face of a cliff outside the Afghan city of Bamiyan. These ancient wonders that had endured for centuries were instantly turned into dust. The Taliban was literally trying to erase history. But now the Taliban itself is history.

America's quick defeat of the Taliban, the rescue of the Afghan people out from under their wicked thumb and the quick transformation of Afghanistan into a burgeoning democracy in just 4 years is nothing short of amazing.

Today, a democratically elected parliament and a democratically elected, President Hamid Karzai, are charting a new course for their country. I am proud to say that a new day has dawned in Afghanistan. Where there was repression, now there is liberty.

For instance, reports indicate that 68 of the new legislators are women. Four years ago little girls weren't allowed to go to school, and women had no rights whatsoever. Four years ago women were second-class citizens, blocked from jobs and educational opportunities by the Taliban. These 68 women legislators make up over a quarter of their chamber. That is significantly higher than the proportion of women in our Congress in the United States.

Afghanistan will continue to make progress toward freedom and democracy. The provincial councils are now in the process of selecting 68 members of the House of Elders, which is the upper parliamentary house. Those selections will be completed soon. Then with President Karzai's selection of an additional 34 members to the upper house, the full Afghan Parliament is scheduled to convene for the first time in the third week of December.

I ask my colleagues to join me in saluting the people of Afghanistan as they move forward toward freedom and democracy. I ask all of us to join in pledging the full support of the United States as the people of Afghanistan continue to fight the last vestiges of an extreme terrorist element, and as they continue to stand with the grand coalition of free nations who are waging the war on terror.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

TRANSPORTATION, TREASURY, HOUSING AND URBAN DEVELOPMENT, THE JUDICIARY, THE DISTRICT OF COLUMBIA, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006—CONFERENCE REPORT

Mr. BOND. Mr. President, I ask unanimous consent that the Senate proceed to 1 hour of debate in relation to the conference report to accompany H.R. 3058, the Transportation-Treasury-HUD bill; provided further that Senator COBURN be in control of up to 30 minutes of debate; I further ask consent that the two managers have up to 15 minutes each and that following the use or yielding back of the time, and when the Senate has received the conference report, it then be agreed to, with the motion to reconsider laid upon the table.

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

(The conference report is printed in the House proceedings of the RECORD of today, November 18, 2005.)

Mr. BOND. Mr. President, I thank all or our colleagues. This has been a long and interesting path that we have trod.

Today I stand in support of the Transportation, Treasury, HUD, Judiciary, and Independent Agencies fiscal year 2006 appropriations bill. This bill also includes the District of Columbia fiscal year 2006 appropriations act. Before getting into the details of the bill, I thank Chairman KNOLLENBERG and his ranking member, Mr. OLVER, on the House side. Particularly, I express my sincere appreciation to my ranking member, Senator MURRAY, for her hard work, thoughtful and bipartisan approach to crafting a good bill, and her unwavering commitment to getting the bill done on an expedited schedule as mandated by the leadership. As all who follow this place know, we have had some bumps on the road over the last several days which forced both House and Senate staff to work throughout a number of nights this week while completing a blitzkrieg schedule in order for us to be able to vote on this measure today. Despite these bumps, we have completed our work, and I compliment Congressman KNOLLENBERG on his commitment and perseverance to work with me to overcome these problems.

I do express my sincerest gratitude and thanks to our excellent staffs; on the Senate side, on the subcommittee, on my side, Jon Kamarck, Paul Doerrer, Cheh Kim, Lula Edwards, Josh Manley, and Matt McCardle; on Senator MURRAY's side, Peter Rogoff, Kate Hallahan, William Simpson, Diana Hamilton, and Meaghan McCarthy.

Obviously, we extend our thanks as well to the House side staffers.

Now, Mr. President, the staff had to work extremely hard, in a bipartisan manner, to make our recommendations and instructions a reality. This is not a simple bill. Yet it is likely a Rube Goldberg machine with many complex moving parts.

This bill is the first real appropriations product of a new subcommittee that grew out of the reorganization of the Senate Appropriations Committee earlier this year. It is a substantial and complex bill that will have a significant and positive impact on every State and community in the Nation as it covers, among other things, every mode of transportation, financial services, and IRS requirements as guided by the Department of Treasury; it funds the Federal Government's role in housing and economic role under HUD; it funds the Executive Office of the President, Federal judicial system, and funds other related agencies such as the General Services Administration, Office of Personnel Management, and the Postal Service.

I believe that given the circumstances and our budget allocation, this is a good bill. We started with a budget that was severely underfunded in many of the important programs in the bill. These are programs which historically have been strongly supported by Members of this body. Thankfully, in most cases we have been able to restore many of the cuts and shortfalls, perhaps not as much as some Members would want and certainly some areas not as much as I want. But I think all Members will understand and appreciate our efforts to fund the programs and activities that enjoy the greatest support.

I wish to express a very special thanks to our chairman, Senator COCHRAN, who demonstrated his understanding and sensitivity to the needs of the Transportation-Treasury Appropriations Subcommittee.

While we received significantly less budget authority for the conference, without Chairman COCHRAN's help the House would have demanded a much harsher and unrealistic reduction in our allocation, with the results we saw that happened in regard to the Labor-HHS fiscal year 2006 funding bill yesterday in the House.

In particular, despite our fiscal limitations, we have worked diligently to ensure the transportation programs in this bill are adequately funded. One of my highest priorities in fashioning this bill was to provide the needed funding for the safety, construction, and maintenance of our highways, transit systems, and airports. Funding for our Nation's transportation infrastructure, and especially for our highways and road network, creates jobs and promotes economic growth. More importantly, it continues the continued maintenance and growth of our economic infrastructure by which we serve markets throughout the Nation and ultimately the world. The transportation system is the heart and arteries by which we pump our goods and products which guarantee our current and future prosperity in the national and international marketplace, and we cannot afford to shortchange this system.

We also removed the designation on the Alaskan bridges. The funds remain with Alaska to meet their priority needs. These bridges were grabbing unreasonable and unwarranted attention which was beginning, in many ways, to undermine the very good work and the very necessary projects in this highway bill.

In addition, this bill provides $14.4 billion for the Federal Aviation Administration, which is approximately $400 million more than the request. This recommendation includes $14.3 million to hire safety inspectors and restore inspector staffing levels on an accelerated basis. It also adds $4 million to restore engineering and inspector staffing at the Office of Certification so that new equipment and technologies can be approved for use in aviation and our Nation can retain its leadership in aviation. I am pleased also to announce that the bill does not cut the Airport Improvement Program, as proposed in the budget request.

I am also happy to report we have been able to fund Amtrak at $1.315 billion, while making some incremental steps to reforming how Amtrak conducts its business. These reforms are critical, and it is my hope that these improvements will move to jump-start the efforts of Senator LOTT, Senator STEVENS, and others to pass a truly comprehensive reform package.

Mr. President, I was troubled by the administration's demand of Amtrak reform with a budget request of $360 million. A $360 million-a-year appropriation would likely jolt Amtrak directly into bankruptcy, a costly financial and emotional blow to the Nation and send Amtrak into chaos. Many Members, including the occupant of the chair, our distinguished Senator from West Virginia, and Members throughout the Senate asked us to take strong action to avoid that problem. Thankfully, we were able to scrape enough funds together to ensure the continued existence of Amtrak, although it meant a number of other programs were underfunded, and when we received finally the recommended reforms at Amtrak from the administration, we were able to include them.

Mr. President, I also should touch on another issue in the conference report, and that is the ongoing efforts to improve protection consumers have from being preyed upon by rogue household movers. I think we all know they are a small group of fly-by-night companies that purport to pack and transport family household possessions and then stealing them and holding them hostage for exorbitant fees or make unreasonable demands. This could be a devastating blow.

In this past year's highway bill, additional requirements on movers were included, along with new provisions granting State officials, particularly attorneys general, new authority to help police the Federal law. Part of the problem has been the lack of the Federal enforcement. The Federal agency, the Federal Motor Carrier Safety Administration, has not had sufficient resources, and the U.S. attorneys, with the notable exceptions of the Miami and New York-New Jersey agencies, have also not made these crimes a priority; thus, the ideas of expanding cops on the beat by giving authority to State agencies and, thus, my work to make sure that while we expanded responsibilities, we did so in a reasonable and consistent way.

