American taxpayer into thinking that it is highway-related revenues. It is not. What the Finance Committee concluded yesterday was that we could legitimately come up with—and I acknowledge this and hope to construct the addition of the funds—that we could come up with about \$214 billion in revenues that was, in fact, legitimately connected, money that was connected to highways or to the trust fund.

For example, there is \$196 billion from gas taxes. There is an argument that we should be able to count the interest earned on the trust fund balances as part of the trust fund that is currently deposited in the general fund. Most would say that we can legitimately transfer that from the general fund and put it into the trust fund and call that trust fund money, and I agree with that.

I will not get into detail, but there are four or five other areas like that. Some might be a little questionable in some people's eyes, but at least in my view, you could justify \$214 billion in revenues, in real money, being transferred from the general fund to the trust fund, but which we could legitimately contend should not belong in the general fund, it should belong in the highway trust fund. That is \$214 billion. That leaves a \$17 billion deficit. That is just on the amount we were trying to mark up of \$231 billion.

So how do we make up the other \$17 billion? By sleight of hand, which is why I voted against the bill. We came up with phony money, money that does not really exist but which, for the purposes of paying for this bill, we are going to count in an accounting technique.

There are two key pieces: one \$9 billion and the other \$8 billion. The \$9 billion fund comes from something called the ethanol exemption. The gas tax is 18.4 cents but for ethanol we give a 5.2-cents-per-gallon exemption. We say you do not have to pay that tax. The Finance Committee bill proposes to convert this exemption into a tax credit. But under the new system, even if the money comes in, it will be sent right back to the taxpayer when they seek a refund for it, when they seek to apply for the ethanol tax credit, so the net result is that, even though the Government may collect the money for an instant, it goes right back to the taxpayer who paid it and there is no

money, then, to be put in the highway trust fund. So what we have is the Government will collect 5.2 cents it does not currently collect, it will theoretically send that to the taxpayer, and as soon as the taxpayers ask for the refund of the credit, the general fund of the Treasury sends the money back. So no new money has been raised. We collected it; we gave it back. But in the meantime, through an accounting gimmick, we say that the trust fund is 5.2-cents-per-gallon richer. And that amounts to \$9 billion over this 6-year period of time. But there is no new money. So that is fraudulent. It is wrong for us to suggest we are actually paying with real money for that part of this bill.

The other is called the fuel tax exemption, and it relates to an exemption that is provided to tax-exempt entities, such as cities and States and schools and churches. They do not pay the gas tax. They receive either a full or a partial exemption from the gas tax.

So the Finance Committee bill just credits the highway trust fund as if it had received those taxes, even though the funds will never have actually been received. That is \$8 billion over 6 years. It reminds me of that old riddle Abe Lincoln used to ask. He said: If you call a tail a leg, how many legs does a dog have? And he would always fool the kids, and they would say five. And he would say: No, four. Calling it a leg doesn't make it a leg.

Well, calling this money part of the trust fund does not make it part of the trust fund because it is not ever going to be collected. It is an accounting gimmick. So when the Secretary of Transportation and the Secretary of Treasury write in the letter that they are going to recommend a veto of the bill if it uses mechanisms that conceal the true cost to the Federal taxpayers—they go on to say: Highway spending should be financed from the highway trust fund, not the general fund of the Treasury—I think this is exactly the kind of thing they had in mind.

How does the General Treasury make up this \$17 billion? You cannot pay for highway construction with fake money. You have to pay with real money. So you take that money out of the general fund and you somehow have to make that up in the general fund. Do they make it up with a highway user fund or fee? No. Instead, there are a series of tax changes that have nothing to do with highways. Some close down abusive corporate tax shelters, the kind that Enron had used. And there are some other kinds of changes like that—nothing that has anything to do with transportation or highways. Some of these tax changes, by the way, are actually good tax changes and, in fact, we should make the changes, but they should be used to fund other things in general revenue that are traditionally funded by such mechanisms. They should not be trans-

ferred from the general fund to the highway trust fund, thus breaking a precedent that has held ever since the beginning of highway transportation.

