

bottom indication that he supports the amendment as a vehicle to move this issue forward.

I yield the floor.

Mr. NELSON of Florida. Madam President, I indicated in my opening remarks that not only do I support the Wicker amendment but the similar Schumer amendment. It is important, symbolically, to get something done.

Now, the Senator from Mississippi has suggested another idea, that at the end of the day, when it is very difficult to enact a national catastrophic fund, what the Federal Government can do is encourage, by giving incentives to the States, enactment of a regional catastrophic fund.

Florida, of course, had to take the lead because we were the ones who got devastated in 1992 by Hurricane Andrew. Florida set up this fund called the Florida Hurricane Catastrophe Fund. It is a reinsurance fund to insure against catastrophes.

But that cost is spread over 18 million Floridians. Does it not make a lot more sense to spread that hurricane catastrophic risk over 50 million Americans, by getting all the Gulf States and the Atlantic coast States to combine in a regional catastrophic fund, since at the end of the day, it is going to be very hard to get a national catastrophic fund?

So as we get on down the line, with the commission, if that is the only thing that survives this legislative process, then certainly that should be an item on the table that the commission would consider when they would report back to the Congress.

I am hopeful for the first time now, we have something on the floor that is going to address this, and I am grateful I can speak out on behalf of 18 million Floridians who are hurting because what they want is available and affordable homeowners insurance.

Right now many times it is not available, and they have to go to a government insurance company such as Citizens or it is unaffordable. Remember, if you can't have homeowners insurance, you can't build homes, make loans on homes, or sell homes. The necessary component for all three of those industries—real estate, construction, and banking—is an available and affordable homeowners insurance policy. We have reached the point that it is either not available or it is not affordable. Finally, we are beginning to address it, right here. I am grateful for that.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. GREGG. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GREGG. I ask unanimous consent to speak as in morning business for 7 minutes.

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

CAP AND TRADE REVENUE

Mr. GREGG. Madam President, I rise on a separate subject that is coming at us that is of even greater significance in many ways because it is going to impact the entire structure of the economy and the lives of everyone in the United States, and that is how we get a handle on the issue of global warming and the issue specifically of the emission of toxic materials from plants which generate energy. The term "cap and trade" is applied to a bill that is going to be brought forward supposedly in early June. Cap and trade is a concept of basically creating areas where energy companies are required to start reducing their emissions but the manner in which they do so is tied to the trading of rights of basically emissions and what sort of chemicals can be emitted through a trading process between different regions and within different communities of emitters.

This cap-and-trade proposal, which is known as the Warner-Lieberman bill, is a huge readjustment of our economy. It represents a massive cost to our economy as well as, hopefully, a massive improvement, if it would work right, in the amount of toxic emissions which we incur and which occur as a result of our production of electricity specifically. The cost of the cap-and-trade program, through the purchasing and selling of allocations of what can be emitted, is estimated to be about \$1.2 trillion over the first 10 years of the proposal. This cost, obviously, is going to have a major impact on our economy. It is going to have a major impact on the people who consume the electricity, because the cost is going to be passed on to the people who use electricity in their homes, primarily, and businesses. There are a lot of issues raised by this bill on the substance of whether cap and trade can work—for example, issues of foreign competition, whether the technology necessary to meet the conditions for reduction will be available in time, issues as to whether certain segments of our industrial society are going to be unnecessarily handicapped and create a rush to move jobs offshore. These are big policy issues. I didn't want to address those. I don't want to address the substance of how the actual cap and trade will work. What I want to address instead is the ancillary, sidecar issue of the generation of this huge cost of \$1.2 trillion, and it will go on 40 years. So we are talking about literally trillions of dollars passed on to consumers through higher energy costs. It is estimated those energy costs will increase anywhere from \$30 to \$500 a month.

In any event, the costs are dramatic, and that has two effects. One, the Federal Government is going to make a massive amount of income as a result of these costs. Two, the consumers, the homeowners are going to see their electrical rates go up which is essentially a tax as a result of these costs. So the way I conceive of this is that the Fed-

eral Government is going to get a lot of new revenue, and what do we do with that revenue is the first question. Secondly, what about the consumers who are going to have to pay this new consumption cost through the increase in the price of electricity which is essentially a consumption tax.

The bill itself that is being discussed in committee and is supposedly going to be reported on the floor will take the \$1.2 trillion over that 10-year period and essentially spend it all, spend it all in a variety of ways. But a large amount of that spending would involve the expansion of Government. It would be a huge infusion of funds into the Federal Treasury at the expense of the consumer who pays those funds.

BARACK OBAMA, who is running for President, who appears to be close to successful in winning his quest for the nomination, has suggested he would pay for an additional \$300 billion in new spending annually. He has proposed over \$300 billion in new spending annually. He would pay for a large amount of that through generating \$30 to \$50 billion annually in taxes as a result of cap and trade. It is estimated by some that that revenue to the Federal Treasury might exceed that number and be actually up to \$100 billion a year annually of income to the Federal Treasury. But BARACK OBAMA has already suggested that we spend it on the expansion of the Federal Government.

The bill itself proposes that it be spent on the expansion of Government as well as on various other initiatives which the bill suggests we should pursue.

I suggest a different approach. I suggest that if we go down the path of cap and trade and if we end up raising well over \$1 trillion over a 10-year period from consumers, we should return those dollars to consumers in some way. I believe since we are basically creating a consumption tax and we are essentially shifting the burden of the Government significantly onto the user of electricity, especially the homeowner, they should receive a commensurate reduction in taxes that they pay in other places. It makes sense to me that if you are going to shift what amounts to a \$1.2 trillion increase in consumption taxes, you ought to take those revenues and use them to reduce income taxes to working Americans by pretty much an equal amount. I believe if we did that, if we took the revenue from the consumption tax and moved it over and reduced the income taxes so working Americans could benefit from that reduction in their income taxes, you could end up dramatically reducing income tax rates on working Americans.

That should be our goal with these dollars. We should not use these dollars to significantly expand the size of the Federal Government. If we are going to create this brandnew consumption tax in order to try to energize the effort of the marketplace to control emissions which may be causing global warming,

then we ought to use the revenues which are the result of a new tax burden, a consumption tax burden on people using electricity, to reduce the tax burden on working Americans in other places. We should not use it as a windfall to the Federal Government which would expand the size of the Federal Government and expand the size of Government. It is not right to do that.

The overall tax burden on the American people is already significant. It is going to grow, regrettably, over the next few years. If we listen to some of our colleagues on the other side of the aisle, it is going to grow a lot. In fact, the budget that passed this Congress suggests it will grow by almost a trillion dollars over the next 5 years. We don't need to throw on top of that increased burden of taxation, which Americans are already paying, a brandnew consumption tax, the revenues from which are then taken to expand the size of the Federal Government. Rather, let's take those revenues and put them toward a reduction in income taxes. In fact, there are many people who look at tax policy and would argue that this is an intelligent way to structure this, to basically begin the shift from an income tax system to a consumption tax system is a much more efficient way for us to collect revenues and, secondly, a better way to collect revenues from the standpoint of energizing a strong and vibrant economy. But independent of that argument, which has been raging for years, whether a consumption tax makes more sense than an income tax, what doesn't make sense is to raise consumption taxes through cap and trade by \$1.2 trillion over 10 years and then spend it to increase the size of Government. Let's use that money to reduce the tax rate on working Americans, to reduce the income tax. That should be our goal as we move forward and debate the issue of cap and trade and how we are going to use the revenues which that bill will generate.

I appreciate the courtesy of the Senator from Louisiana and yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

AMENDMENT NO. 4706, AS MODIFIED, TO
AMENDMENT NO. 4707

Ms. LANDRIEU. Madam President, I ask unanimous consent that the pending amendment be set aside and I call up amendment 4706, as modified, at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.
The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU] proposes an amendment numbered 4706, as modified.

Ms. LANDRIEU. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment, as modified, is as follows:

(Purpose: To improve the Office of the Flood Insurance Advocate)

Strike section 131 and insert the following:
SEC. 131. FLOOD INSURANCE ADVOCATE.

Chapter II of the National Flood Insurance Act of 1968 is amended by inserting after section 1330 (42 U.S.C. 4041) the following new section:

“SEC. 1330A. OFFICE OF THE FLOOD INSURANCE ADVOCATE.

“(a) ESTABLISHMENT OF POSITION.—

“(1) IN GENERAL.—There shall be in the Federal Emergency Management Agency an Office of the Flood Insurance Advocate which shall be headed by the National Flood Insurance Advocate. The National Flood Insurance Advocate shall—

“(A) to the extent amounts are provided pursuant to subsection (n), be compensated at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, or, if the Director so determines, at a rate fixed under section 9503 of such title;

“(B) be appointed by the Director without regard to political affiliation;

“(C) report to and be under the general supervision of the Director, but shall not report to, or be subject to supervision by, any other officer of the Federal Emergency Management Agency; and

“(D) consult with the Assistant Administrator for Mitigation or any successor thereto, but shall not report to, or be subject to the general supervision by, the Assistant Administrator for Mitigation or any successor thereto.

“(2) QUALIFICATIONS.—An individual appointed under paragraph (1)(B) shall have a background in customer service, accounting, auditing, financial analysis, law, management analysis, public administration, investigations, or insurance.

“(3) RESTRICTION ON EMPLOYMENT.—An individual may be appointed as the National Flood Insurance Advocate only if such individual was not an officer or employee of the Federal Emergency Management Agency with duties relating to the national flood insurance program during the 2-year period ending with such appointment and such individual agrees not to accept any employment with the Federal Emergency Management Agency for at least 2 years after ceasing to be the National Flood Insurance Advocate. Service as an employee of the National Flood Insurance Advocate shall not be taken into account in applying this paragraph.

“(4) STAFF.—To the extent amounts are provided pursuant to subsection (n), the National Flood Insurance Advocate may employ such personnel as may be necessary to carry out the duties of the Office.

“(5) INDEPENDENCE.—The Director shall not prevent or prohibit the National Flood Insurance Advocate from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena or summons during the course of any audit or investigation.

“(6) REMOVAL.—The President and the Director shall have the power to remove, discharge, or dismiss the National Flood Insurance Advocate. Not later than 15 days after the removal, discharge, or dismissal of the Advocate, the President or the Director shall report to the Committee on Banking of the Senate and the Committee on Financial Services of the House of Representatives on the basis for such removal, discharge, or dismissal.

“(b) FUNCTIONS OF OFFICE.—It shall be the function of the Office of the Flood Insurance Advocate to—

“(1) assist insureds under the national flood insurance program in resolving problems with the Federal Emergency Management Agency relating to such program;

“(2) identify areas in which such insureds have problems in dealings with the Federal Emergency Management Agency relating to such program;

“(3) propose changes in the administrative practices of the Federal Emergency Management Agency to mitigate problems identified under paragraph (2);

“(4) identify potential legislative, administrative, or regulatory changes which may be appropriate to mitigate such problems;

“(5) conduct, supervise, and coordinate—

“(A) systematic and random audits and investigations of insurance companies and associated entities that sell or offer for sale insurance policies against loss resulting from physical damage to or loss of real property or personal property related thereto arising from any flood occurring in the United States, to determine whether such insurance companies or associated entities are allocating only flood losses under such insurance policies to the National Flood Insurance Program;

“(B) audits and investigations to determine if an insurance company or associated entity described under subparagraph (A) is negotiating on behalf of the National Flood Insurance Program with third parties in good faith;

“(C) examinations to ensure that insurance companies and associated entities are properly compiling and preserving documentation for independent biennial financial statement audits as required under section 62.23(1) of title 44, Code of Federal Regulations; and

“(D) any other audit, examination, or investigation that the National Flood Insurance Advocate determines necessary to ensure the effective and efficient operation of the national flood insurance program;

“(6) conduct, supervise, and coordinate investigations into the operations of the national flood insurance program for the purpose of—

“(A) promoting economy and efficiency in the administration of such program;

“(B) preventing and detecting fraud and abuse in the program; and

“(C) identifying, and referring to the Attorney General for prosecution, any participant in such fraud or abuse;

“(7) identify and investigate conflicts of interest that undermine the economy and efficiency of the national flood insurance program; and

“(8) investigate allegations of consumer fraud.

“(c) AUTHORITY OF THE NATIONAL FLOOD INSURANCE ADVOCATE.—The National Flood Insurance Advocate may—

“(1) have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Director which relate to administration or operation of the national flood insurance program with respect to which the National Flood Insurance Advocate has responsibilities under this section;

“(2) undertake such investigations and reports relating to the administration or operation of the national flood insurance program as are, in the judgment of the National Flood Insurance Advocate, necessary or desirable;

“(3) request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental agency or unit thereof;

“(4) require by subpoena the production of all information, documents, reports, answers, records (including phone records), accounts, papers, emails, hard drives, backup tapes, software, audio or visual aides, and any other data and documentary evidence

necessary in the performance of the functions assigned to the National Flood Insurance Advocate by this section, which subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court, provided, that procedures other than subpoenas shall be used by the National Flood Insurance Advocate to obtain documents and information from any Federal agency;

“(5) issue a summons to compel the testimony of any person in the employ of any insurance company or associated entity, described under subsection (b)(5)(A), or any successor to such company or entity, including any member of the board of such company or entity, any trustee of such company or entity, any partner in such company or entity, or any agent or representative of such company or entity;

“(6) administer to or take from any person an oath, affirmation, or affidavit, whenever necessary in the performance of the functions assigned by this section, which oath, affirmation, or affidavit when administered or taken by or before an employee of the Office designated by the National Flood Insurance Advocate shall have the same force and effect as if administered or taken by or before an officer having a seal;

“(7) have direct and prompt access to the Director when necessary for any purpose pertaining to the performance of functions and responsibilities under this section;

“(8) select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

“(9) obtain services as authorized by section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for the rate of basic pay for a position at level IV of the Executive Schedule; and

“(10) to the extent and in such amounts as may be provided in advance by appropriations Acts, enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this section.

“(d) **ADDITIONAL DUTIES OF THE NFIA.**—The National Flood Insurance Advocate shall—

“(1) monitor the coverage and geographic allocation of regional offices of flood insurance advocates;

“(2) develop guidance to be distributed to all Federal Emergency Management Agency officers and employees having duties with respect to the national flood insurance program, outlining the criteria for referral of inquiries by insureds under such program to regional offices of flood insurance advocates;

“(3) ensure that the local telephone number for each regional office of the flood insurance advocate is published and available to such insureds served by the office; and

“(4) establish temporary State or local offices where necessary to meet the needs of qualified insureds following a flood event.

“(e) **OTHER RESPONSIBILITIES.**—

“(1) **ADDITIONAL REQUIREMENTS RELATING TO CERTAIN AUDITS.**—Prior to conducting any audit or investigation relating to the allocation of flood losses under subsection (b)(5)(A), the National Flood Insurance Advocate shall—

“(A) consult with appropriate subject-matter experts to identify the data necessary to determine whether flood claims paid by insurance companies or associated entities on

behalf the national flood insurance program reflect damages caused by flooding;

“(B) collect or compile the data identified in subparagraph (A), utilizing existing data sources to the maximum extent practicable; and

“(C) establish policies, procedures, and guidelines for application of such data in all audits and investigations authorized under this section.

