

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. 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 President, I ask unanimous consent that the order for the quorum call be rescinded.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. KENNEDY. I understand now that we are on the time that has been designated for Senator DASCHLE, the minority leader.

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. I have been yielded 10 minutes and then I understand my colleague and friend from Washington has been yielded 5.

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. Would the Chair notify me when I have 2 minutes remaining?

The PRESIDING OFFICER. Yes.

EDUCATION FUNDING

Mr. KENNEDY. Mr. President, yesterday, JOHN EDWARDS was in Cleveland, OH, and gave a powerful speech on the economy. He pointed out the struggles of the middle class and asked why President Bush made the choices he has to boost the wealthiest Americans and abandon hard working men and women. I urge my colleagues to take a look at this great speech.

I ask unanimous consent that it be printed in the RECORD.

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

REMARKS OF SENATOR JOHN EDWARDS

It is an honor to be with you.

When I was in school, I remember coming down the stairs at night. I would see the glow of the television, hear the volume on low, and see my Dad working at the kitchen table. He wasn't going over the family bills or paper work from his job at the mill. He was learning math on TV.

After a long day at work, he would come home and turn on a local TV station to learn. Every year, he'd see another young person with no experience and a college degree move past him. And he knew that if he didn't try something his chances of moving up would disappear.

So my Dad—like millions of Americans—did what he could for himself so that he could better provide for his family. I was proud of what he was trying to do. I was sad because he couldn't get a college degree. And I realized that I lived in a country where I could.

Standing in that house, I always had hope. At that time, America was a place where hard work and determination could take you anywhere. My mother ran her own small business, refinishing furniture to help pay for my tuition. Thanks to my mother and father's hard work in that mill, in that business, and at that kitchen table, they were able to buy a house. Later on, they were able to help me become the first person in my family to go to college. And I stand here today because I have lived in the bright light and the blessing of America.

What I saw in that house in Robbins, North Carolina was very American. It was two parents working hard, meeting their responsibilities, and living in an economy that made the American Dream possible. It was a time when you knew that faith, responsibility and hard work would lift your family up. They would give you and your children the future they deserve. And this is the great promise of America.

But I fear today, that that light is flickering and that blessing is no longer there for any but a few. And this great shift away from the power and the promise of our middle class means that the gifts and the graces of too many young people never have a chance to shine.

Today, I fear that a young boy in Athens who goes downstairs and sees his parents at the kitchen table doesn't sense hope in his house. He sees his parents trying to get through the month. He sees them divide up their bills into piles that say "pay now" and "pay later." And he sees his mother and father work hard and they can't even break even.

That boy thinks, "This is what life will be like." He looks on with resignation and the false belief that this is as good as it gets.

Two people are responsible for causing this great shift in America: George W. Bush and Dick Cheney. Their policies have decimated the economy of Ohio and the American values we believe in.

This campaign is about different leaders and different economic plans. It's about different visions for America. And it's about what's holding our economy down—the callous view of a few at the top who believe that the values that got us here can now be left behind.

It is because George Bush and Dick Cheney abandoned our values that Ohio has lost 237,000 jobs; family incomes have dropped by more than \$1,500; health care costs have gone up more than \$3,600; tuition at Cleveland State and Ohio State is up \$3000; and once every five minutes an Ohio family files for bankruptcy.

The struggles people face in Ohio and the weakness in our economy are a direct result of decisions made by George Bush and Dick Cheney. And those decisions are the direct result of a vision that honors wealth and privilege rather than work and responsibility.

When our economy suffered after September 11, this President made a choice. He fought for tax cuts for the wealthiest Americans. And he did nothing to put more money into the pockets of working families.

When our country went 7 straight months of losing jobs, this President made a choice. He proposed \$25 billion in backward-looking tax cuts for big corporations like Enron. But he did nothing to pass tax cuts that would encourage businesses to create jobs.

When the incomes of working families began to fall after 7 years of strong growth, this President made a choice. He slashed the overtime for six million workers. But he did nothing to raise the minimum wage.

When health care costs skyrocketed out of control, this President made a choice. He gave away \$140 billion to the big drug companies and fought to lift the responsibilities of HMOs and insurance companies while taking away the rights of families. But he did nothing to lower health care costs so Americans could keep more of their hard-earned money.

When Ohio schools raised college tuition because of state budget deficits, this President made a choice. He stood up for subsidies to big banks and tried to cut off Pell Grants for 84,000 students. But he did nothing to relieve the burden on our state budgets and increase student aid.