My view is we should be very clear that by breaking this precedent, by using the general fund against what the Secretary of Treasury warned us, that we would be opening up the possibility that the highway fund or highway spending would be basically unconstrained by any mechanism whatsoever. It would be a honeypot of projects and ways for Members to go home and brag about how much they brought home to their States or their districts with no financial constraint because no longer would it be pegged to the amount of revenues we received through the user fees, from the people who actually used the highways.

So if we go down this road, I think there will be no end to the claim we will make on general revenues for highway projects. And I think it is a very bad precedent for us to undertake.

So, first of all, we are spending too much money. Secondly, we are not funding it in the proper way. We are now going to be spending general revenues to fund the deficit.

The third thing I want to say is that this is not fair to some States. You might imagine that one of them is my State. I am going to describe this very briefly. And with the indulgence of the chairman of the committee, since our offices are closed down right now, I do not have access to the specific information which I wanted to bring to the floor. I am going to say this generally, and then, when we have access to that data, I will come back to the floor with the specific information.

But a bit of history: Arizona has always been a donor State, meaning that Arizonans send a dollar in tax revenue for highways to Washington, and we get back 70, 80 cents. In the last few years, we have gotten 90.5 cents. Just a few years ago that was 83 cents, as I recall.

A lot of the donor States put their foot down and said: Look, we, at least, ought to get 90 percent of what we send. And that is when the 90.5 cents was put into effect. Arizona is a fast-growing State, the fastest growing State in the Union. We have huge new infrastructure needs, including highways. We have large areas of Federal land. Only 12 percent of the land in our State is privately owned. The rest is owned by a governmental entity. We have huge border infrastructure financing requirements. We are now trying to build a new bridge over the Colorado River, below the Hoover Dam, with our sister State of Nevada. We have huge expenses with our highways.

Yet instead of getting back an amount of money that would be commensurate with those needs, Arizonans send a dollar to Washington and get back 90.5 cents.

When the debate about the new highway bill began, we had some thought that perhaps we would finally get to

the point where we could be treated fairly relative to other States. But, unfortunately, this was not to be the case. In a very general way, what happened was this: The Senator from Oklahoma, and others, with very good intentions, said we want to try to bring all of the States we possibly can up to 95 cents on the dollar. And they set out to try to do that.

But what they soon learned was there are some States with needs growing so rapidly, with populations growing so rapidly—States such as Arizona, Texas, Colorado, Florida, the fastest growing States—these States are growing so rapidly that it would cost a lot of money to be fair to them. In other words, we are behind the other States now. We are donor States, and to try to bring us up to parity with those States would cost a lot of money because we are so far behind.

Now, if we had been treated fairly in the past, this would not be a problem because, presumably, we would be like everybody else—right around the norm. But we have not been treated fairly in the past, which is why we are so far behind.

Now they are saying: Because you are so far behind, and it would cost so much to let you catch up, sorry, we are going to take care of everybody else, but you all have to stay that far behind for 5 more years. That, I suggest, is not fair.

Now, it might have been fair to say to folks: Look, we can't get to 95 cents on the dollar. Maybe we can get to 93.5 cents for all of the States. I don't know what the exact number was—93, 94, perhaps, somewhere in that neighborhood. If all the States had been brought up to the same level, then that might be where it is—92, 93, 94, somewhere around in there. But, instead, they decided to go to 95 cents for most of the States, and then, for four or five of the States they say: Sorry, we are not going to bring you up to speed for the first 5 years of this program. Perhaps in the sixth year we will try to get you to 95 cents.

Well, in the meantime, every one of those 5 years the gap will grow wider. And because our populations are growing, because our infrastructure needs are increasing disproportionately to these other States, because we have been behind for so many years—and, therefore, have a backlog that a lot of the other States do not have—instead of gradually being brought up to where the other States are, we are basically being left in the dust. That is not fair.

Now, if you only do that to about five States, you can still guarantee your bill gets passed because you do not need their votes. This is all about vote counting. This is the way the highway formula was always developed. And I commend my good friend and colleague, the chairman of the committee, for noting the fact that in the past that is the way the formula has been derived. That is why his State and mine and a lot of others suffered for a lot of years.