“(2) **ANNUAL REPORTS.**—

“(A) **ACTIVITIES.**—Not later than December 31 of each calendar year, the National Flood Insurance Advocate shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the activities of the Office of the Flood Insurance Advocate during the fiscal year ending during such calendar year. Any such report shall contain a full and substantive analysis of such activities, in addition to statistical information, and shall—

“(i) identify the initiatives the Office of the Flood Insurance Advocate has taken on improving services for insureds under the national flood insurance program and responsiveness of the Federal Emergency Management Agency with respect to such initiatives;

“(ii) describe the nature of recommendations made to the Director under subsection (i);

“(iii) contain a summary of the most serious problems encountered by such insureds, including a description of the nature of such problems;

“(iv) contain an inventory of any items described in clauses (i), (ii), and (iii) for which action has been taken and the result of such action;

“(v) contain an inventory of any items described in clauses (i), (ii), and (iii) for which action remains to be completed and the period during which each item has remained on such inventory;

“(vi) contain an inventory of any items described in clauses (i), (ii), and (iii) for which no action has been taken, the period during which each item has remained on such inventory and the reasons for the inaction;

“(vii) identify any Flood Insurance Assistance Recommendation which was not responded to by the Director in a timely manner or was not followed, as specified under subsection (i);

“(viii) contain recommendations for such administrative and legislative action as may be appropriate to resolve problems encountered by such insureds;

“(ix) identify areas of the law or regulations relating to the national flood insurance program that impose significant compliance burdens on such insureds or the Federal Emergency Management Agency, including specific recommendations for remedying these problems;

“(x) identify the most litigated issues for each category of such insureds, including recommendations for mitigating such disputes;

“(xi) identify ways to promote the economy, efficiency, and effectiveness in the administration of the national flood insurance program;

“(xii) identify fraud and abuse in the national flood insurance program; and

“(xiii) include such other information as the National Flood Insurance Advocate may deem advisable.

“(B) **DIRECT SUBMISSION OF REPORT.**—Each report required under this paragraph shall be provided directly to the committees identified in subparagraph (A) without any prior review or comment from the Director, the Secretary of Homeland Security, or any other officer or employee of the Federal Emergency Management Agency or the De-

partment of Homeland Security, or the Office of Management and Budget.

“(3) **INFORMATION AND ASSISTANCE FROM OTHER AGENCIES.**—

“(A) **IN GENERAL.**—Upon request of the National Flood Insurance Advocate for information or assistance under this section, the head of any Federal agency shall, insofar as is practicable and not in contravention of any statutory restriction or regulation of the Federal agency from which the information is requested, furnish to the National Flood Insurance Advocate, or to an authorized designee of the National Flood Insurance Advocate, such information or assistance.

“(B) **REFUSAL TO COMPLY.**—Whenever information or assistance requested under this subsection is, in the judgment of the National Flood Insurance Advocate, unreasonably refused or not provided, the National Flood Insurance Advocate shall report the circumstances to the Director without delay.

“(f) **COMPLIANCE WITH GAO STANDARDS.**—In carrying out the responsibilities established under this section, the National Flood Insurance Advocate shall—

“(1) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

“(2) establish guidelines for determining when it shall be appropriate to use non-Federal auditors;

“(3) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in paragraph (1); and

“(4) take the necessary steps to minimize the publication of proprietary and trade secrets information.

“(g) **PERSONNEL ACTIONS.**—

“(1) **IN GENERAL.**—The National Flood Insurance Advocate shall have the responsibility and authority to—

“(A) appoint regional flood insurance advocates in a manner that will provide appropriate coverage based upon regional flood insurance program participation; and

“(B) hire, evaluate, and take personnel actions (including dismissal) with respect to any employee of any regional office of a flood insurance advocate described in subparagraph (A).

“(2) **CONSULTATION.**—The National Flood Insurance Advocate may consult with the appropriate supervisory personnel of the Federal Emergency Management Agency in carrying out the National Flood Insurance Advocate's responsibilities under this subsection.

“(h) **OPERATION OF REGIONAL OFFICES.**—

“(1) **IN GENERAL.**—Each regional flood insurance advocate appointed pursuant to subsection (d)—

“(A) shall report to the National Flood Insurance Advocate or delegate thereof;

“(B) may consult with the appropriate supervisory personnel of the Federal Emergency Management Agency regarding the daily operation of the regional office of the flood insurance advocate;

“(C) shall, at the initial meeting with any insured under the national flood insurance program seeking the assistance of a regional office of the flood insurance advocate, notify such insured that the flood insurance advocate offices operate independently of any other Federal Emergency Management Agency office and report directly to Congress through the National Flood Insurance Advocate; and

“(D) may, at the flood insurance advocate's discretion, not disclose to the Director contact with, or information provided by, such insured.

“(2) MAINTENANCE OF INDEPENDENT COMMUNICATIONS.—Each regional office of the flood insurance advocate shall maintain a separate phone, facsimile, and other electronic communication access.

“(i) FLOOD INSURANCE ASSISTANCE RECOMMENDATIONS.—

“(1) AUTHORITY TO ISSUE.—Upon application filed by a qualified insured with the Office of the Flood Insurance Advocate (in such form, manner, and at such time as the Director shall by regulation prescribe), the National Flood Insurance Advocate may issue a Flood Insurance Assistance Recommendation, if the Advocate finds that the qualified insured is suffering a significant hardship, such as a significant delay in resolving claims where the insured is incurring significant costs as a result of such delay, or where the insured is at risk of adverse action, including the loss of property, as a result of the manner in which the flood insurance laws are being administered by the Director.

“(2) TERMS OF A FLOOD INSURANCE ASSISTANCE RECOMMENDATION.—The terms of a Flood Insurance Assistance Recommendation may recommend to the Director that the Director, within a specified time period, cease any action, take any action as permitted by law, or refrain from taking any action, including the payment of claims, with respect to the qualified insured under any other provision of law which is specifically described by the National Flood Insurance Advocate in such recommendation.

“(3) DIRECTOR RESPONSE.—Not later than 15 days after the receipt of any Flood Insurance Assistance Recommendation under this subsection, the Director shall respond in writing as to—

“(A) whether such recommendation was followed;

“(B) why such recommendation was or was not followed; and

“(C) what, if any, additional actions were taken by the Director to prevent the hardship indicated in such recommendation.

“(4) RESPONSIBILITIES OF DIRECTOR.—The Director shall establish procedures requiring a formal response consistent with the requirements of paragraph (3) to all recommendations submitted to the Director by the National Flood Insurance Advocate under this subsection.

“(j) REPORTING OF POTENTIAL CRIMINAL VIOLATIONS.—In carrying out the duties and responsibilities established under this section, the National Flood Insurance Advocate shall report expeditiously to the Attorney General whenever the National Flood Insurance Advocate has reasonable grounds to believe there has been a violation of Federal criminal law.

“(k) COORDINATION.—

“(1) WITH OTHER FEDERAL AGENCIES.—In carrying out the duties and responsibilities established under this section, the National Flood Insurance Advocate—

“(A) shall give particular regard to the activities of the Inspector General of the Department of Homeland Security with a view toward avoiding duplication and insuring effective coordination and cooperation; and

“(B) may participate, upon request of the Inspector General of the Department of Homeland Security, in any audit or investigation conducted by the Inspector General.

“(2) WITH STATE REGULATORS.—In carrying out any investigation or audit under this section, the National Flood Insurance Advocate shall coordinate its activities and efforts with any State insurance authority that is concurrently undertaking a similar or related investigation or audit.

“(3) AVOIDANCE OF REDUNDANCIES IN THE RESOLUTION OF PROBLEMS.—In providing any assistance to a policyholder pursuant to paragraphs (1) and (2) of subsection (b), the

National Flood Insurance Advocate shall consult with the Director to eliminate, avoid, or reduce any redundancies in actions that may arise as a result of the actions of the National Flood Insurance Advocate and the claims appeals process described under section 62.20 of title 44, Code of Federal Regulations.

“(1) AUTHORITY OF THE DIRECTOR TO LEVY PENALTIES.—In addition to any other action that may be taken by the Attorney General, upon a finding in any investigation or audit conducted by the Office of the National Flood Insurance Advocate under this section, that any insurance company or associated entity has willfully misappropriated funds under the national flood insurance program, the Director may levy a civil fine against such company or entity in an amount not to exceed 3 times the total amount of funds shown to be misappropriated.

“(m) DEFINITIONS.—For purposes of this subsection:

“(1) ASSOCIATED ENTITY.—The term ‘associated entity’ means any person, corporation, or other legal entity that contracts with the Director or an insurance company to provide adjustment services, benefits calculation services, claims services, processing services, or record keeping services in connection with standard flood insurance policies made available under the national flood insurance program.

“(2) INSURANCE COMPANY.—The term ‘insurance company’ refers to any property and casualty insurance company that is authorized by the Director to participate in the Write Your Own program under the national flood insurance program.

“(3) NATIONAL FLOOD INSURANCE ADVOCATE.—The term ‘National Flood Insurance Advocate’ includes any designee of the National Flood Insurance Advocate.

“(4) QUALIFIED INSURED.—The term ‘qualified insured’ means an insured under coverage provided under the national flood insurance program under this title.

“(n) FUNDING.—Pursuant to section 1310(a)(8), the Director may use amounts from the National Flood Insurance Fund to fund the activities of the Office of the Flood Advocate in each of fiscal years 2009 through 2014, except that the amount so used in each such fiscal year may not exceed \$5,000,000 and shall remain available until expended. Notwithstanding any other provision of this title, amounts made available pursuant to this subsection shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.”.

Ms. LANDRIEU. Madam President, Senator WICKER, Senator VITTER, myself, and Senator COCHRAN to some degree have been working for months literally on this bill. It is a very important bill—as has Senator NELSON of Florida—a very important bill to Mississippi and Louisiana that felt the brunt of these last storms that we will be marking the third anniversary of this August, not too far from today, and in September for Hurricane Rita. As I was saying earlier this morning, thousands and thousands and thousands of homeowners are having a difficult time, the causes of which are very different. In some parts of the country people extended debt beyond what was wise and reasonable and find themselves losing their homes and in some instances it is partly their fault.

In some places, some consumers had bad deals thrust at them, and maybe through fraud or some other abuse

they find themselves losing their homes. The people I represent didn’t do either of those two things. The people I represent in Louisiana and along the gulf coast did nothing but basically play by the rules, have insurance if they were required to, didn’t have insurance when they were not required, for the most part. There were some families who should have had insurance who did not, but that is another subject for another day. But the bulk of the people did exactly what they were supposed to do, and they are still going to lose their homes because of two reasons: The Federal levees that should have held didn’t and the insurance paradigm we have established is not sufficient. That is what this bill is about.

To describe this in very clear graphics, I wish to put up this poster that shows why we are on the floor today: \$17.53 billion; that is a lot of money. That is why this bill is on the floor today, because we have to “reform the system” because it is obviously not working. We set up a flood insurance program and for years it would basically break even because of the way it was structured. Then in 2004, it went into debt a little bit, \$225 million. Then we went into debt a little bit more, \$300 million, but still manageable. Then Katrina and Rita hit and the debt goes up to almost \$20 billion. So make no mistake about it, that is why this bill is on the floor. This is a taxpayer bailout of \$20 billion. At the same time the taxpayers are bailing out the insurance industry, I wanted to show you what the insurance industry profits are. Everybody—some Republicans and a lot of Democrats—has been on this floor talking about oil companies. I guess I can understand why oil companies are making profits, because prices are high. That is a whole other subject for another day. But I wonder how insurance companies can make profits when you are supposed to have a record loss. I understand profits when prices are high; I don’t understand profits when losses are great. There is something wrong with this system.

So, in 2005, the insurance profits went up to \$48 billion. Katrina and Rita hit; they don’t go down. The profits go up. Because it is basically a system where insurance companies just cannot lose money. People can lose money. People can lose their houses. Businesses lose their businesses. Businesses lose their contents and their markets. But for some reason, in this insurance bill we are operating under, insurance companies make money in the middle of a disaster. Some of my constituents, including myself, would like to know how this happens.

As to the National Flood Insurance Program, the GAO did a report that says: “Greater Transparency and Oversight of Wind and Flood Damage Determinations Are Needed.” They just issued this report. I would say so, since the taxpayers are going to pick up the \$20 billion bill.

You heard the Senator from Florida, Mr. NELSON. They were so desperate in

Florida, the State had to sort of insure itself, which, thank goodness, Florida is big enough and maybe wealthy enough to do. It is very risky for the State of Florida to do that. If they have four or five hurricanes in one season, like they did a couple seasons ago, it could bankrupt the State. I am sure this debate went on in the Florida Legislature. But they were so desperate, they actually had no recourse because the Federal Government will not come up with a plan that will work for everyone.

So Florida had a choice: They could either shut down every commercial business, shut down every homebuilder, completely stop the housing market in Florida, or they could self-insure themselves. It was a pretty desperate situation, so Florida went ahead and did that.

But let me explain, Louisiana is not a rich State, and we are not a big State. We cannot insure ourselves that way. If we had another Katrina, the whole State would go bankrupt and our kids could not go to universities, our hospitals would shut down. I know people think I am making this up, but it is the truth. We cannot assume that risk onto ourselves, and neither can Mississippi, and I would suggest neither could Alabama. Maybe California could do it, maybe New York could do it, maybe Texas could do it, and maybe Florida could do it because they are big States, but our little States would go bankrupt.

So our GAO says the insurance business needs some more transparency and oversight. I will tell you why. As shown on this chart, this is what is in the report. As you know, maybe by word of explanation, under the current system—as unbelievable as this might sound—you have the real estate agents who are in the private sector writing wind insurance for their companies, which they can make a profit on. It is private. They are writing the flood insurance policies. So it is “write your own” policy. So the same people who write the Federal, taxpayer-guaranteed flood program write the private program.

So right now—and this bill does not fix this; this bill does not do anything to fix this—right now, according to our own GAO, Government Accountability Office, which is completely neutral, not political:

In certain damage scenarios, the WYO [write your own] insurer that covers a policyholder for wind losses can have a vested economic interest in the outcome of the damage determination that it performs when the property is subjected to a combination of high winds and flooding.

Which, hello, most often happens in a hurricane. You have winds and water. So it always happens that way.

In such cases, a conflict of interest exists—

Let me underline “a conflict of interest exists”—

with the WYO insurer as it determines which damages were caused by wind, to be paid by itself. . . .

So if a house is destroyed and the person comes in and says: This house was destroyed by wind 85 percent—if that is the case—then I have to pay it out of my pocket. If it is actually 85 percent flood, then the Government can pay it. The poor taxpayers can pick up this tab, so the insurance companies move their liability to the taxpayer.

I know, Madam President, as a former auditor, you can most certainly appreciate and understand this situation.

So it says:

In such cases, a conflict of interest exists with the WYO insurer as it determines which damages were caused by wind, to be paid by itself, and which damages were caused by flooding, to be paid by NFIP [the National Flood Insurance Program].

Which is basically the taxpayers.

Moreover, the amount WYO insurers are compensated . . .

In addition to that obvious conflict of interest, which is not corrected in this bill, the insurers are compensated for servicing a flood claim, and it increases as the amount of the flood damage increases. So their compensation, their percentage is increased. So if the flood insurance is more, they get a little bit of a premium.

So this bill has been in committee being worked out through the House and Senate, it is finally on the floor, and this problem has not been corrected. So that is why I offer my amendment to try to correct some portion of it.

Let me show you one of the actual transactions we have uncovered. This is an actual blowup of a claim, the paperwork that was done. It talks about the flood that occurred on August 29. Damage appears to be the result of the general condition of flooding. The first inspection revealed an exterior waterline of 15 to 20 feet, an interior waterline of 8 to 12 feet. Damage was extensive. It lists this.