First, we provided additional resources to the Federal Motor Carrier Safety Administration to help them do their job better. We restored $1 million to the Education and Outreach Program in order to help them train State officials as to how to look and find the risky carriers. We also reiterated our support for the strong State-Federal partnership which had been included in the highway bill to ensure effective Federal-State cooperation.

Where we and some of our colleagues part company is on the scope and the venue. I strongly believe that Federal law should be enforced in Federal court, and thus the key provisions in the conference report will ensure that that will occur. There will be Federal enforcement on the major interstate activities. State law violations will continue to be enforced in State court. Federal law violations will continue to be enforced in Federal court.

In order to ensure that the States target those typical rogue movers who seem to be too small for U.S. attorneys and thus are slipping through the cracks, the language makes clear that the responsibilities of the State agencies are focused on what carriers they have jurisdiction over. Namely, these are the highest risk, fly-by-night carriers or carriers who meet one or more of the following: The carrier is unregistered; or the license of the carrier or broker has been revoked for safety or lack of insurance; three, the carrier is unrated or received a conditional or unsatisfactory safety rating by DOT; or the carrier has been licensed for less than 5 years.

This then accomplishes all the goals we have been discussing—tougher Federal law, additional consumer protections, State attorneys general and other State agencies have been granted the authority to be a cop on the beat to help enforce the Federal law. Their targets are the fly-by-night rogues and their venue is the Federal court and they are being asked to help enforce Federal law.

Now, Mr. President, moving on to some of the other areas in the bill, for the Department of the Treasury, this bill provides $11.7 billion for 2006. This amount is about $50 million above the budget request and some $475 million above the fiscal year 2005 enacted level. We think it is very important to provide resources for Treasury's efforts to fight the war on terrorism, and we provided full funding for the Treasury's Office of Terrorism and Financial intelligence. I know how important the Treasury's Antiterrorism efforts are, and I strongly believe they play a vital and unique role in cutting off financial assistance to terrorist organizations.

Next, to help close the so-called tax gap, where those people who pay taxes as they should voluntarily have to carry a heavy burden for the small percentage who do not, we have provided $10.7 billion for the IRS, including $6.9 billion for tax enforcement. This amount is $443 million above the fiscal year 2005 enacted level. These additional funds will help ensure there will be less fraud and that honest taxpayers will have a greater level of confidence in our tax system.

We also have provided full funding for IRS's modernization efforts through their Business Systems Modernization Program. This program is correctly IRS's highest management and administrative priority.

For the Federal judiciary, the bill includes a total appropriation of $5.7 billion, a 6-percent increase over the previous year, and this represents the funding necessary to meet the judiciary fiscal year 2006 funding needs.

For HUD, the bill provides some $38.2 billion for fiscal year 2006, an increase of $2.1 billion over the request. These additional funds include almost $4.22 billion for the Community Development Fund and CDBG, which was slated for elimination through a reduction of over 30 percent of its funding and a consolidation of its activities along with other programs into a new grant program within the Department of Commerce.

The bill also increased the Senate-proposed rescission of ''excess'' section 8 funds from $1.5 billion to $2.05 billion. After further review of the account, we firmly believe we have identified a one-time savings from section 8 that allowed us to increase the rescission to $2.05 billion.

In addition, I am happy to report we have adequately funded HUD programs at a minimum of last year's level which is generally higher than the request.

The bill basically funds the Executive Office of the President at the requested level. We have fully funded the High Intensity Drug Program at $127 million; whereas, the budget would have funded it at 100 million in the Department of Justice. This is a critically important program that has been successful throughout the Nation at helping to root out and eradicate methamphetamine production, marijuana, and ecstasy use, as well as heroin and cocaine importation. This program has been especially important in Missouri, where methamphetamine production and use have reached almost epidemic proportions.

Mr. President, as I prepare to close, I wish to express my sincerest thanks to the ranking member of the full committee who has been a great friend and mentor of mine and who has helped Senator MURRAY and me as we have worked through this by gaining the necessary funds.

I also thank—I feel his presence immediately behind me—the chairman emeritus of the Appropriations Committee whose birthday we celebrate, with very best wishes and, fortunately, no songs on the Senate floor. He has been of great assistance to us.

I must say, one of my last thank yous is to my chief of staff, Julie Dammann, who has served me since I arrived in this body. I was going to say in 1897 but it was 1987. She has been with me for these years and has become very well known and respected. This will be her last bill and, as on all the other bills, not only was the appropriations staff working day and night, but we were communicating by BlackBerry in the middle of the night. She was working on the details with the appropriations staff and others. She was communicating with Senators' offices. We only came to the floor today because she had worked with other Senate offices, as Senator MURRAY and her staff had, to clear away objections which might be raised.

So it is with great thanks that I note the contributions to this, her last appropriations bill, of Julie Dammann and wish her all the best.

I also note that my partner, the Senator from Washington, Mrs. MURRAY, has been working extremely hard on this. She helped clear the way of the remaining problems. I cannot think of how she could have been more helpful or more productive in this effort.

The PRESIDING OFFICER. The Senator has used 15 minutes.

Mr. BOND. I thank the Chair. I yield the floor.

Mrs. MURRAY. Mr. President, I am pleased to join my colleague, Senator BOND, in supporting the conference report on the Transportation, Treasury, Housing and Urban Development, the Judiciary and Independent Agencies Appropriations for fiscal year 2006.

This bill is the product of many hours of hard work since the Senate passed the bill on October 20. First, I want to express my sincere gratitude for the cooperative spirit that my colleague, Chairman BOND, along with our House colleagues, Chairman KNOLLENBERG and Congressman OLVER, brought to bear during our conference negotiations.

I am pleased to say that the conference agreement, like the Senate-passed bill, restores many of the more punitive cuts that were included in the President's budget for transportation, housing and drug law enforcement.

We have funded airport grants at $3.55 billion rather than accept the President's proposal to cut this program by half a billion dollars.

While the President sought to move the Community Development Block Grant program to another department and cut it by more than a third, this bill restores most, but not all of the annual funding for CDBG.

While the President's budget effectively zeroed out Amtrak and proposed to eliminate rail service in our country, this conference agreement provides Amtrak with a $100 million increase and includes many of the reforms that were agreed to and included the bill reported by the Senate committee.

This is a good bill that addresses many of the urgent needs facing our country. It includes critical investments in our Nation's transportation infrastructure and provides much needed housing assistance to our most vulnerable.

Mr. THUNE. Mr. President, I recently announced a major railroad initiative in three different cities in my home State of South Dakota—Sioux Falls, Huron, and Rapid City. This particular project is the result of legislation I authored as part of the recently enacted Transportation reauthorization bill. My amendment was improved and incorporated in large part through work with Senator LOTT, who chairs the Senate Commerce Committee's Surface Transportation and Merchant Marine Subcommittee. I believe the changes that Senator LOTT and I made, both during Senate consideration as well as conference deliberations, will have a major positive impact on my State's rail infrastructure needs and I think significantly alleviate some of our Nation's rail infrastructure problems.

Much of the language that ended up in the final Railroad Rehabilitation Improvement Financing—or RRIF—program originated from past legislation that Representative DON YOUNG introduced. Building on Representative YOUNG's bill language, Senator LOTT and I made a number of changes to that legislation, but it provided a very solid foundation upon which to build.

The South Dakota project itself actually involves a major national initiative to build a second rail line into the capacity-strapped Powder River Basin, PRB, of Wyoming. The Dakota, Minnesota & Eastern Railroad DM&E, announced this project in 1997 and filed an application with the Surface Transportation Board, STB, in February 1998 to obtain regulatory approval. That process will be concluded in the near future, which I hope will allow the DM&E railroad to apply for a RRIF loan to finance construction of the project.

This project is strongly supported by virtually all of South Dakota's existing rail shippers and by the agriculture and economic development organizations throughout the State. It is also supported by the vast majority of communities served. And at the press events I participated in earlier this month—as noted in the *Rapid City Journal* article that I will later ask to be made part of the RECORD—even many of the landowners directly affected by the construction support it. I have supported this project since it was first announced in 1997, when I was serving in the House of Representatives, and have supported the project ever since in both the public and private sectors. It is incredibly important to the future of my State.

But on a national scale, it is also extremely important to our country's entire capacity-constrained rail system and to our national energy policy in particular.

Our national energy policy specifically states that:

[d]emand for clean coal from Wyoming's Powder River Basin is expected to increase because of its environmental benefits. However, rail capacity problems in the Powder River Basin have created a bottleneck in the coal transportation system . . . There is a need to eliminate bottlenecks in the coal transportation system.