But I suggest that since there now seems to be a will to make things right—again, I commend him for that—that we should make it right for everybody, not just for those States where we can afford to make it right. In fact, I would argue that we really ought to start with those States that have been on the short end of the stick all these years. We should start with the States that are the furthest behind, start with the States, such as Arizona, that have so much further to catch up.

If we have money to add to the amount of money that donor States get, why shouldn't we start with those States that have the biggest population growth and infrastructure needs and have received relatively, therefore, the smallest amount of money in the past?

Well, I guess you only get 8, 10 votes out of those States, so we start from a different premise. I do not think it is fair. That is the third reason I have to oppose this bill and why my friends in Arizona are basically saying to me: We can understand why we have to spend more money on homeland security and fighting the war on terror and on fighting in Iraq, and so on. We can understand why there are some other big needs that perhaps could get an increase in funding, such as education and the Medicare prescription drug bill last year. But we will be darned if we are willing to continue to send our money to Washington to be spent by other States when we have such large needs here. And they basically tell us, because you have so many needs, we cannot afford to bring you up to speed with everybody else and, therefore, you are going to have to wait 5 years.

I cannot go back to my friends in Arizona and say: Gee, I am sorry but that is just the way it is in Washington; they expect me to do something about it.

So I hope my colleagues who support this bill will indulge me, and those others, and put themselves in my place and ask what they would do if they were in this position and not give us too hard a time when we ask questions that may be difficult and make sure that from a parliamentary point of view, we use all of the options we have to try to convince our colleagues the bill should be made more fair than it is.

I would be happy if all of us received less money by reducing the top number of this bill down to an amount we can afford, say \$214 billion, or to simply reauthorize the existing spending levels for 1 year until we can go back and get this formula right. I would favor either of those two solutions today. I raised them both in the Finance Committee yesterday. Both were defeated. But I would opt for either one of those.

What I can't agree to is a bill that spends far too much money, funds it with general revenues for the first time, and is blatantly unfair to States such as Arizona.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from Oklahoma.

Mr. INHOFE. Mr. President, let me say how much I always enjoy the junior Senator from Arizona. We were both elected to the other body in the same year, 1986. We both came here to the Senate in 1994. Neither of us is shy about the fact we are conservatives. He has heard me say many times that conservatives in some areas are pretty big spenders—that is, national defense and infrastructure—believing that is really what we are supposed to be doing in Washington.

I don't think you can find a State that has had more road problems than my State of Oklahoma. It is kind of a going joke there. Each holiday, so many people come for Thanksgiving, and they say: We could always tell when we got to Oklahoma because of the roads. We always knew when we left Arizona and got over to Oklahoma because the roads aren't nearly as good as they are in Arizona.

I would suggest a couple of things are worthwhile talking about. I have a chart. I want to help the Senator from Arizona when he goes home. I will let him take this chart home. When you look at Arizona, keeping in mind that the average State increase under SAFETEA is 35.6 percent, that is 40.23 percent. That is a huge amount over the average. The Senator from Arizona says it is because they have been on the short end of the stick for a long period of time. I can identify with that because being from the State of Oklahoma, we were at the very bottom. We had to come up by virtue of formula to 77 percent, to 80, then to 90.5, and now hopefully to 95. So that is a very large amount of money.

If you look in the far left of this chart, you have what Arizona averaged under TEA-21. That was \$463 million. Then it shows each year thereafter, for the next 6 years, what happens by comparison. With all the difficulties we have in working on any kind of a formula, the Senator from Arizona and I have talked about the complexities of formulas. We have donee States, donor States, fast-growing States, low-population, low-density States. Consequently, to come up with some kind of a formula that takes care of all that, we took all of those things into consideration.

Contrast that with TEA-21. In TEA-21, they had a formula as a base, but they had a percentage. Every State had a percentage. When they finally got up to 60 votes, that was it: We don't care what happens to the rest of you. We have our 60 votes.

We didn't try to do that. That would have been easier, I suppose. I would probably be making the same number of people mad, but nonetheless we didn't do that. We tried to use the logical things to take into consideration in developing the formula.

The Senator talks about a veto. I know this is just a difference in interpretation. The Senator from Arizona is on the Finance Committee. I am not on it. Consequently, I went to the chairman, Senator GRASSLEY, and I said to

him, some time ago: This is what I feel we need to do. It is up to the Finance Committee to figure out how we get there.