That sounds wonderful and great. That is kind of what one of these documents would look like. The problem is, the adjuster who turned in that document said—this is under oath in one of the court proceedings that is slowly moving through the courts—“I did not put those numbers in there.” “There was no house to measure a waterline.” “I did not prepare that letter.” “They didn’t call me about that letter.” “That is the document that is sent to the Federal Government.” This is an adjuster. We have blocked his name out because he would probably get in trouble if they knew he was sharing this information with us.

So, in other words, again, this is not complicated, because I know insurance can be complicated. I do not really like the subject very much, but I have had to learn more about it than I care to know because of what we are going through.

But we have a system which we are getting ready to vote on right now that allows the same insurance companies to write their own personal policies or

their own business policies, and they do the Government a “big favor” by writing the flood insurance policies. They decide when their houses are destroyed, how much they have to pay out of pocket, if it was done by wind, or how much we have to pay if it was done by flood. These documents are barely ever audited, or this system is barely ever audited.

When we went and checked, as shown on this chart, this was the house that supposedly had a water line. Of course, you can see this address. There was no house. There could not possibly have been any measurement because there are no walls to measure. So this is just an example of hundreds that are coming out as these court cases move forward all along the gulf about the very serious problems related to the way the U.S. flood insurance program works.

Now, I know we need a flood insurance program. My State benefits tremendously from having one that is fair and equitable to the people who are paying the premiums, to the homeowners and businesses who rely on it. I also have an obligation to taxpayers generally in this country to support a program that is honest and fair. What I am suggesting is that the bill we are about to vote on—which is probably why I am going to vote no—does not do anything to change this.

So I am going to put up my “\$20 billion” sign again. This \$20 billion debt exists in large measure because of this system I have just described. Now, this bill is going to pass, and magically the Federal Government is going to just absorb the \$20 billion so we kind of get back to even. The bill, then, generally said, to make up for that, we are going to raise rates. But do you know on whom they raise rates? Not on the insurance companies that have already made record profits. Do you know on whom they raise rates? People who cannot afford the rates today. In the underlying bill, they can raise rates 15 percent a year or 25 percent a year.

When we ask the committee to please consider that the people of Mississippi and Louisiana and Alabama cannot afford higher insurance rates, couldn’t we possibly consider some kind of catastrophic plan—because we might have hurricanes, but Memphis is going to have an earthquake someday, and Seattle is going to have a tsunami; in 1938, a hurricane 5 slammed into Long Island—we are told no. We cannot even consider such a thing.

So there are many things wrong, and I really cannot correct them. I tried to hold this bill up as long as I could, and everybody decided we needed to have a flood insurance bill, so I said: Fine. Let the bill come to the floor, but I am going to talk against it. That is what I plan to do.

So the purpose of this bill is for the taxpayers to eat \$20 billion, to let insurance companies have record profits, and the end result is the people of Alabama, Mississippi, and Louisiana get rates raised every year from now until who knows. And I am supposed to just

sit here and say this is a great bill the committee came up with?

So the amendment I am offering—which is not going to fix this bill, but it might fix one problem with this bill—is to establish an ombudsman.

Oh, and this is really ironic, what is in the underlying bill. In the underlying bill, there is a provision that establishes an office to register complaints. It is a flood insurance advocate section of this bill. If I had the section, I would read it. But in the underlying bill, there is a section that talks about that if anybody has a complaint, they could call a 1-800 number and complain.

Now, I have e-mails up to my ceiling in my office from people—not complaining, crying—not complaining, crying because they are getting ready to lose their business or lose their house. But they could, in the underlying bill, call a 1-800 number and make a complaint. But the language is so weak and flimsy, there is really not anything they can do other than complain.

So I have taken that section and strengthened it. That is what my amendment does. It does not just establish a complaint counter. It establishes an office that has some teeth. It establishes an ombudsman's office. We kind of took the language from some of our IG legislation which will allow the establishment of an office with some significant funding attached to it that can review and audit more carefully this National Flood Insurance Program.

I would hope the leaders of this committee would look carefully at this amendment and know that I offer it in very good faith. Again, I do not believe the underlying bill, in this provision just establishing an office to complain, is enough considering the gravity of the situation we are dealing with.

I offer this amendment in good faith. I offer it with Senator NELSON from Florida as a cosponsor. It establishes an office that would conduct audits to ensure that only flood losses are being allocated to the flood insurance program. It ensures that write-your-own insurers are preserving the necessary documentation to justify their payments, to conduct any other examinations to protect the financial integrity of the program, and to prevent fraud and abuse and conflicts of interest.

Now, again, our Government Accounting Office has already established there is an inherent conflict of interest in the current program. So we are not guessing that there might be a conflict of interest; there is a conflict of interest. It says so according to the GAO:

In certain damage scenarios, the insurer that covers a policyholder for wind losses can have a vested economic interest in the outcome of the damage determination that it performs when the property is subjected to a combination of high winds and flooding. A conflict of interest exists, as it determines whether it says your house was damaged by wind.

So let me go ahead and pay your claim on it, or the insurer says: No, I

think it was damaged by flood, which then the taxpayers can pay for, and my insurance company gets off Scot-free. And maybe, just maybe, that might explain why in the worst disaster in the history of the United States, at least recently, taxpayers have to pick up \$20 billion and insurance companies file record profits.

Is there anything in this underlying bill that might suggest that we could watch the taxpayers' money a little more carefully? No. They put in an office, a 1-800 number where people might complain.

So instead of the 1-800 number where people might complain, I would like to put in an office where, if something is wrong, people can be criminally prosecuted. If there is fraud, people can be penalized with civil penalties and criminal penalties.

I know this is very tough language, but I am not suggesting this particular document suggests that there is any stealing or any crime. But there is something wrong in our system of justice where somebody goes into a grocery store and steals \$100 and gets 3 years in jail, and we have companies that—"fudge" is the word. They didn't really use the word "steal," but they will fudge a little and take \$20 billion out of the Treasury and they get nothing—not a slap on the wrist, not a fine. The only thing that happens is the poor homeowners and businesses get increased premiums. So that is one of the things this amendment does.

I hope my colleagues, whether they vote for the bill—I probably will not vote for the bill unless it is amended substantially, which it may be between now and the time we vote on final passage—but I hope my colleagues will look very carefully at this amendment that I offer with Senator NELSON. It establishes basically an IG ombudsman within this program to make sure the taxpayers don't pick up another \$20 billion in costs.

I know people will say: Well, Senator LANDRIEU, if we don't have this bill, your people won't have flood insurance. Well, I understand that, but our people have—we are between a rock and a hard place. We need flood insurance, but we need flood insurance that we can afford. We would like to believe we have a flood insurance program that operates honestly. I am not sure that we do. So that is what this amendment does, amendment No. 4706.

AMENDMENT NO. 4705, AS MODIFIED, TO
AMENDMENT NO. 4707

I have one final amendment to offer. If I can, I would like to send the amendment, as modified, No. 4705, to the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU], for herself, Mr. PRYOR, and Mrs. LINCOLN, proposes an amendment numbered 4705 to amendment No. 4707.

Ms. LANDRIEU. I ask unanimous consent to dispense with the reading of the amendment.

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

The amendment is as follows:

On page 10, strike line 3 and all that follows through page 10, line 16, and insert the following:

(C) STUDY ON MANDATORY PURCHASE REQUIREMENTS.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Comptroller General shall conduct and submit to Congress a study assessing the impact, effectiveness, and feasibility of amending the provisions of the Flood Disaster Protection Act of 1973 regarding the properties that are subject to the mandatory flood insurance coverage purchase requirements under such Act to extend such requirements to properties located in any area that would be designated as an area having special flood hazards but for the existence of a structural flood protection system.

(2) CONTENT OF REPORT.—In carrying out the study required under paragraph (1), the Comptroller General shall determine—

(A) the regulatory, financial and economic impacts of extending the mandatory purchase requirements described under paragraph (1) on the costs of homeownership, the actuarial soundness of the National Flood Insurance Program, the Federal Emergency Management Agency, local communities, insurance companies, and local land use;

(B) the effectiveness of extending such mandatory purchase requirements in protecting homeowners from financial loss and in protecting the financial soundness of the National Flood Insurance Program; and

(C) any impact on lenders of complying with or enforcing such extended mandatory requirements.

Ms. LANDRIEU. Madam President, I send this amendment to the desk, which is actually on behalf of myself, Senator LINCOLN, and Senator PRYOR, that addresses the mandatory coverage requirements in the underlying bill. I hope my colleagues will not think again that this bill only affects the gulf coast because there are some provisions in this bill that are going to affect the entire country.

One of the provisions is, it is going to be mandatory as FEMA maps home and businesses located beyond levees and dams and floodwalls and other man-made structures into residual risk areas. Once these homes and businesses are mapped into such areas, the legislation would require them to purchase flood insurance.

Now, levees and dams don't just exist in New Orleans, although we have quite a few of them because we are a low-lying area. But we have 14,000 miles of Federal levees throughout the country along many rivers. In fact, I see the Senator from North Dakota, and he himself has had very significant experience with one of his towns being demolished, devastated, almost completely destroyed, I think it was maybe 15 years ago, when their levees broke. So he is well aware.

Whether you are in Michigan or Illinois or Missouri or in many places where there are levees and dams, there are 14,000 miles of Federal levees, 79,000 dams, and 22 percent of all counties

and parishes have a levee. So it is one out of every four that will be affected by the underlying bill; that is, once FEMA finishes mapping the whole United States, which they are doing and which we need to do. We need to have better maps using new technology to try to determine who is near sea level and who is above sea level and who is at risk. I have no problem with that. But this bill will mandate that everybody behind those levees pays insurance.

So my amendment will basically establish before that requirement goes into place—and, again, it may be necessary—that there be adequate study about the issue. The amendment strikes the mandatory purchase requirement. In its place, it requires the GAO to study the cost, the regulatory, financial, and economic impacts of extending the mandatory purchase on the cost of home ownership, the actuarial soundness to this program, to the local communities, insurance companies, and local land use; the effectiveness of sending such a purchase requirement in protecting homeowners from financial loss and protecting the financial soundness of the program.

Now, I know this was debated in committee. I am not sure that it has gotten a lot of coverage, but my phone has been ringing off the hook from other Senators who are just waking up and saying: Well, Senator, I thought this flood insurance program only affected those places along the coast, and now I am realizing this flood insurance “reform” bill is going to raise fees—not necessarily taxes but premiums—on thousands and thousands and thousands of homeowners and businesses throughout the country.

We may have to do that. We may have to do that. But let's do it after GAO has studied and laid out what the impact and ramifications are, and let's do it in a system that is fair so it is not just the homeowners who have to pay premiums, the taxpayers who bail them out when there is a problem, and insurance companies that can't lose money under the current system. That is basically the system that we have.

So, again, 43 million people are affected by the underlying bill with this new provision. Twenty-two percent of all counties in the country, and in our case parishes, have levees; 79,000 dams and 14,000 miles of Federal levees.

So these are the two amendments that I offer. This has been done in a package with Senator WICKER and Senator VITTER. We have offered a package of amendments trying to fix and expand wind coverage to this bill, to lift the coverage limits.

Again, a big problem with this bill is it has not kept pace with inflation and only covers homes valued up to \$225,000. That might sound like a lot, but it is not keeping pace with inflation. Our amendment would lift the coverage to homes over \$325,000.

Then my ombudsman amendment and this mandatory coverage reprieve would be the other amendment.

Mr. DORGAN. Madam President, I wonder if the Senator would yield for a question.

Ms. LANDRIEU. Yes, I will.

Mr. DORGAN. The last amendment that the Senator sent to the desk, my understanding is that it is an amendment very similar to something I was intending to offer, but I am not certain I understand your amendment, so if I could just work through it with you.

My concern about the underlying bill with respect to the mandatory coverage areas is that it requires the expansion of areas of special flood hazards to include areas of residual risks, including areas that are behind levees, dams, and other manmade structures.

Is your amendment designed to strike that provision?

Ms. LANDRIEU. It doesn't strike the mapping requirement. It doesn't strike the mapping requirement, but it strikes the mandatory coverage provision until there is a study done about what the economic impact will be to people living behind those levees and dams.

Mr. DORGAN. But, if I might inquire further, is it the intention of the amendment to provide that there shall not be mandatory requirements on all of these levees, dams, and other manmade structures, which the underlying bill would require?

Ms. LANDRIEU. Yes, it does. That is the intent of the amendment.

Madam President, there are many Senators who feel as though this is a very abrupt requirement. They are not sure of what the outcome of these premiums might be to people who are already struggling with higher costs. And because there is no estimate to my knowledge, we thought it would be better to offer an amendment that would basically require a study so more discussion can be had, and then perhaps later we could insist on mandatory coverage or phase it in as is appropriate. But is that the Senator's concern?

Mr. DORGAN. Madam President, I believe I looked at the amendment, and it does not strike what is in the underlying bill—all of section 7—which I was intending to do with my amendment. I didn't quite understand the consequences of striking just a portion of it. But if the Senator from Connecticut who is on the Senate floor—when the Senator from Louisiana concludes, I would like to make a couple of comments about the reason for my concern about this matter, and perhaps we can visit. If our amendments have exactly the same impact, there is no reason for me to offer mine.

Ms. LANDRIEU. I would be happy to. I appreciate the Senator raising it. I will review the way this amendment is structured. But, again, I would be happy to work with the Senator so we could offer something together because there are many Senators who are concerned, and rightly concerned, about this particular section.

If the Senator would allow me to finish, I will be happy to yield the floor

for further discussion because I am about ready to finish my remarks. There are no votes scheduled. There are other amendments that are going to be offered. But, again, a package has been put together by several Senators, both Republicans and Democrats.

I have to say again, in conclusion, I don't like the underlying bill. I did a great deal to keep this bill bottled up in committee for over 2 years. But I have been convinced the better way to proceed is to have this bill come to the floor, which is what I allowed with Senator VITTER and Senator WICKER, as long as we can offer amendments and have some time to air our grievances. The chairman of the committee and the ranking member of the committee have been men of their word and allowed us to do so.

So at some point, Madam Chair, I would request that the Senate vote on these amendments together as a package, but individually the one regarding wind, the one regarding the increased coverage, the one regarding the ombudsman, and the amendment regarding the mandatory coverage, and then the additional coverage options. So there are five amendments in this package that we have been working on. At some point, when that can be agreed to, we can move this bill forward.

In the meantime, I will be happy to work with my colleague from North Dakota to see if the language he has suggested is the same as ours. If not, perhaps we can modify our amendment to accommodate that, or perhaps he will offer the amendment with our acquiescence.

With that, I yield the floor to my friend from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Madam President, I was surprised by what is section 7 in the underlying bill. I understand the substitute at the desk has it on a different page. I am talking about the same provision the Senator from Louisiana spoke about briefly; that is, an expansion of the requirement to have flood insurance in areas of special flood hazards, to include areas of residual risk, areas that are located behind levees, dams, and other manmade structures.

I am not surprised we want people to buy flood insurance if they are at risk of being flooded. That is not my point. But let me give you a case study, if I might, and talk about Grand Forks, ND. Eleven years ago—in fact 11 years ago about this time—the city of Grand Forks, ND, a city of nearly 50,000 people, was nearly completely evacuated. It was the largest evacuation of a city since the Civil War, and it was because of a flood on the Red River. It was a very significant flood; some said it was a 500-year flood.