Every choice he made did something to harm our middle class and weaken our econ-

omy. So when it comes to what working people need, this really is a Do-Nothing Presidency: Do Nothing to create jobs, do nothing to relieve the pressure on the middle class, do nothing to bring down health care costs, and do nothing to help more young people go to college.

You can count on George Bush and Dick Cheney to do one thing: look out for their friends at the top. It is very simple: they honor wealth, not work.

Make no mistake. This idea is the most radical and dangerous economic agenda to hit our shores since socialism a century ago. Like socialism, it corrupts the very nature of our democracy and our free enterprise tradition. It is not a plan to grow the American economy. It is a plan to corrupt the American economy and shrink the winners' circle.

John Kerry and I believe that the hard work and responsibility of the middle class are the engine of our economy. We believe our government should honor those values and give everyone who works hard and takes responsibility a chance to do well. We believe in expanding the winner's circle. We believe in one America.

History shows us that our approach works better for America. To have real economic growth in this country, we have to strengthen and expand the middle class.

We saw it with the G.I. Bill. Young men had fought for America, and America invested in them. Millions of young people went to college and triggered the greatest expansion of the middle class the world has ever seen.

We saw it in the 1990s. Government lived within a budget just like our families do. A tight labor market drove up wages. The average family made \$7000 more, and we lifted 6 million Americans out of poverty.

And look where we are today. George Bush and Dick Cheney have replaced that virtuous path with a vicious circle when it comes to our economy.

We have a labor market that cannot keep up with our growing population. We see declining wages even as health care costs go through the roof. And the gap between the Two Americas is growing. Corporate profits are up. Our most expensive stores' sales are up. But average wages are down over the last year, and the Targets and Gaps are seeing their sales stall. Instead of creating good middle-class jobs, we're creating more temporary positions, part-time jobs, and jobs in fast food restaurants.

When you have a government that does nothing to reward work, our economy doesn't pick up and this vicious circle continues. The people at the top do just fine. The people who make this country work struggle to get through the month, and our economy never picks up steam.

John Kerry and I will break this vicious circle. And we will put America back on a virtuous path where work is rewarded, the middle class expands, and the American Dream is there for all who are willing to work for it.

It is time to build one America with one economy that works for everyone. Where no child ever looks on at his parents and thinks, "I can't hope for something better." But dreams only of building something better. And this is the season for change. It is time to build an economy that honors our values and rewards work.

I know personally what it's like when the factory or the plant closes down. The whole town suffers, and that's what happened when the textile mill my father worked in closed down.

We can prevent some of these jobs from leaving America. And there are real steps we can take that will stem the loss of manufacturing jobs in Ohio. But that alone won't be enough.

One constant of our new global economy is that there will always be change—one sector will be growing while another lags. It is the responsibility of our leaders to anticipate these changes, do what they can to save the old jobs and create new ones, and give our workforce the tools it needs to adapt to the new economy.

What I will present today is our plan to help Ohio and America build one economy. This plan will attract new business to Ohio and create more manufacturing jobs. And it will strengthen and expand the middle class so that the American dream of building something better is never replaced with the dream of just getting by.

First, we are going to create and keep good paying jobs right here in America.

Today, if one company wants to move its factory to China and another company wants to keep its plant open outside of Marietta, the company that ships its jobs overseas is rewarded. They get the tax break while our middle class watches more and more good paying jobs leave this country. They get the tax break while our middle class loses its muscle. And they get the tax break while your friends and neighbors have to figure out how to live on \$12,000 less in their new job.

This administration values America's work so little that they actually proposed to offer new tax breaks for companies to go overseas. We should be exporting American products, not American jobs.

When John Kerry is President, we will end the tax deferral rules that encourage companies to ship jobs overseas. Instead, we will cut taxes for businesses that create jobs here. In fact we will cut taxes for 99% of American companies that pay taxes and create jobs.

For those small businesses and manufacturers that want to hire new employees we will create a new jobs tax credit to pay your share of the payroll tax for every person you hire. And for those small business owners who want to hire more employees but cannot afford to insure them, we will give you up to a 50% tax cut on your health care to cover your employees.

You see, we believe government should cut taxes on American business. But it shouldn't cut and run from America's values when it does.

Another way to honor work is to enforce our trade agreements and trade laws so we secure a more level playing field for our workers. We need to trade for our businesses, our consumers, and our economy. But we need to make sure that our trading partners honor their part of the bargain.

Your own Senator, George Voinovich called America's enforcement of trade laws, "nothing short of abysmal." Right now, this administration is using our trade policy to compensate for their own failed foreign policy, by cutting deals with small countries willing to support us. And in the meantime, our major trading partners are cleaning our clock, bringing two or three trade cases against us for every one we bring against them.