The new RRIF legislation requires the Secretary to prioritize projects that:

(8) would materially alleviate rail capacity problems which degrade provision of service to shippers and fulfill a need in the national rail system.

The national ''need'' criteria of the legislation was written specifically with this nationally articulated energy policy ''need'' in mind.

The new RRIF legislation also requires the Secretary to prioritize projects that:

(7) enhance service and capacity in the national rail system.

Mr. President, as the National Energy Policy clearly notes, there is an overwhelming rail capacity problem in Wyoming's PRB. The Powder River Basin corridor is one of the most heavily traveled rail corridors in the world. Over 400 million tons of coal per year are shipped out, virtually all of it by rail. That number is expected to exceed 500 million tons soon, and to grow beyond that if capacity allows. It is therefore clear that, if completed, this 1,300-mile project in the West and Midwest would have a material impact on rail capacity in this region and throughout the country.

We also have a critical rail capacity problem throughout the entire United States. What happens in the PRB profoundly affects capacity elsewhere. It also affects the movement of grain and industrial commodities and general merchandise intermodal traffic. When this incredible flow of coal traffic increasingly merges with all this other rail traffic as it continues its flow eastward, it has a big impact. First and foremost, immediate and obvious traffic congestion occurs the further ''downstream'' into the traffic flow you go. The train of merchandise goods making its way from the west coast to Chicago has to pull off to the siding to allow another train to pass. Or less obvious, perhaps because of a crew or locomotive power shortage, the railroad will have to dedicate limited and locally available resources to one train over the other. This has a cascading effect because it makes it hard to recover when too many of your sidings are being used to park trains instead of being used for a quick meeting point so they can pass in the opposite direction.

A less obvious problem is the drain on resources from other regions to accommodate spot problems. Right now, for example, we are seeing a rail capacity shortage across the board. In addition to the long haul traffic that is mixed into these heavy haul coal lines, areas of the country that never come into direct physical contact with these lines are affected by their congestion problems. When those lines ''bottle up'' as they are doing now, it takes more locomotive power and more people to move trains. So resources are shifted. For example, we have dozens of loaded grain trains standing today with no power to move them. Grain orders are a month or more behind in my State and throughout the Midwest today. Locomotive power and other resources are being diverted to the PRB and elsewhere to address problems there, and our farmers are suffering as a result. The same can be said for virtually every traffic commodity out there today—including coal and general merchandise traffic.

With the completion of this new rail line to serve a heavy traffic area, it will relieve pressure on one of the biggest problem spots, which in turn relieves pressure on the system throughout the country. This project will not only add more physical track to our system and greatly improve existing track, it will also result in more locomotives and equipment and people. Across the board, this project will relieve pressure on the rail system from northeast corridor to the southwest reaches of the United States.

In a very basic sense, the national railroad system is well beyond its capacity today. There is not a railroad in this country that is not backed up on its orders. We have more traffic to move than the system can handle. And, adding to that, the U.S. Department of Transportation projects that railroad freight traffic demand generally will rise 55 percent by the year 2020. We need to add capacity. That requires major investments of the kind envisioned in our new RRIF legislation.

The changes made to that program did more than authorize the amount that can be loaned. The improvements were specifically tailored to encourage large-scale investment of the type envisioned by the DM&E project. After all, a large-scale investment is needed if we want to have a material impact on the national capacity problem. For that reason, I think this project is critically important to the country. I hope others will follow suit and develop projects that are national in scope. Nothing is more important to our national rail system in my view than this basic need for capacity.

On a related issue, the rail industry has gone through a massive consolidation on a national scale. Thousands of miles have been torn up in recent decades and are never to be recovered. This has certainly increased efficiency on single line segments up to this point. But in the process, at least from a national rail system perspective, we have lost important redundancy in the system. If we have a problem in one area, it quickly ripples through the rest of the country because of traffic backups that have nowhere else to go. We need more pressure relief valves, and more alternatives that allow the national system a little more flexibility to recover from spot problems. We have seen melt down after melt down in the national rail system. That problem is never going to get better unless we have some alternative emergency routings developed. The DM&E project will also be of great help in providing a fairly dramatic pressure relief valve for this critical part of the national rail system. So on many levels, from a national rail system perspective, this project reaches well beyond its immediate track geography.

Going on to other aspects of the new RRIF program, perhaps the most significant change we made was in regard to the valuation and treatment of collateral. This legislation requires the Secretary to use the more realistic ‘‘going concern’’ valuation instead of ‘‘net liquidation’’ value the Secretary has used in the past in relation to collateral. This is important because collateral value is a critical component of the credit risk premium calculation. This language is intended to ensure that the Secretary applies a ‘‘going concern,’’ or market value, to the collateral when determining whether and to what extent a credit risk premium is required. In short, the question becomes, what could the government reasonably expect to get for the value of the collateral if it were sold as a ‘going concern’ business? In the past, the Secretary has used a ‘‘net liquidation’’ or ‘‘scrap’’ valuation approach. But in the real world if we are facing a default situation under the RRIF Program, the Secretary is not going to ‘‘scrap’’ the collateral. He is going to sell it for its highest and best use value. So that is the way it should be valued when considering collateral during the application process. This is consistent with private sector lending practices. It provides protection for the Government, and also encourages greater rail infrastructure investment by avoiding artificial credit risk premium payments when they are not necessary. It also requires the Secretary to take into consideration what the value will be after giving effect to the improvements that will be made with the loan. That of course will be discounted based on the overall cost of capital for the project.

Along those same lines, another feature that was added to the original Young RRIF language was to provide for the loan repayment schedule ‘‘to commence not later than the sixth anniversary date of the original loan disbursement.’’ The intent was that this discretion should be used for those large-scale projects that require several years of construction before revenues are generated and where the revenue ‘‘ramp up’’ may be gradual. This is a pretty standard feature in large private sector loans, but under the former law the Secretary did not have any flexibility to do that. Under the new law, interest would accrue and compound during this period. It was primarily my intent to provide a reasonable breathing period so that a solid revenue flow would be established before payments would be required.

Senator LOTT and I also added a provision to the RRIF improvements to allow the Secretary to charge, and for the FRA to collect and retain, a fee to evaluate loans. This provision was included because we want the process to be efficient, and not be a drain on the government. The best solution was to allow the Secretary to hire help and charge the cost to the applicant. It is hoped that this will make it easier to expedite these loans, and the expectation is that FRA will undertake best efforts to keep these fees to a minimum. The point here is to help expedite the process and give FRA a little more flexibility to get the job done quicker. The former RRIF Program was notorious for the amount of time it took to process. There was a particularly bad history there, which I think the FRA has already improved substantially. This, hopefully, will give them the tools they need to take the next step.

The $35 billion authorization level was in Representative YOUNG's original legislation, as was the provision that prohibited the Secretary from limiting the size of a single loan, and the 90-day review period. Those were important provisions that we wanted to retain because they all go to this concept of encouraging major new rail infrastructure investment in this country, and I appreciate the efforts by the Senator from Mississippi and his staff to retain them and add my language to them.

In closing, the original RRIF Program got off to a very slow start, owing in large part I think to a certain degree of resistance from OMB. I am very hopeful that everyone recognizes this effort as a good faith attempt by Congress to send a clear message that we are trying to encourage major rail infrastructure investment in the United States rather than think up reasons to not do it. This is a program that is very much in the national interest. As former director of the South Dakota Rail Division, I believe strongly in the importance of and urgent need for major rail infrastructure investment in this country. I think most Members of Congress feel the same way, and I hope our colleagues in the administration receive this message and will support our recent action to strengthen the RRIF Program. I hope they will now join in the effort to make RRIF a strong engine for rail infrastructure investment as was originally intended and as we directed in the recently enacted legislation.

Mr. President, I ask unanimous consent that articles describing the proposed rail project—which appeared in the November 6, 2005 editions of the Sioux Falls Argus Leader, and the Huron Daily Plainsman, and the Rapid City Journal—be printed in the RECORD.

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

[From the Argus Leader, Nov. 6, 2005]

IN DM&E, BACKERS SEE JOBS, PROSPERITY

(By Peter Harriman)

Rail boss Kevin Schieffer and Sen. John Thune toured South Dakota on Saturday announcing a plan to seek a $2.5 billion federal loan to reconstruct 1,300 miles of line in three states and reach Wyoming's Powder River Basin coal fields.

The reaction in their wake ranged from the dogged determination of opponents to continue fighting the scheme to the ecstatic embrace of shippers and communities that foresee an economic development bonanza.