All of us who went to that city and spent time there and went to the Air Force base—a major Air Force base—15 miles west of the city and visited with the citizens who had been evacuated—

tens of thousands of people—we will never forget that. So what happened in the last 10 years—by the way, let me speak about the memory of not only a city being flooded and evacuated, but in the middle of that city there was a raging fire. So there is a flood, and then buildings in the middle of the city that are inundated by water caught fire, and there was a major fire in the middle of the city. To watch firefighters work in a flood to try to see if they can't, in the middle of a significant city, put out a fire that is consuming a number of businesses in the downtown district is quite extraordinary.

Fast forward 10 years, and I think we have spent close to \$400 million over a decade to provide unbelievable flood protection for that city. That is not going to happen again. There is a flood protection plan in place for that city that is very significant. That flood protection plan protects against a 250-year flood. The provisions in this bill talk about a 100-year flood. We have now flood protection for a 250-year flood. It is blue ribbon, first rate, brandnew flood protection for this city. So it is a little surprising to me to see a bill that says, by the way, we have just finished spending a lot of money to provide very significant 250-year flood protection and now we have one other decision; we want you to understand you should now buy flood insurance. It is only \$1 a day, \$300 or \$400 a year, they say.

That is going to be pretty surprising to a lot of people who are still paying debts to fix up their houses from 10 or 11 years ago from that flood. They are going to ask the question: Why are we asked to buy flood insurance when you have built a very significant flood protection plan, with 250-year flood protection for our city, and now you say to us we all should go buy flood insurance. Are you daft? What are you thinking of? They would not understand this. I am trying to figure out what the requirement is.

I understand there are some man-made levees and dams and other circumstances that perhaps have risk attached to them, which are old structures. I understand that. There are some circumstances where those who take a look at this believe that more should participate in the flood insurance program. I understand all that. But to simply say that in every circumstance, including areas located behind levees, dams, and other manmade structures, everybody should have flood insurance, that doesn't make any sense to me.

I don't know how you explain that to somebody who was told we completed a terrific flood protection program that gives you a 250-year flood protection, but you need to pony up some money to buy new flood insurance. I think this is not a good provision, and I hope we will be able to remove it.

Ms. LANDRIEU. Will the Senator yield?

Mr. DORGAN. Yes.

Ms. LANDRIEU. I don't know how this will be resolved. I certainly can appreciate that, and I agree with the Senator, because one size doesn't fit all, which has been part of the problem with this bill—that it is pushing everyone into a one-size-fits-all requirement. It is not the appropriate response to our situation. I hope the Senator will consider either modifying the amendment I have laid down, or I would be happy to actually support a narrower amendment that any communities that can establish that they have created protection that is over and above the average, which is 100-year flood protection, might not be subject to this requirement.

As the Senator knows—because he is chairman of the Appropriations Committee that funds levees in the country, so he most certainly is one of the leading experts—the standard in America right now is not sufficient, and it is 1 storm out of 100. Very few communities can boast of being as protected as his community can. I suggest that most certainly I would not object as the main author of the amendment, but there are several cosponsors. I am sure we could work something out.

Mr. DORGAN. Madam President, in my subcommittee that I chair on appropriations, dealing with energy and matter, we spent \$2.2 billion on Corps of Engineers construction alone, to say nothing of maintenance, remediation, and other expenses. Just the construction in fiscal year 2008 was \$2.24 billion. So we are spending a lot of money working on levees and dikes and other areas of protection. It seems to me—my colleague from Connecticut indicated this and he is absolutely correct—levees do fail, and I understand that. He is absolutely correct about that. Levees do fail. Manmade structures, from time to time, will fail. But it is also the case that some risks are substantially lowered, and there are some risks that are substantially elevated because of the condition of the levy and so on. My colleague from Louisiana is correct when she says let's not do something that is one size fits all.

Again, I will use the example I think is clear. If you just finished a new flood control program that you have worked on for 10 years with a 250-year flood protection, which is more than double the protection normally required to protect against a 100-year flood, at least understand the difference between what you have done there with public funding and what might exist somewhere else, where there is higher risk. It is hard to tell somebody, by the way, you have a new flood control plan, it works, it is terrific and it is new and it costs a lot of money; it will protect you against a 250-year flood, but you must buy some flood insurance, please, because we are worried that you are going to be hit by a 100-year flood. That is the kind of thing I hope we can avoid.

Earlier, I used a word I don't ever use. I don't know why I used it. I used

the word “daft.” I wasn't applying it to anybody who wrote this legislation. I should quickly explain that.

It appears to me that, if this would pass, we may have to explain to some people something that is not able to be explained. You now have terrific flood protection, but we want you to buy flood insurance, even though we protected you with public funding, with a first-class flood protection system. It is not difficult for me to go to someone in a circumstance where there is risk and say I understand why you have to have flood insurance. You have to have a large number of people paying in. You have risk and you are going to have to buy flood insurance. I understand that.

The Senator is correct that sometimes levees do fail. We should not, it seems to me, with this small section in the bill, on page 9, subsection 2, under (b), we should not say, anyplace in America where you have a levee, a dam, a manmade structure, you are all in the same boat. That is not the right thing for us to do.

I hope that with the concurrence of the Senator from Connecticut, perhaps, we can talk through this as we move along and make some changes to that, which are thoughtful and address the issue of risk.

I thank my colleague from Louisiana, and I thank my colleague from Connecticut for his patience. As I conclude, I am going to visit with the Senator from Louisiana to see whether my amendment is sufficiently similar to hers so maybe we can deal with one amendment. If so, I will not add my amendment. I have filed it, but I will not call it up. If it is not sufficiently similar, I will call up my amendment later today.

I yield the floor.

Mr. DODD. Madam President, now we have had five amendments that will be pending at some point. At an appropriate time, after my colleague from Alabama arrives, in consultation with others and with the leadership, we will work out a time when we may have consideration of these amendments and have votes. Many Members are curious about votes this evening. We would like to give a clear indication of when the votes are likely to occur. Let me take a few minutes and respond.

First of all, all of us in this Chamber, including myself, have expressed ourselves over the years in terms of what has happened when people have been devastated by natural disasters, including those in the gulf area. I have traveled down there reviewing the area and seeing what happened. We all care deeply about what happened to people in the Gulf State areas, in terms of the devastation that occurred. Let me point out quickly that is not the debate, in the sense whether we understand it. It is what we can do about it.

The bulk of this legislation, as presently written—it is a given that most of the 5.5 million properties that are going to be covered are in the Gulf State areas. FEMA borrowed money

from the Federal Government to pay the \$17 billion in claims. The flood insurance program generates about \$2.5 billion each year as a result of premiums as part of the fund, and about \$1 billion of that goes to administrative costs. There might be a legitimate amendment as to why there is so much administration in that program. That is how it breaks down. You are left with \$1.5 billion to cover this. As a result of natural disasters and floods, here we are left with a debt of \$17 billion, which FEMA owes to the Federal Government. In the process of paying that debt, they are increasing the premium costs, unless we take action. So you can have a choice. We can drop the bill, basically—defeat it, as some suggested, who may vote against it—in which case the very people we are concerned about are going to end up with a larger cost because somebody has to pay that debt. That is a bailout otherwise, if we don't do something about it. So the idea is, how do you do that?

The major thrust of the bill is to forgive that debt, take it off the books, so the people who pay these premiums will not have a surcharge added to their costs to meet that obligation. That is the fundamental purpose of the bill, to forgive that \$17 billion, which otherwise becomes a cost to the very people paying the premiums. So I began the discussion by saying the thrust of this bill was to do that.

The second part—Senator NELSON has it exactly right, the author of the second part. He came to the committee a number of months ago and asked to include a commission to deal with catastrophic natural disasters. There is a significant debate as to how to handle this. A significant percentage of our population lives within 100 miles of the coast of the United States. Obviously, there are natural disasters that occur inland as well. But how we deal with catastrophic costs, how we set up the mechanism to deal with it is a significant debate, with hardly unanimity around it. Rather than trying to pretend that one committee can solve all that, Senator NELSON suggested a commission made up of people who would bring knowledge about all this and report back to us in 9 months their recommendations as to how we might deal with catastrophic disasters that occur in our country.

That is the second part of this bill. There are a lot of other ideas. I addressed some of them earlier—wind issues and the like. I don't argue about the legitimacy of the issue. The question is, we have a responsibility to be actuarially sound. I know that is not something we have a great reputation on, but we try to do that occasionally, to insist upon having a system that will allow us to collect revenue, pay for a program, keep the costs down, and cover the kind of catastrophe people face.

Our bill does a number of things that are more than just vague terminology in dealing with the insurance industry.

I, for one, believe we ought to do more in this area to try to get greater accountability. That is not an issue for debating here.

Let me mention some things we have included in the bill before we accept the notion that nothing is here at all. No. 1, in the program we require the insurance companies to participate in State-sponsored mediation.

We require the insurance industry to submit all data on costs to operate this program and require FEMA to conduct rulemaking so the insurance companies are only paid for actual costs.

We created a flood advocate to help consumers who have problems with the flood program so they can have direct access to it. That was one of the major problems a few years ago.

We also direct FEMA to collect information from the insurance industry on claims where there is both wind and flood damage. I might add, this gets exactly at the problems raised by our colleagues from Louisiana and the other gulf State areas. FEMA will now be required to look at how insurance companies are dividing damages to ensure that companies are not improperly shifting costs to the Federal flood program.

I know others may want to add other things. But to suggest we did nothing to require greater accountability is not to be terribly honest about what is in this bill. Obviously, there are those who would like to get rid of the industry altogether and maybe just have a Federal program where FEMA becomes an insurance company. That is an option, if people want to do it. I don't know there is a will here to do it, but that is one option.

There is no requirement in law that an industry provide this kind of coverage. You have to be somewhat careful that if you become so onerous in your requirements or your indictment of them that getting these very companies to write the policies becomes harder. If they don't write the policies, who does? Does the Federal Government then become an insurance company? I don't think there is a will to do that. Maybe there are some who would like to.

Before you decide to beat this horse into oblivion, be careful about how far you go. If you do it to such a degree there is no one there to write the programs to begin with, we may find ourselves in deeper trouble. But to say they ought to be able to do exactly as they want to do, and not be mindful of some of the egregious examples my colleague from Louisiana referred to, would also be wrong.

In this bill we tried to identify some specific areas that were the subject of hearings that informed us where there were matters clearly the industry and those responsible for overseeing them could demand more and get more out of them.

I believe we have done a good job in this bill on those issues. Could you add some more things? I am not going to

argue that. We did try to do our best. Again, we had a unanimous vote in our committee after significant debate on this bill. But the idea of having an ombudsman going in and basically drawing a conclusion about things before actually determining it—be careful what you wish for. If in fact we don't end up with people coming in to provide the coverage, we could find ourselves in even worse shape than we are in today. I invite my colleagues to look at the legislation and the specific provisions I just mentioned that we have included in the legislation to require greater accountability out of the industry.

Now let me address the second point, and that is the mandatory requirement that people within certain high-risk areas be required to pay some premiums. I ask my colleagues to think about the consequences of this amendment should we strike the portion of the bill that requires people who live in areas behind levees or downstream of dams to purchase flood insurance. Currently, home and business owners in these residual risk areas, as they are called, are at great risk of flooding. There are over 122 levees and dams that have already been categorized as weak, failing.

With all due respect to my colleague from North Dakota—and I have been to his community where these problems exist—these manmade projects do not always work. So the fact that taxpayers in Connecticut and elsewhere have paid to build them is a good thing. Maybe we ought to be talking about how those costs of premiums ought to reflect the quality of the levee or the dam that has been built in those areas. But to suggest somehow that since we built the levee anybody living in that residual risk area should not assume any responsibility if it breaks down is maybe going to far.

Let me tell you what we are talking about. Most cost less than \$1 a day to cover this. What you get for that is roughly \$250,000 to cover structures and \$100,000 to cover the contents. That is \$350,000 in most cases for less than a dollar a day, for living in a residually high-risk area where a levee or dam exists. This idea somehow that we all can get our levees built and dams built and we bear no other responsibility for trying to cover against those risks and the costs, when they occur, if that levee or dam breaks and it gets flooded out and there is no insurance requirement in those areas—who pays for that damage? Again, we are right back here draining the Treasury instead of requiring an insurance program. A dollar a day for roughly 350,000 dollars' worth of coverage, I do not think that is overly burdensome.

I know people don't like any additional cost. But if you are asking me to craft a program that is actuarially sound, that allows us to build up that fund so we do not have to drain the Treasury or forgive a debt that is now

owed by FEMA to the National Government, then requiring some responsibility—I have it in my own State of Connecticut. The Connecticut River in Hartford, we have a huge levee, a dam there. I certainly think my constituents who live along that have to pay something. They made the choice to be there. Some don't make the choice. They live there. But asking for less than \$1 a day for over \$350,000 in coverage for structure and contents in order to bear some responsibility—Lord forbid it breaks down—I don't see that as being overly burdensome, as some would suggest.

What percentage of problems occur in this area? We are told here—again, I am relying on data that has been given to us—we all know that dams fail, levees fail. What better evidence than what happened to our colleagues from Louisiana, the failure of the levees and the problems that ensued from it. I will provide the lists and put them in the record of the 122 levees we know are failing today. One percent of all flood policies are outside the 100-year floodplain, many of these in residual risk areas. This 1 percent of policies accounts for 25 percent of flood claims. Let me repeat that. One percent of the policies accounts for 25 percent of the flood claims. So 1 percent of policies not currently in mandatory purchase areas are responsible for 25 percent of all the claims that come in—one-quarter of them.

You could just persist in this and say we are not going to have anybody pay anything at all. Yet 25 percent of the entire fund is going off to provide coverage in areas where, again—it is only 1 percent of the policies that are being written. Clearly, the risks outside the 100-year floodplain are significant—25 percent of all claims are coming from them, despite the dams and the levees we have here. We should ensure that adequate insurance coverage for all homes and businesses in these risky areas are covered. That is what we are trying to do.

Flood insurance should not be viewed as punitive. It is a cost to insure against a known risk. Flood insurance premiums for homeowners in these residual risk areas are not prohibitively expensive. The maximum amount of coverage—\$250,000 for structures and \$100,000 for contents—will cost less than \$1 a day. That is the maximum in-

surance. For a majority of people, the cost will be much less, less than \$1 a day to ensure a family can rebuild from a flood.

I ask my colleagues to look at recent experiences in New Orleans, as well as the recent flooding in Missouri along the Black River, in Nevada near Reno, and in Lake County, IN. These are just a few examples, but each caused devastation when levees did not provide the needed protection.

I also ask my colleagues to look at the U.S. Army Corps of Engineers review of levees last year. That review identified 122 levees at risk of failure in the country. Surely, people who believe they are protected should know of their risks and should carry affordable insurance to hedge against those kinds of devastating events that occur even when significant efforts have been made to protect people in those areas.

No one likes to vote for something where you have to have a fee charged. We bear the responsibility of having a program that works, that is actuarially sound, that makes a difference, that doesn't put us in a position of having to constantly bail out—in this case FEMA—as a result of these claims coming in. If there were a way of doing this where I could wave a magic wand and no one would have to pay a nickel and somehow this would all be done by someone else, I would love to achieve that. But miracles do not exist when it comes to costs. We tried to minimize those costs and have a good program that doesn't drain the Treasury and doesn't expose all taxpayers to these costs and asks people to contribute in some degree to get the kind of protection we are looking for. That is what we have designed.

If this bill fails—and there are those recommending by their vote it ought to fail—then those premiums are going to go up, and the very people we are talking about bear a tremendous financial burden. In the absence of this bill, they will pay a tremendous amount to pay off that debt to FEMA. It is not a free charge unless we take action to excuse that obligation.