Today we are running the biggest trade deficit in history. Exports are down for the first time in history. And no place feels the downside of an Administration that fails to look out for our businesses and our workers more than Ohio.

Ohio has lost 173,000 manufacturing jobs under this President. Here in Cleveland, CHC Industries shut down its plant because of Chinese dumping.

And I heard a similar story from the workers from Technoglas in Columbus. They were part of the television glass and components manufacturer that closed three plants and sent 1,100 workers home. And one of the reasons they closed is China's continued manip-

ulation of its currency. They are able to sell products for up to 40 percent less—not because they're more efficient or cheaper, but because they play games in the currency markets. This president won't even say it's against the rules.

John Kerry will. He will fight China's currency manipulation. And he will stand up and defend the federal trade enforcement law that that has delivered over \$200 million to Ohio manufacturers over the last four years.

These trade policies aren't abstract ideas or some things that happen over there. They impact our lives. While we must always trade and open our markets, we must do so in a way that is right for our workers and the world's workers.

We all have to do well if this economy is going to break this vicious circle and start to grow. And that means making sure businesses across America can compete with businesses around the world. Today, health care costs add \$400 to the cost of a Japanese car, but \$1400 to the cost of an American car. American manufacturers that have always done the right thing and offered health care are at a growing disadvantage compared to our international competition.

We can change that. We can change it by lifting the burden of catastrophic costs from businesses and by offering tax credits to make health care more affordable. We can change it by allowing the reimportation of prescription drugs and the government to negotiate a fair price. And we can change it by passing a new three-strikes-and-you're-out rule that targets the lawyers who clog our court systems with meritless cases that should never be filed—not the victims whose injuries are all too real.

John and I also understand that a strong economy isn't just about Wall Street doing well. It's about the strength and livelihoods of our Main Streets and back streets in our small towns and rural areas.

That's why we'll create a venture capital fund to support small businesses and entrepreneurs in small towns that are hurting. We will make sure we have broadband everywhere in America and help small manufacturers upgrade their technology. And we can invest in the new technologies and renewable energies so that America can become independent of Middle East oil.

Here in Ohio, your leading universities, research institutes, and advanced manufacturing industries will spark new growth and innovation. They are critical for strengthening our high tech economy and key to Ohio's economic future.

Since the Second World War, technology has accounted for nearly 50 percent of the state's economic growth. There are 167,000 Ohio workers employed in high tech jobs.

If we expand investment in technology, we can create an economic environment where these kinds of good paying jobs are created every day. And by investing in education, we can use our best and our brightest to solve our countries greatest challenges. The strength and knowledge of our working men and women will launch the next wave of economic expansion. And Ohio can and will lead the way.

Once we take these steps, our walk is not done. When we put America back to work, we also need to make sure that work is honored and rewarded.

George Bush is talking about building an ownership society, but he has spent four years building a debt society for everyone except those at the top. His economic vision has one goal: to get rid of taxes on unearned income and shift the tax burden onto people who work. And he has moved toward that goal with the tax cuts he has passed already.

The President's new "tax reform" is the ultimate expression of his values. We don't

know all of the details, but we know a lot of them because of a memo released by his former Treasury Secretary.

We know people who inherit hundreds of millions will pay nothing; firemen and waitresses and working people will pay everything. And we know his plan will take away the most important incentive for the single most important form of ownership: it will eliminate entirely the tax deduction for home mortgage interest.

According to the Treasury Department, the effects of this project on the economy as a whole are "uncertain." But the effects on the middle class are clear. It means that they will bear more of the tax burden in America.

It's time to return to the idea that made this country great: Instead of helping wealthy people protect their wealth, we should reward the work of America's middle class.

That is why John Kerry and I have a plan to cut taxes on work and expand our middle class. To help middle class families pay for health care, health care reform and a tax credit to help lower premiums up to \$1,000 a year. To help them cover the rising costs of child care, a tax credit up to \$1,000 so children have a safe place to go while their parents work. To help middle-class families keep more of their hard-earned money, we will stop the deceptive and unfair credit card deals that cost families billions each year.

And to give more young Americans the chance I had to be the first member of their family to go to college, a plan to make college affordable. We will provide \$10 billion in aid for states, including \$340 million for Ohio, as long as the state holds tuition in line with inflation. We will provide every person with a tax credit on \$4,000 of college tuition. And if young people are willing to give two years of service to their community, state or country, then we'll give them four years of college tuition.