''This is huge for us, huge for us,'' said Lisa Richardson, executive director of the South Dakota Corn Utilization Council and South Dakota Corn Growers Association.

Having clearance to seek the loan is a quantum leap for the Dakota, Minnesota and Eastern Railroad and Schieffer, its chief executive officer. Yet it's seen as a smaller piece of a bigger puzzle. At a Sioux Falls news conference Saturday, Schieffer developed that theme.

''The end game is not building a railroad,'' he said. ''The railroad is the means to an end.''

The project would create 3,000 construction jobs over three years and permanently employ 2,000 new DM&E workers and create as many new jobs for contractors working for the railroad.

But Schieffer said: ''The direct jobs here are the tip of the iceberg. The real action is in the economic development.''

Schieffer said the railroad's presence already has attracted new businesses. The DM&E's presence in Brookings brought Rainbow Play Stations and 500 jobs to that community. If the railroad can transform itself into the nation's newest, most technologically advanced Class I carrier, ''I see dozens and dozens if not hundreds of Rainbow Play Stations springing up along the line,'' he said.

$286.4M PROJECTED IN REVENUE FIRST YEAR

With a $2.5 billion capital investment, the DM&E will create for itself a railroad with metaphors at both ends of the line. In recounting the railroad's history, Schieffer said the DM&E's acquisition of a sister line several years ago gave it an eastern terminus at railroading's Rome. ''For railroads, Chicago is Rome. All roads lead there,'' he said.

He also called the Powder River Basin coal fields ''the Holy Grail'' of railroading.

Pursuit of the Holy Grail has kept the DM&E project wrapped in controversy. The goal of expanding to Wyoming is to let the DM&E grow beyond its status as the country's largest Class II regional carrier and join the Union Pacific and BNSF railroads in hauling vast quantities of low sulfur coal to power plants in the Midwest and East. North America has seven Class I railroads, based on annual revenue of $200 million. When the project is complete ''absolutely and immediately we will become the first Class I that has built itself into a Class I since the classes were established,'' Schieffer said. In asking the federal Surface Transportation Board for a permit to become the third carrier into the Wyoming fields, the DM&E projects coal hauling revenue of $286.4 million in the first year alone.

CRITICS OBSERVE ABSENCE OF PRIVATE INVESTMENT

But spirited opposition has formed in places such as Brookings and Pierre, along with Rochester in southeastern Minnesota. Critics there don't want to see mile-long coal trains traveling through their towns. Some landowners in West River South Dakota and in Wyoming don't want 280 miles of new rail bisecting their ranches. Other criticism rises from the Oglala Sioux Tribe that worries rail construction will threaten culturally sensitive sites.

Environmentalists fear noise and air pollution from the coal trains and additional air pollution in the East from the increased use of coal to generate electricity.

The announcement that the DM&E is seeking the huge federal loan that it thinks it is uniquely qualified to get didn't weaken the resolve of prominent longtime opponents nor prompt them to view the project more kindly.

''It doesn't change the fact that's not a viable coal line,'' said Nancy Darnell of Newcastle, Wyo. She is a member of the Mid States Coalition for Progress that sued the Surface Transportation Board over its decision to allow the DM&E expansion. The DM&E applied for the permit in 1998.

''Schieffer had seven years to get financing in a vibrant economy from an industry with a lot of money floating around, and basically nobody was willing to invest in it,'' Darnell said.

''Private industry was not willing to put any money into it. Nothing but stupid money would put money into the DM&E, and the federal government tends to be incredibly stupid. That's why it's the financing of last resort,'' she said. ''Rebuilding the railroad in South Dakota for hauling grain, that might have been something different. But to build the PRB project and expect to haul coal is totally stupid.''

On Saturday, Thune and Schieffer said the Powder River Basin project would address a transportation bottleneck identified in the 2001 U.S. energy plan. The plan states there is not enough rail capacity to move Wyoming coal to power plants farther east at the rate it is needed. Because it deals with that need, the DM&E's $2.5 billion loan request to the Federal Railroad Administration's Railroad Rehabilitation and Improvement Financing Program would be given high priority, Thune and Schieffer said.

This will not stop the Mid State's Coalition from trying to block the loan, Darnell promised.

''We'll certainly look into it. That will be a stone that will not be left unturned,'' she said.

LAWSUITS, OTHER BARRIERS COULD DELAY START

The news the DM&E might have broken the longstanding logjam on project funding left some opponents scrambling. Raymond Schmitz is the attorney for Minnesota's Olmstead County. The county, city of Rochester and the Mayo Clinic there all have opposed the DM&E's effort to haul coal through Rochester.

''It is my understanding the city and Mayo Clinic will be taking whatever steps they can to continue their opposition,'' Schmitz said Saturday. ''Whether the county board elects to do anything actively at this point is a decision they have to make. The county's position to this all along has been the impact of this on the county was way out of proportion to any benefit the county might realize.''

Schieffer praised Thune for including in the 2005 federal transportation bill provisions that make it possible for the DM&E to get a federal loan for its reconstruction and expansion.

''Obviously, at this point, we don't know what that legislation says,'' Schmitz acknowledged. ''It was carefully buried in the transportation bill. Whether there is a vehicle to raise the issue is something that is going to have to be explored.''

When the Surface Transportation Board approved the DM&E project in 2002, the Mid States Coalition sued the STB, claiming its decision was flawed. The U.S. 8th Circuit Court ruled the STB decision was essentially sound. The court did, however, require the board to further analyze the environmental effects of rail vibration and horn noise, and of potential increased coal consumption, before drafting a final environmental impact statement and issuing a final decision of approval. That review is ongoing. It might allow opponents to at least slow the railroad's progress toward securing a loan, since regulatory issues must be resolved before the Federal Railroad Administration can consider a DM&E loan application.

''I don't see where they can do anything until they finish that EIS process,'' said Sam Clauson, a South Dakota Sierra Club delegate in Rapid City. ''The final EIS is due out this fall. There's an appeal period on that We're going to probably appeal it.''

Schieffer said he hoped to complete the loan application this year or early next and have a decision from the rail administration on the loan by next spring. That would let construction begin next year.

Even as they laid out a future for South Dakota as an El Dorado of economic development spinning off the DM&E's ambitious project, Thune and Schieffer acknowledged the ongoing controversies and promised to resolve them.

''Those are legitimate concerns. This is a small state. We're neighbors,'' Schieffer said. 'We need to work these things out, and we will.''

Thune said of the project: ''Yes, it's great for South Dakota. But it is not unanimously supported. There is some work to do, there are some issues to address.''

Issues indeed. Fred Seymour lives on Derdall Drive near the DM&E tracks in Brookings.

''Nobody has a keener idea of the situation than me. I expect if the railroad comes through town you will see property values drop by 40 percent,'' he said. Seymour was one of the earliest to call for the railroad to bypass Brookings with its coal trains. But as the project has dragged on, the momentum of opposition has slowed, he said.

''In my view, the people who opposed the railroad have gotten older and gotten crankier and have perhaps not promoted their own interests too well,'' he said. He anticipates within a month Brookings will resolve its differences with the DM&E, and from his vantage near the tracks he predicts with what sounds like cynical satisfaction ''I would expect the DM&E is coming right through here.''

Opponents did not rule the day as Schieffer and Thune made their way to news conferences in Sioux Falls, Huron and Rapid City.

POTENTIAL WINDFALL FOR ETHANOL AND FARMERS

News that the DM&E project has taken a long step toward becoming real also was widely praised Saturday. Schieffer said the railroad will build an operations center in Huron, which has struggled to attract new business. Huron lawyer Ron Volesky said Friday he is seeking the Democratic nomination for governor, and he hailed the DM&E announcement that it has potential financing for the Powder River Basin project.

''That is terrific news for Huron,'' he said. ''I have always been a big supporter of the expansion project, and I am very pleased to see these positive developments come about.''

At the same time, Volesky said, as governor he would try to broker compromise between the DM&E and its opponents. ''The governor has responsibility as the political leader of the state to help where he can to bring about as much consensus as possible,'' he said.

Gov. Mike Rounds could not be reached for comment Saturday. But he endorsed the DM&E project Friday and said: ''I will continue to work with the DM&E to help make this proposal a reality and address outstanding concerns at the state level.''

The state's burgeoning ethanol industry has almost swamped its existing rail facilities, which lends urgency to a DM&E expansion, according to Ron Lamberty, vice president for market development for the American Coalition for Ethanol.