Then, second, that commission to examine these other very important issues, and then the provisions in this bill itself to achieve greater accountability within the insurance industry—that is why this bill passed unanimously out of the committee, Demo-

crats and Republicans, people from coastal States and noncoastal States working together to craft the legislation that Senator SHELBY and I put together.

I realize we are not going to write something that everybody agrees with every dotted i and crossed t. That is beyond my capabilities. What you have asked me to do as chairman of the committee, with Senator SHELBY, is craft a bill that will allow people to have reasonable costs, get some real help and relief, protect against these kinds of problems that are obviously going to occur again, but this time we will have done something about it ahead of time instead of waiting for it to happen and be back here again trying to come up with some supplemental appropriation where billions of dollars are being asked for out of the Federal Treasury to pay for the damages that might have otherwise been paid for under an intelligent insurance program, balanced and sound.

I apologize if I can't make everybody happy with this bill, but we did our very best to craft legislation that I think accommodates the fundamental points.

If you want me to craft legislation that allows money to be spent and no one has to pay a nickel for it, you are going to have to find someone else. I can't do that for you. I have a proposal of less than \$1 a day for 350,000 dollars' worth of coverage. I do not believe that is unreasonable for people living in residual risk areas, particularly where 25 percent of the claims are coming out of those areas where only 1 percent of the policies are being provided for.

With that, at the appropriate time we would like to have some votes on these amendments. I will be urging my colleague to reject these amendments. I appreciate the intentions behind those who offer them, but in good conscience we need to pass a bill that can make some sense, become the law of the land, and provide some protection we are seeking with this legislation.

Madam President, I ask unanimous consent the list of levees of maintenance concern be printed in the RECORD.

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

U.S. ARMY CORPS OF ENGINEERS LEVEES OF MAINTENANCE CONCERN, FEBRUARY 1, 2007

District	Project Name	Segment Name	State	City
Detroit	Erie Township / Grodi Road	Grodi Road	Michigan	Erie Twp.
Detroit	Labo Island	Labo Island	Michigan	Brown Twp.
Detroit	Millman Island	Millman Island	Michigan	Brown Twp.
Detroit	Sebewaing, MI Flood Control Project	Sebewaing Flood Control Proj.	Michigan	Sebewaing.
Huntington	Levisa and Tug Forks and Upper Cumberland Basin	Matewan, WV LPP	West Virginia	Matewan.
Huntington	Maysville, KY	Maysville, KY LPP	Kentucky	Maysville.
Louisville	Brookport Local Flood Protection Project	Brookport LFPP	Illinois	Brookport.
Louisville	Levee Unit No. 8	Levee Unit No. 8	Indiana	Plainville.
Louisville	Shawneetown Local Flood Protection Project	Shawneetown LFPP	Illinois	Old Shawneetown.
Nashville	Loyall, KY Local Protection Project	Loyall, KY Local Protection Project	Kentucky	Loyall / Rio Vista.
Nashville	Pineville, KY Local Protection Project	Pineville, KY Local Protection Project	Kentucky	Pineville.
Nashville	Wallsend, KY Local Protection Project	Wallsend, KY Local Protection Project	Kentucky	Pineville.
Pittsburgh	Kittanning	Kittanning LFPP	Pennsylvania	Kittanning Borough.
Pittsburgh	Oil City	Oil City LFPP	Pennsylvania	Oil City.
Pittsburgh	Vintondale	South Branch Blacklick	Pennsylvania	Vintondale Borough.
Memphis	White River Levees	Augusta to Clarendon, AR	Arkansas	Agriculture.
Baltimore	Anacostia River	Left Bank Anacostia River	Maryland	Town of Bladensburg.
Baltimore	Anacostia River	Right Bank Anacostia River	Maryland	Town of Hyattsville.
Baltimore	Washington, DC	National Park Service Section	District of Columbia	Washington, DC.

U.S. ARMY CORPS OF ENGINEERS LEVEES OF MAINTENANCE CONCERN, FEBRUARY 1, 2007—Continued

District	Project Name	Segment Name	State	City
Baltimore	Washington, DC	Potomac Park Levee	District of Columbia	Washington, DC
Baltimore	Washington, DC	US Naval Air Station Section	District of Columbia	Washington, DC
Baltimore	Williamsport-South Williamsport	South Williamsport	Pennsylvania	Borough of South Williamsport.
New England	East Hartford, CT	East Hartford, CT	Connecticut	East Hartford.
New England	Lincoln, NH	Lincoln NH	New Hampshire	Lincoln.
New England	West Springfield, MA	West Springfield, Ma	Massachusetts	West Springfield.
New England	Canton, MA	Canton, MA	Massachusetts	Canton.
New England	Chicopee, MA	Chic Riv Dike/Wall	Massachusetts	Chicopee.
New England	Lowell, MA	Lakeview	Massachusetts	Lowell.
New England	Springfield, MA	Conn River segment	Massachusetts	Springfield
New England	Torrington, CT (E. Branch)	Torrington, CT (E. Branch)	Connecticut	Torrington.
New England	Torrington, CT (W. Branch)	Torrington, CT (W. Branch)	Connecticut	Torrington.
New England	Waterbury-Watertown, CT	Upper Naugatuck Dike	Connecticut	Waterbury and Watertown.
New England	Woonsocket, RI (lower)	Lower Mill River Dike	Rhode Island	Woonsocket.
New England	Woonsocket, RI (upper)	Singleton St Dike	Rhode Island	Woonsocket.
Kansas City	Bartley	Bartley	Nebraska	Bartley.
Kansas City	Ft Leavenworth, Kansas	Ft. Leavenworth	Kansas	Ft. Leavenworth Airport.
Omaha	Marmarth	Marmarth FCP	North Dakota	Marmarth.
Portland	Clatsop County Drainage District No. 1	Blind Slough	Oregon	Brownsmead.
Portland	Clatsop Diking District No. 9	Youngs River	Oregon	Agriculture.
Portland	Sunset Drainage District	Nehalem	Oregon	Agriculture.
Portland	Svensen Island Diking District	Prairie Channel/Svensen	Oregon	Agriculture.
Seattle	Green River Upper Russell	Upper Russell	Washington	Kent.
Seattle	Cedar River Getchman	Monk	Washington	Kent.
Seattle	Cedar River Rainbow Bend	County Road #8	Washington	Kent.
Seattle	Green River Monk	Getchman	Washington	Renton.
Seattle	Cedar River Alquist	Rainbow Bend	Washington	Renton.
Seattle	Cedar River Herzman	Alquist	Washington	Renton.
Seattle	Cedar River WPA	Herzman	Washington	Renton.
Seattle	Tolt River Frew	WPA	Washington	Carnation.
Seattle	Tolt River Hwy to Bridge	Frew	Washington	Carnation.
Seattle	Green River County Road #8	Hwy to Bridge	Washington	North Bend.
Seattle	SF Snoqualmie River Stanly Carlin	Stanly Carlin	Washington	North Bend.
Seattle	SF Snoqualmie River Prairie Acres	Prairie Acres	Washington	North Bend.
Seattle	SF Snoqualmie River McConkey	McConkey	Washington	North Bend.
Seattle	SF Snoqualmie River Reif Road	Reif Road	Washington	North Bend.
Seattle	SF Snoqualmie River Si View	Si View	Washington	North Bend.
Seattle	SF Snoqualmie River Bendigo Left (upper)	Bendigo Left (upper)	Washington	North Bend.
Seattle	SF Snoqualmie River Bendigo Left (lower)	Bendigo Left (lower)	Washington	North Bend.
Seattle	SF Snoqualmie River Bendigo Right (lower)	Bendigo Right (lower)	Washington	North Bend.
Seattle	SF Snoqualmie River Bendigo Right (upper)	Bendigo Right (upper)	Washington	North Bend.
Walla Walla	Ballantyne	Ballantyne	Idaho	Mountain Home.
Walla Walla	Milton-Freewater	Milton-Freewater	Oregon	Milton-Freewater.
Walla Walla	Sweetwater	Sweetwater	Idaho	Sweetwater.
Alaska	Salmon River Levee	Salmon River Levee	Alaska	Hyder (unincor orated).
Alaska	Skagway River Levee	Skagway River Levee	Alaska	Skagway.
Honolulu	Hanapepe River FCP	Hanapepe River FCP	Hawaii	Hanapepe.
Honolulu	Moanalua Stream FCP	Moanalua Stream	Hawaii	Moanalua Valley.
Honolulu	Waimea River FCP	Waimea River FCP	Hawaii	Waimea.
Jacksonville	C&SF Part IV—Herbert Hoover Dike	Reach 7	Florida	Agriculture area.
Jacksonville	C&SF Part IV—Herbert Hoover Dike	Reach 2	Florida	Clewiston.
Jacksonville	C&SF Part IV—Herbert Hoover Dike	Reach 3	Florida	Clewiston, S Bay, Belle Glade.
Jacksonville	C&SF Part IV—Herbert Hoover Dike	Reach 1	Florida	Pahokee.
Jacksonville	Humacao	Sec. 205	Puerto Rico	Punta Santiago.
Jacksonville	Portugues & Bucana Flood Control	Sec. 205	Puerto Rico	Ponce.
Jacksonville	Sabana Grande	Sec. 205	Puerto Rico	Sabana Grande.
Jacksonville	Vega Baja	Sec 205	Puerto Rico	Vega Baja.
Savannah	Macon Levee	Macon Levee	Georgia	Macon.
Wilmingon	Roanoke, VA, Floodproofing of STP	Roanoke Floodproofing of STP	Virginia	Roanoke Sewage Treatment.
Albuquerque	Granada, Arkansas River	Granada, Arkansas River	Colorado	Granada.
Albuquerque	Abeytas to Bernardo, Rio Grande	Abeytas to Bernardo, Rio Grande	New Mexico	Bernardo.
Albuquerque	Albuquerque Unit, Middle Rio Grande Levee	Albuquerque Unit, Middle Rio Grande Levee	New Mexico	Albuquerque.
Albuquerque	Creede, Willow Creek	Creede Willow Creek	Colorado	Creede.
Albuquerque	Glenwood, Whitewater Creek, Levee Rehabilitation	Glenwood Whitewater Creek	New Mexico	Glenwood.
Los Angeles	Santa Maria River	Santa Maria River	California	Santa Maria
Sacramento	Bear Creek Project	Bear Creek, Stockton	California	Stockton.
Sacramento	Buchanan Dam (Eastman Lake)	Chowchilla River Ash and Berenda Sloughs	California	Madera.
Sacramento	Duck Creek	Duck Creek	California	Farmington, Stockton.
Sacramento	Fairfield Vicinity Streams	Fairfield Vicinity Streams	California	Fairfield.
Sacramento	Farrington Reservoir Project	Littlejohn Creek	California	Stockton
Sacramento	Green Valley Creek, Solano County	Green Valley Creek, Solano County	California	Vacaville.
Sacramento	Merced County Stream Group	Merced County Stream Group	California	Merced.
Sacramento	Middle Creek	Middle Creek	California	Upper Lake.
Sacramento	Mormon Slough	Mormon Slough	California	Stockton.
Sacramento	North Fork Pit River at Alturas	North Fork Pit River at Alturas	California	Alturas.
Sacramento	Pine Flat Lake & Kings River	Pine Flat Lake & Kings River	California	Riverdale, Hanford.
Sacrament	Redmond Channel	Redmond Channel	Utah	Redmond.
Sacramento	Sacramento River Flood Control	Chico & Mud Creeks, & Sandy Gulch	California	Chico.
Sacramento	Sacramento River Flood Control	City of Marysville	California	Marysville.
Sacramento	Sacramento River Flood Control	Deer Creek, Tehama County	California	Vina.
Sacramento	Sacramento River Flood Control	Elder Creek, Tehama County	California	Gerber.
Sacramento	Sacramento River Flood Control	Interceptor Canal, East, West	California	Sutter.
Sacramento	Sacramento River Flood Control	LD2—Glenn County	California	Princeton.
Sacramento	Sacramento River Flood Control	LD3—Glenn County	California	Butte City.
Sacramento	Sacramento River Flood Control	RD 0150—Merritt Island	California	Agriculture.
Sacramento	Sacramento River Flood Control	RD 0307—Lisbon	California	Agriculture.
Sacramento	Sacramento River Flood Control	RD 0349—Sutter	California	Agriculture.
Sacramento	Sacramento River Flood Control	RD 0369—Libby-McNeil	California	Walnut Grove.
Sacramento	Sacramento River Flood Control	RD 0501—Ryer Island	California	Agriculture.
Sacramento	Sacramento River Flood Control	RD 0556—Upper Andrus	California	Agriculture.
Sacramento	Sacramento River Flood Control	RD 0563—Tyler Island	California	Walnut Grove.
Sacramento	Sacramento River Flood Control	RD 0755—Randall	California	Agriculture.
Sacramento	Sacramento River Flood Control	RD 0827—Elkhorn	California	Agriculture.
Sacramento	Sacramento River Flood Control	RD 1600—Mull	California	Agriculture.
Sacramento	Sacramento River Flood Control	RD 2098—Cache & Haas Slough Area	California	Agriculture.
Sacramento	Sacramento River Flood Control	Service Area 6	California	Knights Landing.
Sacramento	San Joaquin River Flood Control	RD 0404—Boggs	California	Stockton.
Sacramento	San Joaquin River Flood Control	RD 0524—Middle Roberts Island	California	Agriculture.
Sacramento	San Joaquin River Flood Control	RD 2063—Crows Landing	California	Agriculture.
Sacramento	San Joaquin River Flood Control	RD 2064—River Junction	California	Ripon.
Sacramento	Walnut Creek, Contra Costa County	Walnut Creek, Contra Costa County	California	Walnut Creek, Concord.
San Francisco	Redwood Creek at Crick	Redwood Creek at Crick	California	Orrick.
Little Rock	Conway County Levee District No. 8	Conway County Levee No. 8	Arkansas	Atkins.

Mr. DODD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SHELBY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TESTER). Without objection, it is so ordered.

AMENDMENT NO. 4706

Mr. SHELBY. Mr. President, I rise in strong opposition to the amendment offered by Senator LANDRIEU, my friend from Louisiana, which would allow the mandatory purchase provision for areas behind levees and dams to be eliminated.

Currently, the flood insurance program suffers from a \$17 billion deficit, mostly as a result of payments made to individuals living behind manmade structures such as levees and dams.

The fact that people behind manmade flood protections do not have to purchase flood insurance clearly sends the wrong message. As we all know now, flood protections sometimes fail. Telling people they need not protect themselves from the risks associated with those failures provides a false sense of security.

Keep in mind that all of these individuals will be required to pay a rate that reflects the risk associated with living behind flood mitigation devices. Currently the rates behind many of these structures would suggest an individual homeowner would pay approximately \$316 for coverage up to \$350,000. That is less than \$1 per day for full flood protection; \$1 dollar a day. This bill eliminates the entire debt associated with this program that is owed to the Federal Government, but it also demands that in the future people begin to pay a fair price for the risk associated with living in high-risk areas.

This amendment would require that we undertake a study as to the effect of requiring insurance behind manmade structures. I believe we have learned all we need to know about the risk associated with living behind manmade flood protection devices.

The insurance premium takes into account the real risk properties face. Levees fail. They fail all the time. They do not eliminate all risk. Flood insurance protects people against unforeseen risk.

These amendments do not recognize that fact. A prudent course is risk-based premiums for everyone at risk. I strongly oppose this amendment. I urge my colleagues to do the same.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. BUNNING. Mr. President, I wish to speak for a few minutes on the bill itself.

The PRESIDING OFFICER. The Senator has that right.