When we say that we want to cut taxes for the middle class, these are more than words. It's what John and I have fought for over and over again. They want more tax cuts for millionaires. We want more tax cuts for the middle class because we know that a strong and growing middle class means a stronger America.

Just as families live within a budget, Washington should too. And we will restore fiscal discipline in Washington. We will roll back tax cuts on multimillionaires, restore real budget rules, and we will cut corporate loopholes, corporate welfare, and the federal bureaucracy that is growing again under George W. Bush. Our plan will cut the deficit in half and this will restore confidence in our markets. It will free up new capital for new businesses and encourage them to start hiring again.

There is a fundamental American principle we all believe in—creating wealth for those who'll work for it and expanding the middle class. But the very idea of the "working poor" has no place in our America.

Cleveland is a proud city, a great city. And it belongs at the top of many lists. But not the one we heard about last month—having the highest poverty rate in the nation. We need to see these numbers as a call to action.

Poverty isn't something we can live with. It's something we must strive to end. Based not on handouts, but based on hard work. We will encourage the job creation in Cleveland by fixing our tax policies and our trade policies and investing in our small businesses. We will honor hard work by raising the minimum wage. That will help 396,000 people in Ohio. And we will honor hard work by expanding tax credits for those who work.

In Cleveland, thousands of working families who are eligible for those tax credits

don't collect them. Thousands get advance "tax refunds" that are actually loans at interest rates of 100 percent or higher. And often these families see their earnings eroded even more by predatory lending at rates no one should have to bear. Ohio has the highest foreclosure rate in the country, and in Cleveland, 1 in 66 homes were in foreclosure in 2003.

We can do something about it. First, we'll work with Cleveland to lead an outreach campaign, expand voluntary help with taxes, speed up tax refunds, and get the IRS out of the business of encouraging high-interest loans. We will crack down on predatory lending to save Ohio families \$300 million a year, and use our laws to prompt banks to offer more loans and services to low income families. And we can make sure fathers honor their responsibilities by paying child support and helping them work.

We can lead a rebirth right here in Cleveland. This city has 350 brownfields covering 6,000 acres. We can clean them up and replace hollowed out buildings with good new homes. And we can strengthen the public schools in Cleveland so that families stay in the city. You just laid off more than 800 teachers because the schools are underfunded. How are we going to educate the best minds of tomorrow without a good teacher at the head of every classroom?

One thing that you understand here in Cleveland is that poverty isn't "their" problem. Nobody is more eager than you to fight poverty because you understand that the fate of your city depends on the success of all of your residents. And that is exactly the same thing for America. Creating opportunity for all is not an expression of compassion. It is an expression of our commitment to do what is best for America.

At the heart of this campaign, we want to make sure that everyone has those same opportunities that I had growing up—no matter where you live, who your family is, and what the color of your skin is. This is the America we believe in.

You honor work and inspire confidence by building one economy that honors our values and strengthens our great middle class. With this simple and enduring principle serving as our moral compass, we can break this current vicious circle and put our economy back on a virtuous path.

This is what the politics of what's possible can build and John and I need your support to make this happen in America.

For in the end, this election comes down to a simple choice. If you believe that our economy—Ohio's economy—is strong when month after month jobs are lost and family incomes decline, then you can vote for George Bush and Dick Cheney. But if you want an economy that honors work and lifts up our middle class, then your choice is clear and it is time to make John Kerry our next president.

Many of us are angry at what George Bush and Dick Cheney have done to our great country and the values we cherish. But anger never changed America; our actions do. And this is what we will do create good paying jobs, invest in the jobs of the future, and lift up and expand our great middle class.

We will do this for America.

So that once again, we can live in the bright light and the blessing of America.

Where a child no longer sees despair when his parents sort bills at the kitchen table, but believes in the promise of America. That hard work, responsibility and the love of his family can create a future filled with hope and grace.

Mr. KENNEDY. Mr. President, few issues are more important to a strong America than strong schools. Edu-

cation can open the doors of opportunity to our people. It helps the next generation realize their potential and fulfill their dreams. A good education strengthens our economy as it prepares young Americans to get good jobs and compete in today's world. Parents want their children to succeed, but over the past 4 years we have seen a President and an administration with an incompetent education policy and incompetent education budget.

President Bush can find more than \$1 trillion to give away in tax breaks for the elite but he cuts funding for his own education reforms. He can waste billions of dollars in contracts to Halliburton but cannot find a dime to increase Pell grants. When it comes to the education of our children and helping the middle-class families afford college for their children, and helping workers get retrained for new jobs, this administration has been AWOL.