''What we had was not built for this,'' he said. A project such as the DM&E's ''is probably something that's a necessity in the long term,'' he said.

Richardson of the corn growers association peers toward the horizon Lamberty identified and sees an even brighter future. A rebuilt DM&E will aggressively compete with the state's dominant commodity carrier, the Burlington Northern Santa Fe, and will result in lower shipping rates for farmers, she said.

And there is this: ''I was visiting with some people in the ethanol industry who said we will see coal-fired plants in the next 18 months,'' Richardson said. At some point, Wyoming coal hauled by the DM&E could provide the energy to distill ethanol from South Dakota corn at new ethanol plants built here, she suggested.

''It's huge. Huge,'' Richardson said of the DM&E's improved prospects for securing money for its Powder River Basin project. ''We really hope it happens.''

[From the Rapid City Journal, Nov. 6, 2005]

DM&E LOAN COULD HELP S.D. ECONOMY

(By Jan Kaus)

RAPID CITY.—If a $2.5 billion federal loan request by the Dakota, Minnesota & Eastern Railroad is approved, construction on South Dakota's largest railroad project could begin as early as next year, according to DM&E president Kevin Schieffer.

That announcement came in a news conference Saturday at Rushmore Plaza Holiday Inn, where Schieffer and Sen. John Thune, R–S.D., spoke to a group of several dozen people about the financing that only recently became an option—in a transportation bill that expands railroad rehabilitation funding.

The plan would allow DM&E to build or rehabilitate more than 1,300 miles of rail, the majority of which would be in South Dakota.

''The impact it could have on the whole state is huge,'' Thune said Saturday, calling the railroad infrastructure ''an economic development magnet.''

''Who even knows the kinds of industry we could bring in? Literally, the sky is the limit in terms of what this could mean,'' Thune said.

He said that it would not only provide thousands of jobs in South Dakota, but would also address a pressing national need—affordable and abundant energy.

''Forty percent of the country's electricity is fueled by coal,'' Thune said.

Schieffer added: ''And it's not just about coal. This is about wheat, cement, clay out of Belle Fourche, timber and a lot of other things.''

Although most who spoke Saturday were in support of the railroad, property owner Veronica Edoff said she doesn't see where the proposal is going to be fair to people who, she said, are giving up everything to put money in DM&E pockets.

Other landowners, including Leonard Benson and Richard Papousek said the company has been more than willing to negotiate and work with the ranchers.

Wall Mayor Dave Hahn thanked Thune and Schieffer for what the railroad could do for the state and its people, drawing the only applause of the evening.

Thune said it would enable South Dakota to diversify and grow the economy in a way no single industry can. After the recent battle to save Ellsworth Air Force Base, he said, that need is more obvious than ever.

''There's a lot of work ahead of us yet, but I can tell you, it's a lot further along that it was yesterday,'' Schieffer said.

Schieffer emphasized that the funding is a loan—not a grant or taxpayer-funded program.

''We would have to pay it back, but the key thing is that it would be stretched over a longer period of time.''

Thune called the project ''hands-down the biggest single investment ever made in South Dakota. ''

The Federal Railroad Administration has 90 days to decide whether to approve the loan after the application is filed. The project would likely take about three years to build, Schieffer said.

[From the Huron Daily Plainsman, Nov. 6, 2005]

COMMITTED TO HURON

(By Roger Larsen)

They came to hear when seven long years of waiting for the start of a project unprecedented in state history in terms of scope and jobcreating significance would be over.

Dakota, Minnesota & Eastern Railroad President Kevin Schieffer couldn't specifically say when the first spike in the $2.5 billion expansion and reconstruction project will be driven into the ground.

But he could tell them something nearly as promising.

''We feel very good about where things are right now,'' Schieffer told a Huron crowd estimated at 250 on Saturday.

And for the first time since the project to access the Powder River Basin coal fields in eastern Wyoming was proposed in 1998 there is also this:

Thanks to a change in the law that now allows the DM&E to seek the $2.5 billion in federal loans, Schieffer is in a position to say that if the application is approved some construction would start in 2006.

Until now, there has been no specific timetable. As each year has passed, there has been hope the next one would bring construction crews to the region. But the largest hurdle has been a lack of private financing, and that is no longer the problem.

Sen. John Thune, R–S.D., authored a provision in the recently passed highway bill that expands the Railroad Rehabilitation Infrastructure Financing program from $3.5 billion to $35 billion.

Of that, $7 billion is set aside for Class II and Class III railroads.

Based on the traffic load, DM&E is one of 50 Class II railroads in the country.

Project completion would make it the sixth Class I railroad.

While financing can now be sought in terms of a loan, ''it doesn't mean it's going to get done, doesn't mean it's approved, doesn't mean it's a done deal,'' Thune cautioned.

''But it does provide a financing option that was not available prior to the passage of that legislation which works for this project,'' he said. A federal funding source means the project has expanded from a $1.4 billion pricetag to $2.5 billion, with new west and east branches, Schieffer said.

Huron would be home to an operations center, where cars and locomotives are fueled and serviced. The area would see 300 to 500 new railroad jobs, based on traffic loads, and there would be 3,000 to 5,000 construction jobs over three years in three states.

Other servicing facilities would likely be near Wall, the Wyoming border and New Ulm, Minn.

''There's a lot of moving parts to this thing,'' Schieffer said.

''Facilities will change and move as time goes forward so its hard to pin anything down with any certainty but one thing isn't going to change.

''Huron, South Dakota is going to be the operational heartbeat of this enterprise when it's done and that is something that's not going to change.''

He said that decision is based on personal and political commitments.

An enthusiastic crowd of 250 at Saturday's presentation one of three Thune and Schieffer hosted in the state will keep the project on track.

''There's a lot of incentive to keep this thing going, but just remembering pictures like this provides more incentive than I can ever convey to you,'' Schieffer said.

Throughout seven years of ups and downs, ''Huron has been a steady rock of support,'' he said.

Thune's background and knowledge of railroad issues put him in a unique position to understand DM&E's needs. He served as South Dakota Railroad Authority director and worked on railroad issues while on former Sen. Jim Abdnor's staff.

Thune has also been on board since the early days, Schieffer said. ''It's easy for him and it's easy for me to stand in front of this crowd today because there's such enthusiastic support for it,'' he said. ''Seven years ago, that man stood in front of a crowd about this big, but most of them were angry landowners who were opposed to the project,'' Schieffer said.

He said Thune listened to them, empathized with them and pledged to make sure the DM&E acted responsibly. But he also told them they must understand the project is too important to the state not to be built.

''That took courage and some leadership. That's the kind of thing that's always been there, just like Huron,'' Schieffer said.

There are still hurdles to overcome. Opposition still exists west of the Missouri River, as well as in Pierre and Brookings.

''We've got issues still to address up and down the line,'' Schieffer said. ''I think some of them will be successful and we'll still be able to do things and some we won't.''

The regulatory issues are pretty much over and don't have to be revisited with the new application for funding.

Schieffer said he doesn't want to raise false expectations, ''but this legislation is very potent stuff.''

Railroads like the Union Pacific and Burlington Northern had made use of federal funds in the past, but the law had expired and when it was renewed the rules were changed so DM&041E didn't qualify.

Not only does the Thune provision set the clock back so the railroad qualifies, if it meets the criteria the secretary of transportation must give it priority and preference to make the project happen.

Instead of an open-ended time frame, the government must make a decision on the loan application within 90 days of its filing, which is expected in a couple months. Sometime in the second quarter of next year, the fate of the project should be known.

Schieffer said he thinks the DM&E project is the only one in the country that fits the criteria. Applicants must be able to prove their projects will have a material impact on rail capacity in the country and will serve a compelling national need.

''This is the only rail project I know about out there that will have a material impact on the rail capacity in this country and there is a very clear national need in the federal energy policy.

''We have a very strong case to make,'' Schieffer said. ''We still have to make it, we still have to get it through.'' But the legislation gives the railroad a great advantage.

''It is absolutely everything we have hoped for,'' he said.

Debate in the country has been raging about not having enough energy, generation and transmission, Thune said.

''We would be prime positioned to benefit from some utility plants and additional power generation that could result if this railroad project is built,'' he said.

The project would create a synergy between transportation and energy, he said.

Low sulfur coal is in great demand because of the environmental benefits.