Mr. BUNNING. I wish to speak about the flood insurance bill before the Senate and about the program in general.

The flood insurance program is one I care about a great deal. It is vitally important to States such as Kentucky that are surrounded and crossed by major rivers and exposed to flooding.

In 2004, former Senator Sarbanes, Senator SHELBY, and I sat down to

make some important changes to the program and we did. My bill was a step in the right direction for fixing the program. Our reforms established a mitigation program to reduce further losses, charge higher premiums if property owners refused to reduce their risk.

Unfortunately, we were not able to address all of the problems in the bill, but I am glad some of the things we wanted to do back then are being done in this bill before us today.

As we saw from the storms of 2005, the flood insurance program is not financially sound. This bill builds on the reforms of the 2004 law by ending the subsidy for the most costly and least deserving properties. It requires more at-risk people to purchase flood insurance, and increases penalties on the lenders for not following the law.

It also sets up a reserve fund to keep the program from going into debt in future years with significant flood losses. This bill does not fix all of the problems in the program, but it is a strong bill which I support. While I do not like forgiving the program's debt, it is a necessary step to stop policyholders in Kentucky and across this country from having to foot the bill for the gulf coast's problems.

Every Senator should think about that \$18 billion we are forgiving when they consider the additional cost of amendments being offered. We have 40 years of experience that says the Government is a terrible insurance company. Adding wind insurance will drive out private insurers and put the taxpayers throughout the entire country on the hook for the risks taken by those who choose to live in the path of hurricanes.

The sponsors of the amendment claim premiums will reflect the actual risk, but I would point out to them the 18 billion reasons why I do not believe that will happen. Several other amendments are worth mentioning. One would create a Federal backstop for State disaster insurance funds. I understand why the Gulf Coast States would want a Federal backstop for the risk, but I do not understand why my State or anyone else's State should be put on the hook for the decisions of coastal State legislators who choose to socialize insurance.

Other amendments would increase coverage limits or decrease the amount policyholders would have to pay. One would even make a certain earmark for an area in Illinois for lower premiums. Those amendments would defeat the entire purpose of this bill. Instead of making the program more financially sound, they would make the current problems worse by charging policyholders less than their actual risk.

After some version of this bill becomes law, we will have to keep an eye on how FEMA acts on these reforms. It took FEMA more than 2 years to implement some of the 2004 reforms, and they did that only after the Vice President and the Secretary of Homeland

Security intervened. We must make sure the program is run the way Congress intended, not as the bureaucrats think it should be run.

I congratulate Senator DODD and Senator SHELBY and their staffs for writing a good bill. I also thank former Senator Sarbanes for his help in writing the 2004 bill and setting the foundation for this bill today.

Finally, I wish to say I am glad Senator MCCONNELL has brought up the important issue of energy. The American people are watching gas prices go through the roof, and this summer electric bills are going to do the same. I have heard the other side talk about energy before, but I have not seen them do one thing about the problem. The problem is, we do not have enough supply. The solution is expanding domestic production of energy any way we can. We can drill for oil safely in Alaska, we can get more natural gas from the Gulf of Mexico.

But beyond the usual ways to increase production, we can use new technologies to change the game for energy prices. That is why I have supported and will keep pushing coal-to-liquid fuels. We are sitting on hundreds of years' worth of coal, and through a proven and environmentally sound process, we can turn that coal into gasoline for our cars, diesel for our trucks, and jet fuel for our planes.

I have met with the Air Force many times. This is one of the most important security issues they face. We cannot rely on Middle Eastern oil to provide fuel for our jet fighters and our tanks. With secure domestic alternative fuels, we can guarantee the military the fuel they need.

The American people deserve a Congress that takes action. Every barrel of fuel made in America is a barrel of fuel we do not have to buy from the Middle East. Increasing production of energy in America will bring down energy costs and protect jobs.

For too long we have heard about manufacturers and companies moving good-paying jobs to China or the Middle East because of cheap energy. Today, with this package we can do something about it. We can give American companies the energy they need to build cars, fly planes, and produce goods with American workers.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, parliamentary inquiry: What are we on now?

The PRESIDING OFFICER. The Senate is considering amendment No. 4705 offered by Senator LANDRIEU.

AMERICAN ENERGY PRODUCTION ACT

Mr. DOMENICI. We have been setting aside the pending amendments?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. I plan to speak for about 15 or 20 minutes here, for those who might be interested.

I rise not to talk about the work that has been done by the committee on

flood insurance, although it is obvious that is important, and they have done a great job and we ought to be finding our way through that thicket before too long. But attached to that bill, for the purpose of making an issue and seeing to it that we give everybody in this body an opportunity to vote for the production of more American energy for the American people, for the automobiles that drive on our streets, the trucks that drive on our streets, the airplanes, both domestic and military, that fly, and all other sources of energy, we are going to have a chance to vote on whether we want to produce more energy which we now import, either crude oil or crude oil products or substitute products that can be produced in the United States. Do we want to do that?

The Democrats today had a press conference after we have been talking about this bill that we call the American Energy Production Act, and they are talking about what they might want to do. I regret I cannot talk in detail about what they propose, but I will say I will be very surprised if the sum total of their suggestions produces one new barrel of oil or one cubic foot of natural gas, one cubic foot of American-produced natural gas, because it seems to me they are too busy trying to find out what they can do to the oil companies of the United States and windfall profits and those kinds of things.

But we are going to give everyone this opportunity, an opportunity to take a look at some very simple propositions that could yield large quantities of crude oil, natural gas, derivatives of coal that can be used in trucks, diesel fuel in airplanes, for military and the domestic airplanes.

I want to suggest the following: Last week I introduced a bill which would fundamentally change America's reliance upon foreign oil in a shorter time period than I have seen of any proposal thus far.

The American Energy Production Act is cosponsored by 19 of my colleagues and would produce a minimum of 24 billion barrels of American oil. Americans, in my opinion, are sick and tired of such high prices for gasoline, and unless we take action, the situation is going to only get worse. One can talk all one wants about why it is, but the biggest reason the price is going up and continues up—and we do not even know where it will stop—is because the demand for crude oil in the world is getting bigger than the production of crude oil in the world. So supply and demand is principally the reason for the increasing cost of crude oil.

There may be other things we have to do, but essentially the only way to alter that rising price and cause it to come down and, thus, give the American people some relief is to produce more crude oil and derivatives of coal and otherwise that we can use to take the place of crude oil products. So if the American people are sick and tired

of paying high prices and want to know what can be done, we are telling them we think it is time we face up to the fact that we can produce much more in America. But for some reason, we have decided to vote no on some very imposing and powerful supply sources. It is time we take another look at those, especially with crude oil at \$120 a barrel and rising.

What we have done is looked around at what we have refused to do in the past, new things we could do that would accomplish what I have suggested. Congress has made a great deal of progress already in promoting conservation and developing renewable energy technology such as wind and solar. I am for doing more of those, if we can and when we are ready. I stand ready to work on those. I have been leading the charge on those fronts as either chairman of the Energy Committee or ranking member. I believe we should develop all our energy sources as soon as we can.

The bottom line is that America is not going to stop using oil in the near term, so we need to take action to make sure the oil we do use is produced domestically, all of it we can, rather than coming from unstable regions. Congress has not done such a good job in this area. In fact, almost every time we have tried to boost domestic production, Democrats—mostly Democrats—have blocked our efforts. But with oil now at \$122 a barrel and rising, I implore my colleagues on the other side of the aisle to rethink their position. Times have changed. Now America's response needs to change as well.

The American Energy Production Act, which is an amendment on this bill, which I indicated we will vote on one way or another before this bill is finished, is an excellent place to start. The bill allows for States on the Atlantic and Pacific coasts to petition the Federal Government to opt out of a broad moratorium that for two decades has locked up America's assets and forced us to turn to unstable foreign nations to power our lives.

Together, the Atlantic and Pacific Oceans contain oil reserves of up to 14 billion barrels, and that is a minimum. We know it is a minimum, and we have not been allowed to spend the money to do an in-depth evaluation which I believe would show much more. The reserves of natural gas are thought to be 55 trillion cubic feet. These regions contain substantially more oil and gas than the areas we opened in 2006 in the Gulf of Mexico Energy Security Act. The area that is left, that we had this moratorium on for more than 20 years, is much bigger than the area we opened as part of the Gulf of Mexico Energy Security Act, much bigger, much larger space, and much more in reserves.

This legislation also opens 2,000 of the 19 million acres of the Arctic Plain of ANWR for oil and gas leasing.

Over the past week, I have heard Members from the other side of the aisle say that ANWR won't help be-

cause it will take 8 to 10 years to bring it on line. That is the same thing they have been saying for two decades. Had we acted when we had a chance, we would have 1 million barrels of oil a day available to us, oil that we are now forced to buy overseas.

I heard a Member of the Senate from the other side of the aisle, the Senator from New York—the Senator from New York who is not running for President—say that if we could get the OPEC cartel to just add 500,000 barrels of production, it would have a big impact on bringing down the price of oil. If that is the case, if we had a million barrels of oil a day coming from ANWR, that surely would do as much or more. It would bring down the price just as well, if not more than the Senator was speaking of from oil the cartel would produce. That is because it is a supply-demand situation he is talking about. ANWR would yield more than the 500,000 barrels to which he alluded.

Additionally, even after revenue sharing, ANWR oil could bring over \$2 billion to our Federal Treasury annually. It is past time that we started producing our own oil and generating revenues for our own Government instead of buying foreign oil and sending billions of dollars to unstable, unfriendly regimes.

The Republican bill I have talked about also makes it easier to build refineries. We haven't built a new refinery for 30 years, and our Nation cannot afford to go 30 more years without doing so. We provide some incentives and some very natural ways to cause that to happen.

While I have resisted calls to suspend filling the Strategic Petroleum Reserve in the past, I have indicated to the chairman of the subcommittee on which I serve, the Energy and Water Committee, I have told the Senator who is promoting discontinuing filling of the SPR for 6 months to a year, providing 70,000 additional barrels of light sweet crude a day to the marketplace, that I would support him on that at this time because the price of oil is so high that it is worth doing. That is in this bill. By its very nature, this 70,000 barrels from SPR is just a fraction of the oil that would be gained through the OCS production and ANWR production, but in today's environment every small amount helps.

In the area of alternative resources, this bill requires studies on ethanol to help ensure that smart decisions are made as we move toward cellulosic and other advanced biofuels. This bill also provides incentives for the advancement of breakthrough energy technologies such as battery-powered vehicles. That is necessary and something we could do. It is ready and right.

It is also important to mention that this bill will promote the use of coal-to-liquids technologies, as long as it results in no more greenhouse gases than the fuels we are already using. Bringing 6 billion gallons of this fuel to market, if we started immediately working

on it, could be done quickly. They are already doing it in South Africa. It would reduce our projected imports by 4 percent by the year 2022. The coal-to-liquids mandate is just one-sixth the size of the ethanol mandate placed into law last year. To push the coal-to-liquids technology, we must send a signal to the marketplace that America is serious about using some of its abundant, reliable American energy resource—coal.

In addition, this bill repeals the moratorium on oil shale regulations that was put into an omnibus appropriations bill in the dark of night, when those of us who had been involved were not around and could not object. The shale beneath our Western States amounts to three times the conventional oil reserves in Saudi Arabia. We need to accelerate this project's resources and repeal the \$4,000 fee for drilling permits which hit America's smallest family-owned oil and gas companies the hardest. This, too, was done in an appropriations rider. It is time to take it off, while we talk about producing more rather than less. We don't need more taxes and fees on American producers if we want to produce more.

It is my sincere hope that we can act soon on this measure. I have not talked about every provision, but they all are directed at producing more energy rather than directed at more attacks against energy companies and those things included in today's proposal by the Democratic leadership.

The United States needs to send a message to the marketplace, to OPEC, and to consumers that we will no longer continue to let billions of barrels of oil sit underground within our own domain while the price at the pump goes up and up. We must end the cycle of dependence and the flow of money overseas for foreign oil. We must do it as quickly as possible. If we can do it now, we should do it now.

I thank the Republican leader for bringing up this important issue. I urge my colleagues to think about it and ultimately to support it. What a message it would send.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I am about to make a unanimous consent request dealing with a series of amendments we are going to vote on. Then following my unanimous consent request, I know the Senator from Alabama would like to be recognized. I ask unanimous consent that he be recognized at the conclusion of my request.

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

Mr. DODD. Mr. President, I ask unanimous consent that at 6 p.m., the Senate proceed to a vote in relation to the following amendments: Wicker amendment No. 4719; Vitter amendment No. 4722; Vitter amendment No. 4723; Landrieu amendment No. 4705, as modified further; further, I ask that there be 2 minutes of debate equally divided

prior to each vote and that there be no second-degree amendments in order prior to the votes. Finally, I ask consent that the first vote be a 15-minute rollcall vote and the remaining votes be 10-minute votes.

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

Mr. DODD. I thank the Chair and my colleague.

The PRESIDING OFFICER (Mr. WEBB). Under the previous order, the junior Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I see Senator THUNE, who wanted to have 4 minutes to file an amendment. I ask unanimous consent that he be recognized when I finish my remarks.

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

Mr. SESSIONS. Mr. President, I so much appreciate the remarks of Senator DOMENICI. He has given his career in the Senate to dealing with energy issues. There is no one here who is more deeply steeped in those issues and the history of how we got here and how we could be in better shape today than Senator DOMENICI. We don't want to be in a blame game. We don't want to be saying, "I told you so." In fact, I will admit that I have made decisions, when the price of a barrel of oil was \$30 and \$40. It is different when it is now \$120, as the Senator from New Mexico pointed out. We are facing a crisis, and we need to do some things. We don't need to do a piece of legislation that is pending on this floor, that came out of the EPW Committee, that not only won't help us deal with our crisis in energy but will actually surge the cost of energy, which is the only big piece of legislation I know relevant to the question that is now pending, other than legislation Senator DOMENICI offered.

Gas today is over \$3.60 a gallon. That is well over what it was 2 years ago. People are spending \$60 to fill up with a tank of gas. The average family who has two cars is spending no doubt \$50 to \$100 more a month for the same amount of gasoline they were purchasing the previous few years. It is an enormous cost to that family. It is an impediment to economic vitality. It is a very significant, if not the most significant, factor in the economic slowdown we are dealing with. Electricity also will be going up. One expert has said that we could basically be seeing a \$100-a-month increase in the average family's electricity bill. If we pass this cap-and-trade bill, it will be a lot more than that. Diesel priced fuel is up—too high, in my view. I can't understand why it is consistently 60 cents more per gallon than regular gasoline. An airline official told me not long ago that jet fuel is double.

So we have a problem. We really do. I know everybody has goals and visions about how we can solve this problem. Senator DOMENICI and I share a deep belief that nuclear power can be a primary source in the years to come to deal with this crisis. In fact, he has

written a book about it. We have advocated this for some time. I think that reality is beginning to dawn more clearly on us today. But it is going to be maybe 7, 8, 10 years to get a new nuclear plant up and running. But we can generate large numbers of them if we follow smart procedures and have that come on line. But the point I think we are trying to make is: That is 10 years down the road. It may take 10 years to do ANWR. We can bring on coal-to-liquid technology. That can happen, but it takes some time. But we need to get started.

We are so hopeful we can do more with conservation. I supported the bill last year to raise our fuel standards, CAFE standards, automobile mileage standards up to 37, 35 miles per gallon, the entire fleet, including trucks. That is going to be difficult to achieve, but it will conserve a tremendous amount of fuel and be good for us. But that is not going to solve our problem either.