The Senator from Arizona ran over it pretty exhaustively, and I bow to his superior intelligence in terms of the finance package because he is on the committee. But when I look over the fuel tax fraud compliance, that is something that came along a little bit later. I think that is real. My staff says that is a conservative figure, the 2.5 cents and the 5.2 cents on ethanol.

The interest, you agree, should go back to the highway trust fund. Spending down the balance is reasonable. I can remember back when we had balances of \$18 billion in the highway trust fund. I spent 8 years in the other body on the Public Works and Transportation Committee where we started chipping away on that. And we all know the reason that was there to start with. It goes back to the Lyndon Johnson days, when they were trying to make it look as if the money they were going to be spending was not going to have huge deficits. So they said, let's just go ahead and apply that when we are drawing up our budget. We have changed all that, and we are making great headway in spending that down to a reasonable level.

The \$6.5 billion, everybody does agree, is reasonable and I am sure the committee did also. Then on some of the clarifications on the transfer of the gas guzzler tax to the highway trust fund, it should have been there to start with. What we are trying to do is undo some of the damage that has been done to the trust fund over the years. We are doing that with this bill.

As far as a veto is concerned, let me share something that goes into a little more detail than the Senator from Arizona did. We have a letter here that expresses the current feelings, dated February 2, just a couple days ago. And in this letter from Secretary Mineta, this is the administration's position. They said, yes, we recognize we need more money for infrastructure. That is something we all agree and they certainly agree is necessary. They said, if you can get to the Bond-Reid amount without doing three things, then we would support you.

No. 1 would be you would not be increasing gas taxes. We are not going to increase gas taxes. Secondly, we are not going to play around. You know the games you come up with. Let's have a bonding program. You and I both know most of these bonding programs are nothing more than borrowing in some way from the future and encumbering future revenues. Or third—this is our biggest controversy with each other—that highway spending should be financed from the highway trust fund, not from the general fund of the Treasury. I grant you, the last item you talked about is coming from the general fund. I contend it should not have been. It should have been in the trust fund to start with.

That is an argument you and I could have a disagreement on, but I look at it perhaps with a little bit of bias, sitting on the committee and saying: All right, Finance Committee, if you can come up with this, this is what is best for America. I felt they did. And the chairman has told me he believed they did. We had Senator THOMAS on the floor, who is one of your colleagues on the committee, who I think is favorably disposed to the results of the work of the Finance Committee.

Mr. KYL. Will the chairman yield?

Mr. INHOFE. Of course.

Mr. KYL. As to the first items you mentioned, we are in total agreement. Those were items that should have been added to the trust fund, and they make up the difference between the \$196 billion in gas tax revenues and the \$214 billion. So there is no disagreement there. But as to the last two items, you could argue that the schools and churches and States and cities should have been paying the gas tax all along and that if they do pay it, it should go to the highway trust fund. That is true. You can argue that. But we are not going to collect it from them. We are not going to make them pay.

I suppose what you could say is, from now on churches and schools and cities and States have to pay the gas tax. And when they pay it, it should go to the highway trust funds. We are not saying that. We are going to deem that they have to pay it, but they don't actually have to pay it. There is no real money there. It is the same thing with the gas tax credit on ethanol. There the tax is actually going to be collected but then remitted. So the Government has it for a few days, but when they apply for credit, it goes back. Once again, we are going to credit the trust fund with the money, but it doesn't in fact get the money.

That is why the Finance Committee had to use creativity in finding these other corporate loophole closings and applying the revenue derived from that to make up the difference in the \$17 billion or so. So it is not revenue we should have been collecting all along and putting into the highway trust funds. You can argue whether we should have been collecting it or not, but it is not revenue we are going to be collecting in the future from the cities and schools, for example. We are going to have to get it from the corporate loopholes.

Mr. INHOFE. I appreciate the response. I know the Senator to be very sincere. The time that we spent—we are talking about 12 months we have been anguishing over this issue to come up with something that is fair. It is not perfect. It is better than it was under TEA-21. We went to the Finance Committee and said: Can you get us there? It is my information that we got there and, consequently, I still stand behind the bill. We have an honest disagreement on that.