"We get 40 percent of our electricity from coal," Thune said. "The Powder River Basin has literally unlimited reserves of coal resources." Competition in the basin would also relieve bottlenecks, he said. By 2020, it's estimated there will be a 55 percent increase in rail traffic in the country.

In answer to a question, Schieffer said without the need for private investors "this gives us control of our destiny much more."

He said greater independence would mean the DM&E could become a publicly traded company.

There has also been concern that the DM&E will forget its ag producers and shippers. But the project has strong support from commodity groups, and service will not only improve, but will expand.

"They know what it means to them," Schieffer said. "It's going to be a huge benefit."

Mr. COBURN. Mr. President, Congress has a moral obligation to make difficult decisions about spending priorities as we fight the war on terror, recover from natural disasters, and struggle to shore up Medicare and Social Security. Last year in fiscal year 2005 our national debt increased by $538 billion, or $1,738 per man, woman and child in this country.

The American people, therefore, are justifiably outraged when Congress engages in an earmark spending free-for-all. Pork projects tend to be allocated outside of the regular priority-setting debate that governs the rest of the budget process. This is wrong. Members of this body should not be asking what right one Senator might have to question another Senator's projects. Instead, we should be listening to the American people who are asking what right we have to force them to finance questionable projects in all 50 States. Every pork project should be balanced against other national priorities. Pork is not a civil right for politicians.

This bill contains more than 1,100 earmarks. Some of those earmarks include: $150,000 for the Alaska Botanical Garden in Anchorage, Alaska for expansion and renovation of its infrastructure; $750,000 for the construction of the Tongass Coast Aquarium; $100,000 to the city of Guntersville, for renovations to the Whole Backstage Theater; $250,000 for the Greenville Family YMCA for child care facility acquisition, renovation, and construction in Greenville, Alabama; $200,000 for the Hayneville Lowndes County Library Foundation for construction of a new library in Hayneville, Alabama; $250,000 for the Cleveland Avenue YMCA for facility expansion in Montgomery, Alabama; $150,000 to the El Dorado Public Schools in El Dorado, Arkansas for the expansion of a recreational field; $200,000 for Audubon Arkansas for the development of the Audubon Nature Center at Gillam Park in Little Rock, Arkansas; $350,000 to the City of Douglas, Arizona for facilities renovation of the Grand Theater; $350,000 to Valley of the Sun YMCA in Phoenix, Arizona for facilities construction of a YMCA; $250,000 to the City of Banning, CA for city pool improvements; $350,000 to the City of Beaumont, CA for the construction of the Beaumont Sports Park; $350,000 to the City of El Monte, California for construction of a community gymnasium; $250,000 to the City of Lancaster, California for installations related to the baseball complex; $150,000 to the City of Long Beach, California to develop an exhibit to educate the public on the importance of ports; $200,000 to the City of Placerville, California for Gold Bug Park renovations; $100,000 to the City of San Bernardino, California for Renovations to National Orange Show stadium; $125,000 to the City of Tehachapi, California for design and construction of a performing arts center; $350,000 to the City of Yucaipa, California for development of the Yucaipa Valley Regional Sports Complex; $250,000 to the Lake County Arts Council in Lakeport, California for renovation of the Lakeport Cinema to a Performing Arts Center; $175,000 for the San Francisco Fine Arts Museums, CAY for M.H. de Young Memorial Museum construction; $350,000 to the City of Bridgeport, Connecticut for relocation of the Music and Arts Center for the Humanities to a now-vacant department store; $300,000 to the University of Hartford in Hartford, Connecticut for facilities construction and renovation of the Hartt Performing Arts Center; $250,000 for the Town of Southbury, CT, for renovations to the Bent of the River Audubon Center; $200,000 to Lake County, FL for construction of a library; $96,300 to the City of Coral Gables, Florida for the renovation of historic Biltmore Hotel; $200,000 to the City of Ft. Myers, Florida for the redevelopment of Edson & Ford Estates; $200,000 to the City of Hollywood, Florida for the construction and development of the Young Circle Arts Park project; $100,000 to the City of Pensacola, Florida for construction of the YMCA of Greater Pensacola; $125,000 to the City of Treasure Island, Florida for construction of beach walkovers; $250,000 for Miami Dade County, Florida for the Miami Performing Arts Center; $75,000 to the City of Tybee Island, Georgia for a new facility for the Georgia 4–H Foundation; $300,000 for the Kauai YMCA to construct facilities; $150,000 to Seguin Services in Cicero, Illinois for construction of a garden center; $80,000 to the City of Beardstown, Illinois for construction of the Grand Opera House Beardstown Historical Society; $250,000 to the City of Joliet, Illinois for repairs to Rialto Square Theater; $250,000 to the City of Peoria, Illinois for design and construction of Africa exhibit at Glen Oak Zoo; $500,000 for the City of Muncie, Indiana to revitalize the downtown urban park; $250,000 for the Learning Collaborative to implement the Web Portal Technology Development Initiative in Daviess County, IN; $150,000 to Hardin County, Kentucky for renovation of an historic state theater; $150,000 to Powell County Fiscal Court in Powell County, Kentucky for the construction and development of a park; $100,000 to the City of Louisville, Kentucky for construction of a playground in Shawnee Park; $600,000 for the Kentucky Commerce Cabinet to develop a visitor center at the Big Bone Lick State Park; $500,000 for the Audubon Nature Institute for the Audubon Living Science Museum and Wetlands Center in New Orleans, Louisiana; $100,000 to Greenfield Community College in Greenfield, Massachusetts for a feasibility study; $280,000 for the City of North Adams, MA for the renovation of the historic Mohawk Theater; $260,000 for the City of Lawrence, MA for the redevelopment of the Lawrence In-Town Mall site; $200,000 for the American Visionary Arts Museum, Maryland $350,000 to the City of Saginaw, Michigan for renovation of the YMCA of Saginaw; $250,000 to Walsh College in the City of Troy, Michigan for a library expansion; $500,000 to the City of Cape Girardeau, Missouri for the construction of a new school for visual and performing arts at Southeast Missouri State University; $200,000 to the City of Meridian, Mississippi for the construction of the Mississippi Arts and Entertainment Center; and $750,000 to the City of Pontotoc, Mississippi for construction of the Pontotoc County Sportsplex.

Mr. SARBANES. Mr. President, I want to congratulate subcommittee Chairman BOND and Ranking Member MURRAY for successfully concluding this conference report. I would like to note that this is the first time this subcommittee, as currently constituted, has brought a conference report to the Senate and, in my view, this report is a worthy achievement and I intend to support it.

I note, in particular, the strong title on Transportation funding in the report. We all worked very hard to pass a Transportation authorization bill earlier this year that maintains a balanced transportation program, ensuring adequate funding for both our Nation's highways and transit programs. In my view, both of these components are extremely important to the future economic growth of our country, and I am happy to note that the conference report being brought to us this afternoon is largely faithful to the provisions included in SAFETEA–LU.

The report's provisions regarding Federal employees are also to be commended. The report includes language that will help Federal employees to compete on a more level playing field with contractors in cases where Federal agencies decide to consider contracting out jobs. The report ensures pay parity for all Federal employees—military and civilian alike. It also provides over $125 million to consolidate the FDA at White Oak, and ensures that 68 Taxpayer Assistance Centers, including 4 in Maryland, will remain open until after the inspector general completes a report to determine the impact proposed closures would have on both employees and clients. I thank the managers of the bill for their hard work on these important issues.

I also want to talk about the appropriation for the Department of Housing and Urban Development, HUD. At the outset, I want to express my appreciation to Senator BOND for his commitment over many years to maintaining strong and effective housing programs. Senator MURRAY, who has not served as Ranking Member on the Subcommittee dealing with HUD issues until this year, has proven to be a very valuable addition to this effort and has shown a deep understanding of, and commitment to, these important programs.

The key problem that the Conferees faced in putting together this report is that they were not given enough money to fund the housing programs at a fully adequate level. For example, the HOME and CDBG program, both very flexible programs, used to build and rehabilitate housing, create new homeowners, and create new jobs, suffer modest cuts in the report.

Public Housing, the Nation's basic housing program for the poor, is inadequately funded as to both its day-to-day operations, and its long-term capital needs. The funding figures are very close to last year's appropriations—and I recognize that this was no easy task for the conferees—but we need more to maintain our basic investment in this fundamental program. HOPE VI is cut by nearly one-third, though I commend the managers for getting this much, given the administration's repeated efforts to kill the program altogether.