So what must we do? I think we must have a long-term policy. I believe that policy should focus on investing in the ideas and concepts that have potential to be breakthrough technologies to confront this problem. There are a number of them out there.

Hydrogen. President Bush pushed hydrogen for our automobiles, but from what I can understand, that is coming along slower than we would like. There are a number of very difficult technical problems with hydrogen. It takes some time. We would love to see the hybrid automobiles be able to be converted to plug-in hybrid automobiles, and progress is being made in that regard that is pretty exciting. We may be getting closer there than we think. That would convert from liquid fuel that runs our automobiles to electricity. We can utilize electricity generated in nuclear plants that emits no CO₂, no pollution into the atmosphere, and do that at night when they are not fully engaged and be able to drive, for most people, all they need to drive that day on a battery charge at night, utilizing no fuel in their automobile. What a great thing that would be.

We also have, as Senator DOMENICI has pointed out, though, great reserves of oil and gas and energy in our country. The sad fact is, we are not going to be able to get away from fossil fuels in the next few decades. We are just not going to be able to get away from that. People seem to have no problem that we buy it from foreign countries, some of which are not friendly to us. We can just buy from them. But if you talk about producing that oil and gas here in the United States, in our country, they get, for some reason, to objecting. We have seen it time and time again.

I was so pleased that last year, under Senator DOMENICI's leadership—the year before last, I guess—we passed legislation to open 8.5 million acres in the Gulf of Mexico. But we left closed to drilling huge areas in the Gulf of Mexico, some of which have tremendous reserves of oil and gas. We have opened

none off the Pacific coast, where there are huge resources, and none off the Atlantic coast. We have shown in the Gulf of Mexico that even with this powerful hurricane, these billion-dollar rigs can sustain the storm and not provide economic destruction or damage to the gulf. We can do that around the world. So the question is, Are we going to take that step? This legislation helps us go in that direction.

We have seen and shown you can convert coal. We have huge reserves of coal-to-liquid that can burn in our automobiles. That is technology which is ready to go today basically. We just need to prove it out in a large commercial area, and the Government should help establish that technology. But the point I would like to make is that would produce huge amounts of energy we can utilize in our vehicles and keep the money at home.

So there are many other things we can do and are doing.

I believe the concerns over ethanol raising food prices are exaggerated. Even President Bush, who has been somewhat skeptical of this—his own administration said they thought about 2 percent to 3 percent of the price of food was as a result of ethanol being produced from corn and soybeans for biodiesel. It is not the main factor in the rise of farm prices. But it certainly helped us not to have to import lots and lots of foreign oil into the United States.

I will recall for my colleagues that according to the Congressional Research Service, this year we will import into America \$400 billion-plus worth of oil. Probably, the next year from this day—the next 12 months—it would be over \$500 billion worth of oil. This is the greatest wealth transfer in the history of the world. It is money we have, as American citizens, that is ending up in the pockets of countries—small countries, some of them, building more skyscrapers than they have apartment complexes—unbelievable displays of wealth. We can do better about that. We need to produce more energy here at home, energy that we have. If we do so, we can reduce our dependence on foreign oil. And if we can reduce that amount through conservation, through local American production, the result could be that we could knock down the high demand that is out there, and we might even see the price of oil drop more than people think. Historically, it has been boom and bust in the oil industry. Some say we will not have a bust again because of the world demand, and they may be right. But I think there are some realistic possibilities we can.

So there are biofuels and solar and wind and biomass and new batteries. All of this is good, and I would support research and development on them. But I do not believe we ought to press down on the brow of the American working man some theoretical beliefs about clean energy that will not work or are exceedingly expensive and create

only a burden on working families in America. We have to be careful about that.

So I am excited about the proposal that has been put forth. I believe we have great potential to produce more American oil and gas off our Continental Shelf. I have seen it right off from the coast where I live in Alabama. I have seen that production come in for decades now.

We know ANWR has great potential. It could reduce our imports by as much as 10 percent if it is brought on line.

We know coal-to-liquid can be done today for far less than the world price of oil. We know oil can be produced from these huge oil shale deposits in the West for less than the world price of oil today.

We know nuclear power has the potential to help us transform our vehicular traffic from fossil fuels to electricity. But we have to get busy doing it. We have not built a nuclear plant in 30 years. Since I have been in the Senate, for 12 years I have talked about nuclear power, how critical it is to our future. We have done nothing really to make that happen—until Senator DOMENICI, 2 years ago, as chairman of the Energy Committee, finally pushed through some legislation that took us from having zero applications for nuclear plants to over 30 today.

I think we have the potential to see a renewal of nuclear power. The British just announced they are going to build five new nuclear plants. France has 80 percent of their power or more from nuclear power. Japan does.

We also need to figure out how to deal with the question of recycling, which is not at all impossible to do. The British, the French, the Japanese, the Russians recycle. We want to work on legislation to create recycling of nuclear waste. That will both help us create more fuel and reduce the danger of the waste that is left.

These are things we can do. But it is time to get busy and do it, not have a policy of creating a massive bureaucracy, some cap-in-trade bureaucracy that has not worked in Europe. It just has not worked. A massive tax increase is what it amounts to in sheep's clothing.

So, Mr. President, I thank the Chair.

Mr. DOMENICI. Mr. President, before the Senator leaves the floor, will he answer a question?

Mr. SESSIONS. Yes.

Mr. DOMENICI. I ask the Senator, do you know what the price of a barrel of oil was when we sent the ANWR bill to the President of the United States, which was vetoed? Do you know how much it was per barrel?

Mr. SESSIONS. Mr. President, I know it was less, but I do not know.

Mr. DOMENICI. Nineteen dollars a barrel.

Mr. SESSIONS. Nineteen.

Mr. DOMENICI. So for those who do not think it is worth another try—that is, to have a vote and seriously consider ANWR—just think of the dif-

ference in economic impact on the United States of tying up that resource when we did it compared to now.

Also, we were estimating only 1 million barrels of oil as the production per day. We have not upped that, brought that current for \$120-a-barrel oil. It might very well be that it is more than a million barrels a day just based upon price because it would justify far more investment in that little 2,000-acre footprint. Clearly, with such an increase in price, you probably will get more.

But I think some of the American people may have favored holding that 2,000 acres hostage and saying you cannot use it—they might have said, well, that is all right when it is \$19 a barrel—but when we are suffering with \$120-a-barrel oil, it may be a very close call even for those who have exaggerated in their dilemma and fear about ANWR. To say we can afford \$19-a-barrel oil—lock it up—but should we lock it up for \$120 a barrel is a very good question.

Mr. SESSIONS. That is six times as expensive.

Mr. DOMENICI. Right.

Mr. SESSIONS. It has increased six times in price since you first began to discuss it.

Mr. DOMENICI. So a million barrels a day becomes a different thing. A million barrels a day was \$19 million. But now a million barrels is 120 times that. That is what you are losing to foreign countries.

You have alluded to the fact that maybe the American economy is suffering irreparable harm. You said it a different way than I. But I happen to believe—and have spoken to it two or three times on the floor—I think we are experiencing irreparable damage to the American economy because of the enormous price of crude oil and our inability to find a way to get along without it. We are just depleting our vitality, and we do not know quite how to figure it out. We do not know why the economy is having trouble. There are just all kinds of things we do not know. But I have an answer for most of them: It is too many dollars going overseas to get crude oil. That is an enormous drain on this economy, as strong as it is. That, plus the big debt we have accrued is hanging out there to be bought by the Chinese and others. You add them up, and it is frightening. If we can do something about it, we should. Isn't that why we are here?

Mr. SESSIONS. I could not agree more, I say to Senator DOMENICI.

Mr. DOMENICI. I yield floor and thank the Senator.

Mr. SESSIONS. It is very troubling to me. I say to the Senator, I know you also are knowledgeable—I do not know if you have a minute; I think you mentioned it in your remarks. But you have pointed out, as I understand it, in the West, in the shale oil areas of the West, we can actually produce shale oil for far less than \$120 a barrel; is that correct?

Mr. DOMENICI. That is correct.

Mr. SESSIONS. Under current technology, I assume it will get better in the years to come, but even right now with the technology we have?

Mr. DOMENICI. There is no question. One of the major oil companies has invested a huge amount of money. I think the initial investment allowed was \$4 billion to experiment with a project that would in situ, on sight—rather than picking mines, they would boil the oil in the ground and siphon it out. That price was put around \$50, \$50 to \$60 before they would consider it feasible to invest money. We are long past that, for that kind of an experiment. If it works, then the next steps have to be taken. It will be expensive, but \$50 a barrel versus \$120, there is a lot of room for play.

Mr. SESSIONS. That keeps the money at home, hiring American workers who pay taxes to the United States of America.

Mr. DOMENICI. Yes. And this bill we are talking about here tonight has a provision in it about it. Because in the dead of night, in an appropriations bill in the Department of the Interior, somebody in the House—we think we know who—decided to put a moratorium on the final regulations for shale development, even though in the Energy bill you helped us write, the comprehensive bill, we provided for oil shale leases of the right size to permit activity, permit this research, this experimentation. Well, they put a moratorium on it and that thwarts the company that is putting the investment in it. This bill says no, that has to come off. So I don't know whether we will have a chance to vote on it another way, but maybe since it is one year at a time, we may take it off of appropriations. I don't know.

Mr. SESSIONS. Senator DOMENICI has some interest. We have had talks about coal to liquids. It is my understanding—is it yours—that we have technology today that can take our massive coal reserves and convert that to a good liquid fuel for our automobiles at less than \$120 a barrel, the world market price of oil today?

Mr. DOMENICI. Well, I choose to take one step back on that and say, there is no question but that South African technology is available to convert clean coal into liquid diesel. Its principal use at that point would be American airplanes, both commercial and military, American military equipment, and that would be a huge amount. This bill limits it to 9 million, the equivalent of 9 million barrels a day is what we would produce. That would be so we could be sure we weren't having a negative impact on the environment. How do we do that? Well, the energy produced by the conversion would not contribute any more than the crude oil we would buy would contribute and we would use it anyway, so we don't think we are harming the environment. But we are not going to go all out and produce the whole

amount that coal can produce but, rather, learn how to do it, do it well, and send a signal that the great American ingenuity is ready to do something, and do something big. That is what that one would be, a big one that would frighten those who have us captive, because they would say they are finally going to do something and something that is important.

The same thing would happen if we had a breakthrough on oil shale. There is no question, that would be an enormous signal. Now I am not saying that is as ready as coal to liquid. One is ready rather quickly, the other one would take a little while. But we only put things in that are doable and that are important, and if they are not doable immediately, they are doable in the sense of sending a signal that the country is doing something.

I thank the Senator for yielding.

Mr. SESSIONS. I thank the Senator.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. THUNE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Landrieu amendment No. 4705 is pending.

Mr. THUNE. Mr. President, I ask unanimous consent to be able to call up amendment No. 4731 which I filed earlier today with my colleague from South Dakota, Senator TIM JOHNSON.

The PRESIDING OFFICER. Is there objection?

Ms. LANDRIEU. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. THUNE. Mr. President, I wish to congratulate the Senator from New Mexico for his comprehensive energy bill which he introduced. It is a solution we need to take a hard look at, perhaps moving to it sometime in the not too distant future here in the Senate. I think his bill starts the debate.

Unfortunately, he has tried over and over and over again to start the debate here in the Senate. The legislation he introduced—and I am a cosponsor of that bill last week—is comprehensive in that it addresses the supply issue. We can't address America's high energy costs absent addressing the issue of supply. We are sending, as was already noted, \$1.6 billion every single day outside the United States and, in some cases, to countries that would do us harm, in order to meet our demand for energy here at home. The Senator from New Mexico has put forward a solution which is broad based and which addresses the supply issue by making available some of the reserves we have in this country on the North Slope of Alaska, on the Outer Continental Shelf, and he addresses the need for additional refinery capacity. We haven't built a refinery in 30 years, since 1976. He also addresses some of the new technologies such as coal to liquid, which was talked about earlier.

I should say he changes a definition that was modified very late in the Energy bill debate last year that pre-

cludes forest waste residues from being a source of cellulosic ethanol because in many respects, the future of renewable energy in this country is transitioning from corn-based ethanol to cellulosic ethanol. We have enormous biomass available in this country in forests in the form of switchgrass that can be grown in abundance on the prairies in this country and other forms of biomass that can be available and can be converted into cellulosic ethanol. So his solution is to create additional supply—the supply of fuels but also the capacity of refineries—in order to be able to process more of those natural resources into refined gasoline. If we don't do that, we are going to continue to send billions and billions and billions of dollars every single year to countries outside the United States which, in many cases, use those very dollars to turn around and fund terrorist organizations that attack Americans, that to the tune of about almost \$500 billion. Half a trillion dollars last year left the United States in order to meet the demand we have for energy here at home.

I congratulate the Senator from New Mexico and hope we can get a debate going here in the Senate that addresses the supply issue.

I am all for conservation measures. There are some conservation measures as well, and there are lots of steps we can be taking. Last year as part of the Energy bill, we created the first change in a long time—something like 20 years—in fuel efficiency standards. That is something we need to be pursuing as well. But at the end of the day, our appetite for energy in this country and the world's appetite for energy is not going away. In fact, the Department of Energy estimates that even with intensive conservation efforts in place, maintaining our economic growth through the year 2025 will require a 36-percent increase in energy supply, including a 39-percent increase in oil consumption. Sixty percent of our oil is currently imported. So as demand rises and domestic supply is not increased, we are subject to prices that are set by foreign countries, including, as I mentioned, some hostile regimes.

Senator DOMENICI has put forward several ideas in his plan that are not new. Some of them have been debated previously, some of them blocked by bipartisan politics. But I hope that \$3.50, \$4-a-gallon gasoline will change some of that. In my State of South Dakota, the average price of gasoline today is \$3.60. Oil, of course, traded at an all-time high of \$122 per barrel. Diesel is \$4.18 a gallon. As the farmers in my State continue another planting season, they are faced with those diesel fuel costs that are substantially higher than previous years. They are faced with higher fertilizer costs because natural gas prices have gone up.

This is a crisis that reaches into the pocketbooks of every American. I was talking in my State of South Dakota

this week with someone in the tourism business who was saying the numbers this year are already down 11 percent from the previous year. I think that is a sign of more to come in terms of the economic hardship that is going to be imposed on the economy all across this country. My State of South Dakota, because it is so energy dependent as a result of tourism and agriculture and some of the industries that are very energy intensive, is particularly hard hit. Since I was first elected to Congress over 10 years ago, we voted on opening a small section of ANWR at least five times. Most recently, in the 2006 Defense appropriations bill, we had that vote.

It is important to note at that time the Senate Democrats blocked oil and gas exploration in ANWR oil was trading for just over \$50 a barrel. Well, now it is at \$122 a barrel, and at that time it was argued it would take at least 10 years to develop the resources in ANWR. But I think it is high time we began the process of authorizing that exploration and production. We have up to 16 billion barrels of oil, we are told, up there, or a million barrels of oil each day that could be coming into our pipeline in this country and taking pressure off of gas prices. So I hope the fact that today the high price of gasoline is impacting more and more consumers across this country, more and more small business owners, more and more families, we will see a change in the mindset that will enable us to move forward with legislation such as that introduced by my colleague from New Mexico that will get at the heart of this problem. The problem is we don't have enough supply to keep up with the demand either at home or around the world, but at a minimum, we ought to be coming up with those solutions that are domestic, that are home grown, and by that I mean the oil reserves we have here in the United States or off our shores, the infinite amounts of coal we have that can be converted into fuels, the enormous potential we have out there for renewable energy such as ethanol made not only from corn but from other sources of biomass, and that we take steps to add refinery capacity.