On issue after issue, the administration has misled the country with the long trail of broken promises and unmet commitments. Incompetence is hurting our families and our communities. On Iraq, the administration manipulated and distorted intelligence in a rush to war. We have had incompetent leadership in trying to find a way of peace, and America is less safe today.

We have had incompetency in the management of our economy with the loss of 1,700,000 jobs. Wages are down. Expenses are up. Health premiums are going through the roof. Gasoline prices are up. College premiums are up. In health care, we have a double-digit increase in premiums. Drug costs are going through the ceiling. There is a rising number of uninsured. Iraq, the economy, health care, and now education.

I have a statement the President made January 23, 2001:

My focus will be on making sure that every child is educated.

These are the K-12. This is the college education. These are the children who need the training programs and yet we see that under the administration's budget 4.6 million of these children are being left behind.

College tuition has gone up 38 percent in the new calculations since this President took office, which makes payment of the premiums for a college education out of the reach of middle-income families.

We have had an actual \$600 million cut in job training programs.

This is what the President said:

Funding is important and so is reform. So we must tie funding to higher standards and accountability—

We agreed with that—

for results. Schools will be given a reasonable chance to improve and the support to do so.

Money is not the answer to everything but it is a clear indication of a nation's priorities. This is a commitment of the President to provide the support so we can have higher stand-

ards so that we can have higher results and academic achievement for our children. Yet we find that Bush underfunded the reforms of No Child Left Behind this year by \$9.4 billion.

There are 6,500 schools identified as in need of improvement and President Bush has never once proposed funding to turn around schools that need improvement.

Here it is. The President said on January 23, 2001:

Many of our schools, particularly low-income schools, will need help in the transition to higher standards.

Higher standards mean better trained teachers who are teaching in underserved areas. It means support services for those children who are not being able to keep up with the rest of the class. It means help and assistance for limited-English-speaking children, those who are speaking a foreign language who need the extra help and assistance in order to be able to perform at standard, and also reforms for struggling schools in many of our urban areas and some in our rural areas.

There was a guarantee in the No Child Left Behind funding for qualified teachers, funding for afterschool programs, funding for limited-English-speaking children, funding for struggling schools, and yet that has been a failed promise.

This chart indicates where the Bush budget is with regard to the No Child Left Behind Act, all the way out to fiscal year 2012, and that leaves over 4 million children left out and left behind.

This was the commitment in the No Child Left Behind Act that this President signed to say that no child would be left behind, and that every child could reach proficiency.

In my State of Massachusetts, in the last MCAS test, which is generally recognized nationwide, 62 percent of the children were able to get proficiency in reading and 57 percent in math. We are not giving up on those children but evidently the administration has.

Next, in higher education, this is what the President said on August 30, 2000:

A child eligible for a Pell grant future will be affected by the size of the Pell grant. I am going to ask Congress to bolster the first year aid . . . to \$5,100 per recipient of the Pell grant. . . .

That was on August 30, 2000. When was that? Just before the election.

I have the budget of this administration on the Pell grants for the last 4 years: Zero, zero, zero in terms of the increase of the Pell grants at a time when we have increases in higher education going up 38 percent.

This is an abdication of responsibility to the children of this country. We have had an abdication of responsibility in health care, in the economy, and in education.

What we do not have with this administration is attention to special interests. We saw over the passage of the Medicare debate where this administration gave \$139 billion in windfall

profits to the drug industry, \$46 billion to the HMO industry. Now what do we have, the student loan scandal.

My friend from the State of Washington will speak to this issue, but I wish to point out what was printed today in the New York Times that says it all.

I ask unanimous consent that the whole article be printed in the RECORD.

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

[From the New York Times, Sept. 22, 2004]

BANKS AND THE COLLEGE LOAN LOOPHOLE

The Bush administration has studiously looked the other way while well-connected lenders have exploited a loophole in the student loan program that will reap them nearly a billion dollars in undeserved subsidies this year alone. Congress, which rakes in contributions from banks and other lenders, was reluctant to even discuss this problem until a public outcry recently made it impossible to avoid. The Education Department has claimed that it lacks the authority to close the loophole unilaterally. But that position was blown away this week in an unusually caustic report by the Government Accountability Office, which outlined the scope of the problem and urged the Education Department to solve it quickly.

At issue is a special category of student loans for which the government guarantees the lenders a whopping return of 9.5 percent, even though the prevailing rate charged to students is now less than 3.5 percent. The 9.5 percent loans, backed by tax-exempt bonds, were established when interest rates were high in the 1980's to keep lenders in the college loan business, Congress tried to phase out the high-interest loans in 1993, when it rightly concluded that they were no longer needed, but they have not gone away.