Mr. KYL. I ask the chairman to yield. This has to do with the chart you

showed and the percentage increases. When you talk about percentage increases, I start to smile. You can always make a point with a percentage. I can remember when I was an associate in a law firm and I would be making, let's say, a salary of \$25,000 a year. The senior partner was making \$150,000 a year. We both get a 3-percent increase in our salary and he would say: That is fair. In fact, I will tell you what; I will take a 3-percent increase and I will give you a 4-percent increase.

At first, I would say that sounds all right. Then I said, wait a minute, you get 3 percent on \$150,000 and I get 4 percent on \$25,000. I think the gap is widening, not narrowing here. When I got to be more of a senior person in the law firm—and certainly with my Senate staff now, I always try to give the people at the bottom a higher percentage. Otherwise, the gap continues to widen. We see on the chart here how bad the pink or red numbers are, where Arizona is today. I appreciate you pointing that out. It is deceptive to suggest that since we are going up, we ought to be happy.

In terms of real dollars, the States that have collected more money in the past than Arizona, which have been donee States and haven't had this huge gap, are making far more in terms of the collections each year than Arizona will. You can show that it is going up, but the averages don't help Arizona. It is like the saying, how deep is the Mississippi River? The average is 6 feet, but if you get in the middle, you are in very deep water. Averages really don't count.

I would rather be the \$150,000 senior partner getting a 3-percent increase than a \$25,000 associate getting a 5-percent increase. That is, in effect, what Arizona is being offered.

Mr. President, I criticize the product. I do not criticize the chairman or other members of the committee. I know this is hard. Everybody is looking out for their own States, obviously. You cannot be fair to everybody and everybody's view. I appreciate that. So the comments are, I hope, in no way to be considered a reflection on the good faith of the people who are trying to do the work. My point is that I cannot stand here and represent the interests of my State with the kind of unfairness that I think is inherent in the bill, and that is simply, as the chairman said, something on which we are going to have to disagree.

I thank the chairman.

Mr. INHOFE. Mr. President, I suggest that, as the Senator from Arizona returns home, he ignore the 40-percent increase and go home and say \$1.11 billion new dollars. Perhaps they can relate to that.

I know Senator CORZINE wants to speak and several others want to be heard but not necessarily on the highway bill. At the appropriate time, I will ask unanimous consent that there be a period for morning business.

Before I do that, I see the chairman of the subcommittee is here. I ask Senator BOND if he has anything further to say insofar as the highway bill is concerned.

Mr. BOND. Mr. President, I thank the chairman, the good Senator from Oklahoma. He is doing a wonderful job. I have been listening to the comments of our friend from Arizona and I understand his concerns. In order to achieve equity, in order to get the bill passed, we were only able to give certain States, under the formula, an increase that maybe in all rights was not adequate. But anybody who gets a 40-percent increase is certainly doing better than most.

I have driven the highways in Arizona, and I know that my colleague from Arizona does an excellent job representing his State. I hope the additional \$1.118 billion will be a help.

This is a problem we always face on the highway bill. I don't know any State that cannot make a compelling case that they have needs that are greater. The chairman of the full committee and I are sitting on the first or second and third worst roads and the first and second worst bridges in the Nation. I am not getting a 40-percent increase. I can tell you in detail about friends who have been killed on the highways in Missouri because there was too much traffic—10,000, 15,000 cars a day on narrow two-lane roads. This is a huge problem.

The State of Oklahoma is a major Southwest-to-Midwest freeway. My State is in the center of the States. When you look at a map that shows the truck traffic and you identify the major corridors by red lines, the center of Missouri is a big red spot, and St. Louis is a big red blotch on the map; there is that much congestion.

We were very proud to have the first interstate in the Nation under President Eisenhower's bill, starting through St. Charles, MO. That is the good news. But the bad news is that the road is badly out of shape, and there is not enough money in this highway bill even to make a beginning on repairing it. The Missouri Department of Transportation may be able to make some improvements. We are giving them some options on how to deal with it in our State, but it is clearly a pressing need.

I can make a case that Missouri is the demographic center, because as many people live north of us as south of us, and as many people live east of us as west of us. The national traffic flow is through the State. We have needs. We don't increase at 40 percent, but we had to stay with the funding formula because this is a compromise. We are trying to take care of everyone and meet the needs that are pressing, meet the highest priority needs, and we were not able to do it.