Finally, I want to express my deep disappointment that the conference report adopts the funding formula for renewal of section 8 vouchers put forward by the House instead of the far more effective formula adopted by the Senate in the bill we passed earlier this year.

Section 8 is the largest housing program funded the Federal Government, serving over 2 million low-income people. On the positive side, the conference report we are considering today does provide an increase in funds over last year that will help to restore at least some of the vouchers that were lost.

On the other hand, by adopting the House formula voucher renewals, we are likely to see the loss of thousands of valuable housing vouchers in fiscal year 2006. For several years, voucher funding for each housing authority has been allocated based on the prior year's cost and utilization of vouchers at each housing authority around the country. The Senate would have used as a base for this calculation the most recent 12-month period. By contrast, the House formula, which has been adopted by this report, uses only a 3-month snapshot. As you might expect, the Senate provision gives a much more accurate picture of both the housing authority's voucher utilization and costs by taking a broader picture of the data. In addition, the data that would be used under the Senate provision would be more up to date, ensuring a more accurate outcome.

Projections based on data from HUD confirm this view. Under the House formula, some housing authorities will get millions of dollars of voucher funds beyond what they can legally use, while others will not get enough to fund even vouchers that are currently in use. At a time of such tight resources, this kind of planned waste is simply inexcusable.

I want to emphasize that the Senate managers fought for the more sensible Senate language. It is unfortunate that the House, with the strong support of HUD, prevailed in this case. Earlier this week, a senior official at HUD said in the New York Times. "Lack of Section 8 Vouchers for Storm Evacuees Highlights Rift Over Housing Program," November 8, 2005, "The housing voucher program is something we believe in. But we have to make sure the money's well spent."

I regret to say that HUD objected to the Senate provision which would have produced a demonstrably more effective and efficient allocation of section 8 funds. In the end, despite the efforts of the chairman and ranking member, HUD and the House prevailed. This concerns me greatly. I certainly hope that HUD does not come back next year and use the wasteful results of this ineffective system for which they advocated, as a rationale to provide less funding for fiscal year 2007.

Despite this significant disappointment, I want to, again, indicate my support for the overall package.

Mr. LOTT. Mr. President, we will hear plenty of self-congratulatory statements on this floor today about this conference report. And I am sure that there are probably many provisions that in fact have merit.

I cannot let the Senate consider this conference report, however, without highlighting some particularly egregious provisions which were literally inserted at midnight. These specific provisions were not included in either the House or Senate appropriations bills, they were never discussed during any of the meetings of the Conference Committee, nor were they subject to hearings by either the authorizing committees with jurisdiction, nor by appropriations committees.

I think we should call these provisions the "Leave the Victims of Unscrupulous Moving Companies Behind Act."

Consumers have fewer rights in trying to seek recourse when they are victims of fraud or outright theft than when they deal with a dishonest interstate moving company. The consumer has no ability to use State or local laws or consumer protection regulations. That is because Federal law preempts State and local action in this area. The only recourse a defrauded consumer has is to try to enforce the Federal regulations by going to Federal or State court. This is expensive and in most cases extremely impractical. Let me explain.

One of the most common forms of abuse is what is commonly called "hostage goods." This abuse was described by the Department of Transportation's Inspector General at a hearing I held in the Commerce Committee to look at this problem. Let me quote from his testimony:

> . . . household goods moving fraud is a serious problem, with thousand of victims who have fallen prey to these scams across the county. Typically, an unscrupulous operator will offer a low-ball estimate and then refuse to deliver or release the household goods unless the consumer pays an exorbitant sum, often several times the original estimate. In one case, for example, a New York husband and wife in their seventies were quoted a price of $2,800 to move their household goods to Florida. Once the movers had loaded about half of the goods, the foreman advised the couple that unless they paid the new price of $9,800 they would never see their property again. Fearing that the moving crew might physically hurt them, the couple paid the vastly inflated fee.

In such a case, trying to find an attorney and then proceed to courts while all your worldly possessions are on a truck heading to Florida is not especially practical.

This is not an isolated incident. Since 2001, consumers have filed over 10,000 official complaints with the Department of Transportation. Since 2000, the Inspector General has investigated allegations of fraud associated with approximately 8,000 victims.

In the recently completed highway bill, Congress included provisions to try to tip the scale back a little bit to the side of the consumer. The provisions that were included in the highway bill conference report were almost identical to the provisions in the Senate passed bill and to the provisions that were included in the highway bill that passed the Senate in the last Congress. The basic point of these provisions was to allow State attorneys general and State consumer protection officials to intercede on behalf of consumers and enforce Federal law and regulations dealing with moving companies.

The appropriations conference report we are considering today basically puts these proconsumer provisions on a hold for a year, and allows State officials to intervene in only the most limited of circumstances.

Finally, let me be clear. Most of the companies and individuals engaged in the moving industry are hard-working and honest. It is a small minority of companies that engages in unscrupulous behavior and it is these companies that need to be reined in.

Unfortunately, this conference report allows unscrupulous movers to continue to defraud consumers with little practical recourse for our constituents that have been mistreated.

Mr. PRYOR. Mr. President, I rise today to voice my disappointment and frustration with provisions included in this conference report that severely weaken critical consumer protection law for those that ship household goods using commercial movers.

As the ranking member of the Commerce Committee's Consumer Affairs, Product Safety, and Insurance Subcommittee, as a former State attorney general, and as a leading member of the Committee's Surface Transportation Subcommittee for motor carrier issues, I must express my outrage that this conference report undermines the consumer protections for victims of unscrupulous movers that were part of the transportation bill, known as SAFETEA–LU, signed into law less than 4 months ago.

These provisions were inserted despite commitments I received to the contrary. We had an agreement that we would not seek to modify the household goods consumer protection language within the Commerce Committee's jurisdiction beyond an amendment that was offered as part of the floor consideration of this appropriations bill in the Senate.

Instead, over the objections of myself, Senator INOUYE, Senator STEVENS, Senator LOTT, and the leadership of the House Transportation and Infrastructure Committee, this new language was forced into the conference report in order to protect a few big moving companies from increased public accountability.

Adding insult to injury, provisions that were specifically rejected during the conference on the transportation bill this summer were included in addition to language that goes well beyond those items and further undercuts the work Congress did to aid consumers who face fraud, extortion, and abuse at the hands of unregulated moving companies.

As a former State attorney general, I know the public benefits from local and State officials who are dedicated to protecting consumers. Over the past year, picking up on work begun by Senator MCCAIN, and working with Senators LOTT, INOUYE, and STEVENS, I have tried to find ways to assist the many citizens from all across this country who have been victimized by moving companies and have nowhere to turn.

The most outrageous situation is when a moving company holds all of a consumer's possessions until they pay thousands of dollars in excess of the original estimate for the move. This practice, known as ''hostage goods,'' is extortion, plain and simple. And it leaves consumers helpless in a strange city, with none of their possessions and no recourse.

I say helpless because, although there are some Federal laws to protect consumers when shipping their goods in interstate commerce—protections we enhanced with the passage of SAFETEA–LU—the Department of Transportation, DOT, is simply not suited to police the 1.5 million interstate moves that occur each year.

In 1995, the predecessor of the Federal Motor Carrier Safety Administration, FMCSA, assumed the regulatory duties of the household goods moving industry previously carried out by the Interstate Commerce Commission. Until recently, FMCSA had a total of 3 personnel assigned to handle all of the consumer complaints for the entire Nation and could do little about them. I understand that FMCSA has received nearly 20,000 consumer complaints since January 2001. They have taken little action in this area because FMCSA contends that its limited resources must be focused on truck safety, the agency's primary mission.

States, which want to get involved and already oversee consumer protections for the intrastate movement of household goods with little controversy, have been told by the courts that they have no jurisdiction in this area, since it involves interstate commerce. The net result is that moving companies operating in interstate commerce face no regulation of their commercial behavior, and therefore, continue to take advantage of consumers.

To address this glaring problem, SAFETEA–LU created a partnership with the states by allowing them to enforce certain Federal consumer protections rules as determined by the Secretary of Transportation—a model that works well in other areas.

It is so disheartening that only a few months after these new authorities were put in place—before they could even take effect and be put to use to protect consumers—these provisions have been reopened and basically gutted on behalf of a few big moving companies that want to keep operating without real oversight.

The household goods provisions added to this conference report will: limit a State attorneys general's ability to initiate an action to enforce Federal household goods consumer protection law to only cases involving new moving companies or those who egregiously violate Federal motor carrier safety regulations. The effect of this provision is to totally insulate most movers, particularly larger and more-established moving companies, from even the threat of action by a State, regardless of how outrageous their violation of Federal consumer protection law may be.