As interest rates declined, the lenders, abetted by the Education Department, developed a series of accounting tricks that create new 9.5 percent loans essentially out of thin air. This process, sometimes described as cloning, has made the number of 9.5 percent loans balloon and ratcheted up the subsidies that the government must pay. Worse still, recent press accounts suggest that higher-ups in the department may have overruled auditors who tried to put an end to this process.

The House voted to end the unfair subsidies temporarily—and is likely to settle on a permanent solution soon. But the Senate Appropriations Committee ducked the issue last week when it rejected a measure that would have driven a stake through the wasteful program and redirected some of the savings to student aid. By one estimate, even six months' delay in dealing with this problem would cost the taxpayers nearly \$3 billion in interest payments. That money should be going to poor and working-class college students—not to banks.

Mr. KENNEDY. By one estimate, even 6 months' delay in dealing with this problem will cost the taxpayers nearly \$3 billion in interest payments. That money should be going to poor and working class college students, not to the banks.

We have an administration that takes care of the special interests, and now we find they are taking care of the banks as well. They take care of the drug companies, the HMOs, and the banks. All one has to do is read the newspaper. Look at this morning's

newspaper on the Federal page, September 22, "EPA Wording Found To Mirror Industry's."

For the third time, environmental advocates have discovered passages in the Bush administration's proposal for regulating mercury pollution from power plants that mirror almost word for word portions of memos written by a law firm representing the coal-fired power plants.

There it is again, taking care of the banks, taking care of the powerplants, taking care of the drug industry, but not taking care of working class Americans, not taking care of middle-income Americans.

I ask unanimous consent that the entire article be printed in the RECORD.

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

[From the Washington Post, Sept. 22, 2004]

EPA WORDING FOUND TO MIRROR INDUSTRY'S

(By Juliet Eilperin)

For the third time, environmental advocates have discovered passages in the Bush administration's proposal for regulating mercury pollution from power plants that mirror almost word for word portions of memos written by a law firm representing coal-fired power plants.

The passages state that the Environmental Protection Agency is not required to regulate other hazardous toxins emitted by power plants, such as lead and arsenic. Several attorneys general, as well as some environmental groups, have argued that the Clean Air Act compels the EPA to regulate these emissions as well as mercury.

The revelations concerning language written by Latham & Watkins could broaden an ongoing probe by the EPA's inspector general into whether the industry had an undue influence on the agency's proposed mercury rule, legislative critics of the proposed rule said.

Sen. James M. Jeffords (I-Vt.), ranking member of the Senate Environment and Public Works Committee and one of the senators who called for the probe last spring, said the revelation that the EPA adopted the same wording as an industry source "no longer comes as much of a surprise."

"The Bush administration continues to let industry write the rules on pollution, and this is just one more example of how they abuse the public trust," he said.

EPA spokeswoman Cynthia Bergman would not comment on the connection between the law firm memo and the agency's proposal beyond saying that it is "a public document. It was publicly debated as part of the rulemaking process."

She added that pollutants such as lead and arsenic are not the central issue: "EPA continues to be most concerned with mercury. We will be regulating mercury emissions from power plants for the first time, and we will concentrate on the need to protect children and pregnant women."

Environmentalists have assailed the EPA for months arguing that the mercury rule, slated to be finalized next March, would not adequately curb a toxin that can enter the food chain through fish and cause development damage in infants and young children.

The rule, they said, does nothing to limit chromium, lead and arsenic pollution from utilities, all of which exceed mercury emissions and could pose a health threat.

"The big story here is the public health story; things like arsenic, lead and chromium are being released in very large quantities and pose a very serious health threat,"

said John Stanton, a senior lawyer for Clear the Air, an environmental coalition that spotted the similarities between the regulation's language and the industry memo.

The proposed regulation concludes that although the EPA determined in 2000 that arsenic, chromium and other metals are potential carcinogens, there is too much uncertainty to justify regulating them.

That conclusion is backed by two sections of the proposed rule that address whether the EPA is compelled to regulate non-mercury pollutants, an issue that first arose in 1990 when Congress rewrote sections of the Clean Air Act. At the time, Congress made an exemption for the utilities, saying the EPA should study whether it was both "appropriate and necessary" to regulate them. In 2000, in the waning months of the Clinton administration, the EPA concluded that utilities should be listed as a source of toxic emissions and regulated accordingly.