We want to work with our good friend from Arizona. We understand his concerns and we thank him for his kind comments. Again, I will have to say

that the effort we put in was a lengthy effort and much compromise—nobody got really all they need, which, unfortunately, is the nature of a compromise.

Again, I appreciate the comments made. I hope all of us can get together and move quickly. We are ready to offer an amendment. I gather we are urged to wait until tomorrow morning. If others have amendments, I hope we can be open for business tomorrow and get going because there are lots of pressing amendments and there are issues that need to be voted on. I hope we can get up and running and begin a very important debate and have votes on these amendments. I thank the Senator.

Mr. INHOFE. Mr. President, I thank the Senator from Missouri. I also would like to say that it has been a very difficult task developing this legislation. While it seems as though all some colleagues want to talk about is the formula in terms of money, there are many other issues we dealt with—environmental issues, streamlining issues, safety issues, issues that are of paramount concern to everyone. A compromise was made on all of those issues—some I don't like, but we did compromise.

#### MORNING BUSINESS

Mr. INHOFE. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

Mr. CORZINE. Reserving the right to object.

The PRESIDING OFFICER (Mr. COLEMAN). The Senator from New Jersey.

Mr. CORZINE. Mr. President, I wonder if the Senator from Oklahoma will allow for 20 minutes speaking as in morning business.

Mr. INHOFE. Mr. President, I amend that to up to 20 minutes for the first speaker and 10 minutes thereafter.

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

Mr. CORZINE. I thank the Chair.

Mr. President, I, too, respect very much the challenges the chairman of the committee and the ranking member have been able to work through. I look forward to a good, healthy debate about some of the specifics. I think we are on the right track.

#### INTELLIGENCE OPERATIONS

Mr. CORZINE. Mr. President, I rise to speak on an issue about which I have spoken a number of times and which I passionately believe needs to be addressed—frankly, it is one that is well past the maturation stage where it should have been addressed—and that is an independent look at our intelligence operations, particularly as they relate to the pre-Iraqi invasion and how conclusions were drawn, so that can speak to the American people about the facts we had.

It is an issue which I think is essential to the national security of the American people. If we don't learn from our mistakes, we are bound to make those mistakes again. It is high time we have gotten around to it.

In the past few days, the administration and the world have come to understand and acknowledge on a broad basis the colossal intelligence failures that led us to war, a war that may have led to good ends, but the Nation clearly didn't come to those conclusions on the basis of the information we now seem to be discovering.

There is a question about means to an end that I think is pretty simple in the kinds of discussions I think all of us have in the families and in the communities in which we live. I don't think we want to get into a position where means justify ends when they don't relate to them. I just point that out as some of this discussion has evolved.

On January 8, Secretary of State Colin Powell addressed the lack of connection between Iraq and al-Qaida, stating:

I've not seen a smoking gun, concrete evidence about that connection.

We were told something different.

Then the President, in his latest State of the Union Address, referred only to weapons of mass destruction and related program activities, whatever that is—a far cry from the active nuclear program and stockpiles of chemical and biological weapons warned of in his last State of the Union Message in 2003.

It was last week's testimony from David Kay, the man responsible for the weapons search in Iraq, that finally brought this matter to maturity and captured the attention of the Nation, the administration, and the world, and that has really changed the whole context of this debate and discussion.

Dr. Kay, a man who told us last fall that Iraq's nuclear programs were only at the most rudimentary level, told the Senate Armed Services Committee there was no evidence of stockpiles of chemical or biological weapons.

David Kay has made an important recommendation—one that I think has been obvious for a number of months—that an independent inquiry be established so that the American people, so that the allies of the United States and those who would work with us, so that all of us who are involved in policy-making know we have the facts that allow us to make good decisions so that we are not committing the lives of our men and women in our military to efforts that are based on false premises, whether those are intentional or unintentional.

We need to have the right answers, and that recommendation apparently has now led—some might say forced—the President to announce he will name a panel to look at the intelligence issues related to Iraq.

I welcome the President's reversal on this critical need, and I suspect we will