Further, the provisions will: apply these same enforcement limitations to State authorities that already regulate intrastate movers and require that the State consumer agencies enforcing Federal household goods consumer laws bring their cases in Federal courts only, where they would languish on average for 3 more years. What are consumers supposed to do while everything they own is being held hostage by a mover during those 3 years?

I believe these provisions go well beyond anything the Commerce Committee would ever have agreed to, had we the opportunity to consider these directly. The only thing positive I can say about them is that they are set to end after Fiscal Year 2006.

This language is an affront to all authorizing committees that—after years of discussion—agreed upon these provisions. It is wrong that those who did not get what they wanted—were rejected both in the Senate and in conference—can then hijack the consumer protection provisions that this Congress approved in July.

The passage of the SAFETEA–LU household goods language signaled Congress's willingness to stand up for the consumer and correct an injustice that occurs far too often. It is sad that this conference report seeks to undo this achievement and make it significantly more difficult for our citizens to get the recourse they deserve.

State attorneys general and State consumer protection agencies are much more likely than the Federal Government to doggedly pursue justice for their citizens in these cases. A letter from the National Association of Attorneys General on January 21, 2004, proves this point, by indicating the association's full support for State enforcement of Federal household goods consumer protections. The letter, signed 48 State attorneys general, specifically rejects complaints from the moving industry against this new authority.

In conclusion, let me say that I appreciate the work of the other House and Senate appropriations conferees and my colleagues on the Senate Commerce Committee for trying to keep these provisions out of their bill. It is unfortunate that they ended up being included, and I plan to work to see that they are overturned.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I ask that I be recognized for a few minutes and that the time not come out of the time that is currently allotted on this bill.

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

THANKING THE SENATOR FROM WEST VIRGINIA

Mr. STEVENS. Mr. President, I regret seriously that I was not here at the beginning of the statement made by the distinguished Senator from West Virginia, Senator BYRD. I was in an interview, as a matter of fact. My staff came to tell me the Senator was speaking about the article I gave to him that my daughter Lily wrote. I have come to the floor to thank him for his courtesy and generosity in speaking about that article.

Lily is one of my six children, the last of my children. As the Senator from West Virginia indicated, she is in law school at Boalt Hall. She wrote her thesis at Stanford about the history of this Capitol. I gave a copy of that thesis to the Librarian of Congress, James Billington, and he passed it on to the National Capitol Historical Society. They determined they would print part of it in their current bulletin, which pleased me very much.

I shared that with the Senator from West Virginia, as any proud father would, particularly with the Senator from West Virginia because of our great friendship and the time we have been here together. He is the senior Senator on his side of the aisle, and I am now the senior Senator on this side of the aisle. I will forever be his junior in terms of not only age but service and the admiration I have for him.

I knew Senator BYRD would be interested in the way Lily described this Capitol, its history, and its importance to this country. It is a beautiful article, I think, and I am doubly proud of her and extremely pleased that he would take the time and do us both the honor of putting that article in the RECORD.

I invite my friends and colleagues to read that article. Lily had a different life than most of my other five children. She literally grew up here from the time she was a very small baby, and came to the Senate quite often and sat on my shoulder when we were in conference meetings.

Senator BYRD has always been very gracious about coming to her birthday parties which we held here during the 8 years I was the whip on this side of the aisle. All of our family has such a great admiration for the Senator and for his great history.

I think many people do not realize that he is not only the most senior Senator, but he is the only Senator who went through both the university level and law school level while serving in the Congress. He has a prodigious memory. I think of times when, for instance, we were at the U.S.-British Parliamentary Conference when I encouraged the Senator to tell us some of his memories of serving in the Capitol when we were with our fellow legislators from the Parliament of Britain. We have great memories of that.

I also have a memory of the time when we were in West Virginia when one member of the Parliament made the mistake of saying that Americans didn't know much about the history of our mother country and those who have served Britain and their monarchy. Senator BYRD proceeded to tell us in detail about every single person who ever served in that position, including the husbands and wives of the monarchs of Britain.

I have so many great memories of service with Senator BYRD. I have already ordered a copy of the transcript and the tape of this presentation to send to Lily. I can think of no nicer birthday present to me than that the Senator from West Virginia would honor my daughter and the article she has written about the place we both love, the Capitol of the United States.

I thank the Senator very much for his courtesy.

Mr. BYRD. Mr. President, if the distinguished Senator will yield briefly—and I am not going to keep my friend from Texas waiting. He has been standing and waiting to be recognized.

It was a pleasure, may I say to my friend, to call to the attention of Senators this beautiful article written by Senator STEVENS' daughter Lily. She is a really precocious child. I have watched her from almost day one. I admire her. She is a well-bred woman. She is the flower of womanhood. She is seeking always to enlarge her mind and doing a great job of it.

I am pleased the Senator feels that he rejoices that her article has been mentioned by me. I want to assure him that he is entitled to every plaudit I can bring to bear on this subject. I hope he conveys my love and my admiration to his daughter Lily.

And may I say to the Senator, ''Thou art my guide, philosopher, and friend,'' as the Pope once said. I mean every word of that. I treasure our friendship, I say to Senator STEVENS, and may his beautiful daughter continue to do her work and complete her studies and go on to higher things. She is a fine model, and many of us can learn from her efforts to improve herself. I will certainly do that myself. I thank the Senator. I thank him very much.

Mr. STEVENS. Mr. President, the Senator twice honors me. I do thank the Senator very much. Those of us who have had the privilege of serving here more than a short time develop relationships that I think the rest of the body and perhaps the country don't understand. Very clearly my commitment in terms of friendship and devotion to my friend from West Virginia is equal to his for me. I am very pleased and proud to have that relationship with him.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. CORNYN. Mr. President, I ask unanimous consent to speak as in morning business.

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

Mr. CORNYN. Mr. President, I also ask unanimous consent that after I am recognized, Senator COBURN and Senator DEWINE be recognized for up to 30 minutes each.

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

Mr. CORNYN. I thank the Chair.

CHILD SUPPORT ENFORCEMENT

Mr. CORNYN. Mr. President, I talk about two subjects that are very near and dear to my heart. The first is the matter of child support enforcement. My colleagues might wonder how does that issue arise. The fact is, last night, the House of Representatives passed their version of the Deficit Reduction Act of 2005. As each of us knows, the purpose of that Deficit Reduction Act of 2005 is to actually bring down the Federal deficit by finding cuts in the Federal budget, the Federal budget that currently comprises something in excess of $2.5 trillion a year.

This is a very important exercise. This represents the first time, I believe, since 1997 when we have seen real and meaningful cuts in Federal spending. The challenge, of course, is that about a third of the money the Congress spends is discretionary spending. Half of that third is defense spending, and the rest of it is homeland security and other discretionary programs. But some of that you can tell by the mere description is hardly discretionary because it is important to our national security.

My point is that two-thirds of the Federal budget is not, even under any conception or definition, discretionary spending. It is Medicaid, Medicare, and Social Security, and we simply have to come to grips with that so-called entitlement or nondiscretionary spending in order to draw the reins in on a Federal Government that continues to grow day by day in its scope and size and expense.

I am here to say I think there are some cuts that make more sense than others and some cuts make no sense whatsoever. I consider child support money that goes to assist the States in collecting child support to fall into that last category—cuts that make no sense whatsoever. Let me explain.

The House bill will cut $5 billion in Federal funds from the child support program over 5 years—$5 billion over 5 years. It will cut $15.8 billion, almost $16 billion, over 10 years. This translates into a 40-percent reduction in Federal spending for the child support program. My State of Texas would lose $258 million over 5 years and $824 million over 10 years.

I ask unanimous consent that a chart prepared by the Center for Law and Social Policy which lays out the proposed cut to Federal child support funding State by State be printed in the RECORD.

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

TABLE 2.—PROPOSED CUTS TO FEDERAL CHILD SUPPORT FUNDING

[$ millions]

State	5-year Cut 2006–2010	10-Year Cut, 2006–2015
Alabama	−187	−59
Arizona	−188	−59
California	−1,006	−3,211
Connecticut	−71	−228
Dist. Columbia	−15	−49
Georgia	−105	−334
Idaho	−19	−61
Illinois	−161	−514
Indiana	−61	−194
Iowa	−49	−157
Kansas	−47	−151
Louisiana	−55	−176