In light of the 2000 decision and past studies, EPA officials said they are obligated to regulate only mercury in coal-fired power plants and nickel in oil-fired plants. The nine attorneys general and two state environmental secretaries wrote the agency on June 28 saying the EPA is legally required to address other pollutants as well, citing a 2000 decision by the U.S. Court of Appeals for the D.C. Circuit.

The Aug. 5, 2002, memo from Latham & Watkins, submitted during the public comment period on the rule, said hazardous air pollutants other than mercury did not need to be regulated. It made multiple references to statements by Rep. Michael G. Oxley (R-Ohio) that "Congress provided a distinct regulatory mandate for utility [hazardous emissions] because of the logic of basing any decisions to regulate on the results of scientific study and because of the emission reductions that will be achieved and the extremely high costs that electric utilities will face under other provisions of the new Clean Air Act amendments."

The EPA used nearly identical language in its rule, changing just eight words. In a separate section, the agency used the same italics Latham lawyers used in their memo, saying the EPA is required to regulate only the pollutants under Section 112 of the Clean Air Act "after considering the results of the study required by this paragraph." The memo uses the word "subparagraph" instead of paragraph but is otherwise identical.

Latham lawyer Robert A. Wyman Jr., who authored the memo, declined to comment last week on grounds that the firm does not discuss client matters unless directed to do so.

The Washington Post and the Los Angeles Times reported earlier this year on instances in which industry-written language had surfaced in the mercury proposal. A spokesman for the inspector general's office said its investigation of the issue should be done by early next year.

That, I believe, is what this whole election is about.

Finally, the President of the United States is out today in Pennsylvania and also in Wisconsin. I hope he will explain to the people in Pennsylvania why he is leaving out 65,800 schoolchildren, who are being left behind in the funding of the No Child Left Behind Act in Pennsylvania. And when he travels to Wisconsin on Friday, I hope he will explain to the parents out there in Wisconsin why he is leaving behind 26,300 children, who are left behind in the State of Wisconsin.

The parents of the children in Pennsylvania, the parents of the children in

Wisconsin, are entitled to answers. They are tired of rhetoric. They are tired of clichés. They are tired of misrepresentations. They want the facts. They want the truth. We have a candidate who will give it to them.

I see my friend and colleague in the Chamber, Senator MURRAY. Whatever remaining time I have, I yield to her, and I thank the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator has 5 minutes 15 seconds.

STUDENT LOAN SCANDAL

Mrs. MURRAY. Mr. President, I come to the floor today to talk about this scandal to which the Senator from Massachusetts alluded. It is mentioned in the New York Times today, "Banks and the College Loan Loophole."

I talk to families all over the State of Washington, and they are struggling to pay for college for their kids. They all agree college education is far too expensive for many families. You would think the Federal Government would be doing everything possible today to make college more accessible for all of our families. Sadly, that is not the case.

Last week in the Senate we had a chance to help students to get to and get through college. Unfortunately, the majority on the Appropriations Committee blocked my commonsense, student-friendly proposal. Instead of standing up for students, unfortunately the committee stood up for banks and other special interests that have been gaming the system for years, at taxpayer expense.

I am on the Senate floor today to say that students should come before special interests. Student loan programs were started to help our students. They were not started to line the pockets of lenders. It is time to end the taxpayer ripoff that is occurring today and do more to help our students afford college.

Back in the 1980s, interest rates were high. Many people were concerned that our lenders would stop making student loans, so Congress created a temporary—and I emphasize "temporary"—measure to keep college loans affordable for our students.

At the time, it worked. Lenders kept making loans, and students were able to afford college loans. This was supposed to be, as I said, a temporary measure. In fact, it was supposed to be phased out in 1993, when interest rates started coming back down. Interest rates came down; this subsidy lived on. For the past 11 years, taxpayers have paid these lenders far more than they should have. Taxpayers are actually subsidizing profitable companies to make loans that are far above today's interest rates. Clearly, taxpayers are paying a huge bill while special interests are taking the money to the bank.

Who is paying the price? Our college students. This year we are throwing away \$1 billion that we could be using to help more students go to college. So in the Appropriations Committee last week, I offered an amendment to finally stop this taxpayer ripoff. My amendment would have used the savings from this ripoff to help 700,000 students get another \$3,000 for college. It would have helped the parents of 25,000 low-income students get child care on campus. It would have helped another 200,000 students get \$800 in grants. It would have helped 180,000 low-income and first-generation students prepare for college through TRIO and GEAR UP. And it would have helped thousands of migrant students attend college.

When I offered my amendment, everybody on the committee seemed to agree that this subsidy should end. But when it came time to vote, every Republican member voted against my amendment. They voted against taxpayers, they voted against students, and they voted against our families. They said they wanted to deal with it later. I am here today to say that taxpayers are getting ripped off every day we delay. If we wait 6 months, as was suggested, taxpayers will lose billions of dollars, and students will not get the help they need. The time to do this is now.

I am not willing to waste another dollar that could be in the pockets of our students today, and that is why the Senate needs to act now. The Government is paying 30 times more than it should for these special interest subsidies—30 times more. That is a ripoff.

This is as if you walk into a college book store and a textbook on the shelf costs \$100. If that textbook had the same outrageous markup as these loans, that student would be paying \$3,000 for the same textbook. Taxpayers are paying \$3,000 for something that only costs \$100 because of this runaway subsidy, and that is outrageous. There is no reason for taxpayers to be paying a markup of 30 times the real cost.

We were all outraged when Halliburton charged taxpayers \$45 for a case of soda that sells for \$7 at the supermarket. Halliburton marked those prices up 6 times. Today, lenders are marking up student loans at a price 30 times higher than they should. No wonder the Washington Post called this a scandal.

I ask unanimous consent to have the Washington Post editorial on this printed in the RECORD.

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

[From the Washington Post, Sept. 10, 2004]

STUDENT LOAN SCANDAL

There are bureaucratic errors, there is congressional negligence—and then there are bureaucratic errors and congressional negligence on a scale so vast that it is hard to believe they can be accidental. The hundreds of millions of dollars in unnecessary government payments to the student loan industry

in the past 18 months amount to such a scandal. The loans in question, established in 1980, are guaranteed by the government at 9.5 percent. Yet most students are paying interest rates of 3.5 percent or less. The difference—all taxpayers' money—is pure profit for the companies that have taken advantage of a loophole in the law.

According to a recent report by the Institute for College Access and Success, a non-profit education think tank, Congress had actually intended to end in 1993 the 9.5 percent loan guarantee, one of many programs that provide incentives for institutions to lend to students. In May 2003, one company, Nelnet Inc., wrote to the Education Department to confirm its intention to expand its holdings of old loans with the 9.5 percent interest rate. Nelnet received no answer from the department for a year, during which time the department continued paying the company. In June of this year, the department replied inconclusively—at which point the company's stock price climbed 20 percent. Although Nelnet is the largest holder of loans guaranteed at 9.5 percent—and its holdings of such loans have increased by 818 percent since January 2003—it is only one of many such lenders. According to a preliminary Government Accountability Office report, commissioned by Reps. Chris Van Hollen (D-Md.) and Dale E. Kildee (D-Mich.), 37 lenders receive payments for loans with guaranteed interest rates of 9.5 percent, at a government cost of \$1 billion annually, and the volume of such loans is rising.

Why wasn't the loophole shut long ago? Education Department officials argue strenuously that only a two-year regulatory process could have done so, and they didn't initiate one, they say, because they thought Congress would deal with it. Congressional Republicans say they expected to deal with the problem in a comprehensive higher education bill, but that has failed to pass (and in any case the proposed language would not have ended all the payments). Yet, other solutions could have been found: In the wake of revelations about the scale of the payments, the House yesterday passed an amendment to an appropriations bill, offered by Mr. Van Hollen and Mr. Kildee, that would close the loophole completely, albeit temporarily. (Of course, there is no guarantee it will become law.) And one former Education Department general counsel has written to the secretary of education, Roderick R. Paige, arguing that the loophole could have been closed immediately if officials had wished to do so.

There could be other explanations for their reluctance. One is that the president of Nelnet, Don R. Bouc—who has called for the loophole to be shut and the money to be better used—is well-connected enough to have been appointed to Mr. Paige's advisory committee on student financial assistance. Here is another: According to a report in the Chronicle of Higher Education, Nelnet is the second-largest contributor to congressional campaigns in the student loan history, beaten only by industry giant Sallie Mae. Over the past 18 months, the student loan industry has contributed about \$750,000 to the 49 members of the House Committee on Education and the Workforce, of which \$136,000 has gone to the committee chairman, Rep. John A. Boehner (R-Ohio), and \$175,000 to Rep. Howard P. "Buck" McKeon (R-Calif.), chairman of the subcommittee on higher education. Mr. Boehner's spokesman vehemently denies any connection between the contributions and the issue and maintains that the committee's bill would have fixed the problem, which was mentioned in the president's latest budget. Still, it is difficult to understand, given the sums involved, why neither Mr. Paige nor Congress made this a higher priority.