It is absolutely critical, in my mind and in my view, that we start moving in this direction. I heard a report earlier today that some projections are that oil prices could get up to somewhere around \$200 a barrel. I can't imagine that happening or what the impact would be on our economy, but it is never too late to do the right thing, and we need to move quickly now and decisively on an energy policy that will increase our supply, our domestic supply, take pressure off of oil prices and prices at the pump that American consumers are dealing with every single day.

I congratulate again the Senator from New Mexico for his bill. I am happy to be a cosponsor of it. I hope we are able to get a vote on it, and I hope

we can do something once and for all about high gas prices and bring some relief to the American consumer.

Mr. President, I yield the floor.

Ms. CANTWELL. Mr. President, I rise to join in this discussion. I know my colleagues on the other side of the aisle have been out here talking about energy issues and the high price of gasoline.

I certainly know when the Senate works together on energy policy, we get things done. The 2000 Senate Energy bill is an example of that, of how we worked in a bipartisan fashion. That bill, when it is fully implemented over the next 20 years, will save families over \$1,000 a year at gas stations. That is because we put a good policy into place.

The question is where we are going to go from here. I have listened to some of the things my colleagues on the other side of the aisle have said, and I hope when we are done with our statements, we can sit down and work together on trying to implement more legislation that will help the American consumer. But I think the notion that where we are today is a rational market and that supply and demand is driving what we are seeing, a 100-percent increase over last year in oil prices, is not correct.

We just had a hearing in the Commerce Committee where airline executives were testifying, and they said they don't think this is supply and demand, and it has obviously caused a great impact on their industry. They would like us to be more aggressive in policing the markets, and they offered some suggestions. But many of my colleagues have been out here talking about opening drilling in the Arctic Wildlife Refuge. Well, we have had this debate. We have had it numerous times. I always like the administration's own Energy Information Agency that says drilling in the Arctic Wildlife Refuge would result, when it is fully implemented 10 or 20 years from now, in 1-penny-per-gallon savings. So that means when you take the average driving of a consumer at 400 or 500 gallons of gasoline in a year, you would have saved \$5 on your annual gas bill from drilling in the Arctic Wildlife Refuge.

God only gave the United States 3 percent of the world's oil reserves. We are not going to drill our way out of this situation. But I ask my colleagues to look at what is causing this problem because we have oil company executives who are saying oil should be at \$50 to \$55 a barrel. This is the oil companies testifying in April. So they are saying the market isn't functioning correctly when it is at \$120 a barrel.

The PRESIDING OFFICER. The Senator's time has expired.

Ms. CANTWELL. I thank the Chair.

AMENDMENT NO. 4719

Mr. KENNEDY. Mr. President, The issue of wind coverage is important and is a concern of many families across the country and in my home State of Massachusetts and the Cape. Legislation must be developed that helps

those families facing the threat of wind damage without harming those who already have flood insurance. I have the assurance from the chairman of the Banking Committee, my friend the senior Senator from Connecticut, that this is his intention as well and that he intends for a commission to study the issue and present to Congress a set of responsible recommendations for addressing this need.

For this reason, I oppose the Wicker amendment at this time in order to allow further study of the matter and that a consensus approach may be put forward in the Senate in the near future.

AMENDMENT NO. 4719

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate equally divided prior to the vote in relation to amendment No. 4719 offered by the Senator from Mississippi, Mr. WICKER.

Who yields time?

The Senator from Mississippi is recognized.

Mr. WICKER. Mr. President, I understand we now have 1 minute each to close on the amendment; is that the order of the day?

The PRESIDING OFFICER. The Senator is correct.

Mr. WICKER. Mr. President, I tell my colleagues that this is a multiple perils amendment to the National Flood Insurance Program. It is backed by the National Association of Realtors.

The CBO will tell you it is budget neutral because the premiums have to be based on risk and actuarially sound. There are changes that could be made to make a good amendment perfect. We might not have those tonight. But I can assure my colleagues of this: The passage of the Wicker amendment tonight will ensure that a solution will come quicker to the problem of millions and millions of Americans not being able to ensure against wind and water damage at the same time. I urge passage of the Wicker amendment for that reason, if for no other.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWN). The senior Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I have great respect for our colleague from Mississippi. The point we wish to make on this amendment is not that we disagree. The simple question, as pointed out by Senator NELSON from Florida, is that this amendment, as presently crafted, could end up costing billions more than we anticipated. There were \$17 billion in claims in excess of the \$1.5 billion in funds. Some predict this could be as much as \$60 billion to \$100 billion.

We have a commission we are working on as part of the bill. We have to grapple with wind. We have to have an actuarially sound program. The last thing we want to do is destroy a flood program, which we could do by overwhelming it as a result of claims under

wind, without standards under which we judge those conditions and concerns. Based on what happened in 2005, the claims under wind might have been five times \$17 billion.

I am determined as a member of the committee to spend more time on this. In fact, we would have spent more time but for the foreclosure crisis to try to come up with answers. At this juncture, to adopt this amendment would cause the program to be put in great jeopardy.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 4719.

Mr. SHELBY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New York (Mrs. CLINTON), the Senator from Maryland (Ms. MIKULSKI), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of illness.

Mr. KYL. The following Senators are necessarily absent: the Senator from Nebraska (Mr. HAGEL), the Senator from Arizona (Mr. MCCAIN), and the Senator from Virginia (Mr. WARNER).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 19, nays 74, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—19

Chambliss	Lincoln	Schumer
Cochran	Martinez	Snowe
Craig	McConnell	Stevens
Graham	Menendez	Vitter
Isakson	Murkowski	Wicker
Landrieu	Nelson (FL)	
Lautenberg	Pryor	

NAYS—74

Akaka	Crapo	Levin
Alexander	DeMint	Lieberman
Allard	Dodd	Lugar
Barrasso	Dole	McCaskill
Baucus	Domenici	Murray
Bayh	Dorgan	Nelson (NE)
Bennett	Durbin	Reed
Bingaman	Ensign	Reid
Bond	Enzi	Roberts
Boxer	Feingold	Rockefeller
Brown	Feinstein	Salazar
Brownback	Grassley	Sanders
Bunning	Gregg	Sessions
Burr	Harkin	Shelby
Byrd	Hatch	Smith
Cantwell	Hutchison	Specter
Cardin	Inhofe	Stabenow
Carper	Inouye	Sununu
Casey	Johnson	Tester
Coburn	Kennedy	Thune
Coleman	Kerry	Voinovich
Collins	Klobuchar	Webb
Conrad	Kohl	Whitehouse
Corker	Kyl	Wyden
Cornyn	Leahy	

NOT VOTING—7

Biden	McCain	Warner
Clinton	Mikulski	
Hagel	Obama	

The amendment (No. 4719) was rejected.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, I have had a number of conversations with Senator MCCONNELL today. I have had a number of conversations with the two managers of the bill. I think we have a plan for finishing this legislation tomorrow. We have had good cooperation on both sides.

What we are going to try to do is finish this bill. There are a number of Senators who want to offer amendments tonight. We can have the votes tonight or in the morning. The way things are looking, we can have them after morning business in the morning because there are not a lot of amendments.

It is our goal to finish this bill tomorrow. If that is the case, then we wouldn't have to be in Friday. We have a lot of things to do legislatively, hearings, and other such business. What we will do is come in Monday and vote on the amendment that has been filed by the Republican leader dealing with energy. It is the Domenici energy package. We will have a side-by-side. I already explained to the Republican leader and others what that will be. It should be fairly direct and to the point. We will have a 60-vote margin on both of those.

Following that, we will move to legislation that is bipartisan in nature. We will need to invoke cloture on it. It is the JUDD GREGG firefighters legislation. That will get us through Monday.

We have 2 weeks left. Hang on to your hats; we have a lot to do. We do not know if we are going to get the supplemental next week. We thought we would early next week, but we have learned today there may be some problems developing in the House. We are doing our very best to do that.

I congratulate Senators HARKIN and CHAMBLISS and Senators BAUCUS and GRASSLEY. We think—we don't think, we know the farm bill has been put to rest. We are going to be able to bring a bipartisan conference report to the Senate floor, hopefully, next week. There is no reason we should not be able to do that next week. Those are just a few of the moving parts we have.

The supplemental is not going to be easy, as it never is. Once we get it from the House, we can do our job over here fairly rapidly.

Mr. DOMENICI. Mr. President, can the leader explain how he is going to handle the two Energy bills? It seemed he was saying we would be finished with this bill before that. That is not the case, is it? These two amendments will be voted on as part of this bill.

Mr. REID. What we would like to do—we certainly will work with the distinguished Republican leader at a later time. I don't think Senators SHELBY and DODD want energy to be part of this bill. If we can get 60 votes on it, we will be happy to stick it in this bill.

What Senator MCCONNELL and I talked about—I think it is fair, and we do a lot of business with 60 votes around here. We are not trying to stop anybody from doing anything.

Mr. DOMENICI. It is going to be free-standing.

Mr. REID. Absolutely.

Mr. DOMENICI. As long as there is ample time to discuss it.

Mr. REID. Absolutely.

Mr. DOMENICI. I thank the Senator.

Mr. REID. Mr. President, I say to Senator DOMENICI, even though he and I have disagreed on a few issues over the years—few in number—I personally know how strongly the Senator from New Mexico feels about this energy issue. I hope the Senator doesn't get 60 votes, but we will do everything we can to ensure he gets a vote.

Mr. President, able staff, both on the majority and minority side, say I may not have phrased everything right regarding the energy legislation. But I think Senator MCCONNELL and I understand we are going to have two votes on energy Monday night. The exact terminology procedurally, I may not have outlined it properly, but I think we know where we are going.

AMENDMENT NO. 4722

The PRESIDING OFFICER. Under previous the order, there is now 2 minutes for debate equally divided prior to a vote on amendment No. 4722 offered by the junior Senator from Louisiana. Who yields time?

The junior Senator from Louisiana is recognized for 1 minute.

Mr. VITTER. Mr. President, this amendment is very simple and modest. It simply updates the coverage limits available for a flood policy which have not been updated at all since 1994. It does not even take into account all inflation since then, just most inflation. It is what the House did. And under the CBO study of the House bill, the CBO said it does not increase the cost of the bill because people will obviously pay significantly higher premiums for the higher limits.

This is a very modest updating of the limits. I ask for the support of my colleagues.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. CASEY). The Senator from Alabama.

Mr. SHELBY. Mr. President, I oppose the Vitter amendment. The purpose of the Dodd-Shelby bill is to increase the actuarial soundness of the flood insurance program. This amendment by Senator VITTER would undermine greatly that effort. The amendment would extend flood insurance subsidies, crowd out private markets, and lead to larger program losses down the road.

I urge my colleagues to join Senator DODD and me in opposing the Vitter amendment.

Mr. VITTER. Mr. President, reclaiming the remainder of my time, again I think it is very important to note the CBO analysis, with regard to this issue in the House bill, said it does not cost any more. It does not get in the way of actuarial soundness at all. This is only updating the limits for less than inflation since 1994.

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

Mr. SHELBY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New York (Mrs. CLINTON), the Senator from Maryland (Ms. MIKULSKI), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent due to illness.

Mr. KYL. The following Senators are necessarily absent: the Senator from Nebraska (Mr. HAGEL), the Senator from Arizona (Mr. MCCAIN), and the Senator from Virginia (Mr. WARNER).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 27, nays 66, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—27

Bingaman	Hatch	Murray
Boxer	Hutchison	Nelson (FL)
Burr	Klobuchar	Pryor
Cantwell	Landrieu	Salazar
Coburn	Lautenberg	Schumer
Cochran	Lincoln	Stabenow
Feinstein	Martinez	Stevens
Graham	Menendez	Vitter
Harkin	Murkowski	Wicker

NAYS—66

Akaka	Crapo	Lieberman
Alexander	DeMint	Lugar
Allard	Dodd	McCaskill
Barrasso	Dole	McConnell
Baucus	Domenici	Nelson (NE)
Bayh	Dorgan	Reed
Bennett	Durbin	Reid
Bond	Ensign	Roberts
Brown	Enzi	Rockefeller
Brownback	Feingold	Sanders
Bunning	Grassley	Sessions
Byrd	Gregg	Shelby
Cardin	Inhofe	Smith
Carper	Inouye	Snowe
Casey	Isakson	Specter
Chambliss	Johnson	Sununu
Coleman	Kennedy	Tester
Collins	Kerry	Thune
Conrad	Kohl	Voinovich
Corker	Kyl	Webb
Cornyn	Leahy	Whitehouse
Craig	Levin	Wyden

NOT VOTING—7

Biden	McCain	Warner
Clinton	Mikulski	
Hagel	Obama	

The amendment (No. 4722) was rejected.

Mr. DODD. Mr. President, I move to reconsider the vote and move to reconsider the previous vote as well.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate equally divided prior to a vote in relation to amendment No. 4723 offered by the Senator from Louisiana, Mr. VITTER.

AMENDMENT NO. 4723

Mr. VITTER. Mr. President, periodically new flood maps are issued by

FEMA. When a new flood map comes out, some properties that used to not be in a flood zone may now be in a flood zone, or move from a lesser to a more severe part of a flood zone.

This amendment would simply say we are going to charge higher premiums, absolutely, but we will transition that over 5 years instead of the 2 years in the bill. The 5 years is the same provision as in the House bill. I think it is a reasonable transition, still getting to that new higher premium.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I oppose the Vitter amendment No. 4273. Most homes mapped into the mandatory coverage areas will only see limited increases in their premium rates.

Homes or properties mapped into the higher risk areas should pay higher rates to match the reality of higher risk. Out-of-date maps that have vastly underclassified risk need to be updated, and delay in requiring property owners to pay their full freight is an extension of the inadvertent subsidies provided by inaccurate maps.

I urge my colleagues to join Senator DODD and me in opposing the Vitter amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the amendment.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from New York (Mrs. CLINTON), the Senator from Maryland (Ms. MIKULSKI), the Senator from Illinois (Mr. OBAMA), and the Senator from Nevada (Mr. REID) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of illness.

Mr. KYL. The following Senators are necessarily absent: the Senator from Nebraska (Mr. HAGEL), the Senator from Arizona (Mr. MCCAIN), and the Senator from Virginia (Mr. WARNER).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 23, nays 69, as follows:

[Rollcall Vote No. 119 Leg.]

YEAS—23

Boxer	Harkin	Murray
Cantwell	Hutchison	Nelson (FL)
Cochran	Landrieu	Pryor
Cornyn	Lautenberg	Schumer
Craig	Lincoln	Stabenow
Crapo	Martinez	Vitter
Durbin	McCaskill	Wicker
Feinstein	Menendez	

NAYS—69

Akaka	Brownback	Collins
Alexander	Bunning	Conrad
Allard	Burr	Corker
Barrasso	Byrd	DeMint
Baucus	Cardin	Dodd
Bayh	Carper	Dole
Bennett	Casey	Domenici
Bingaman	Chambliss	Dorgan
Bond	Coburn	Ensign
Brown	Coleman	Enzi

Feingold	Kyl	Sessions
Graham	Leahy	Shelby
Grassley	Levin	Smith
Gregg	Lieberman	Snowe
Hatch	Lugar	Specter
Inhofe	McConnell	Stevens
Inouye	Murkowski	Sununu
Isakson	Nelson (NE)	Tester
Johnson	Reed	Thune
Kennedy	Roberts	Voinovich
Kerry	Rockefeller	Webb
Klobuchar	Salazar	Whitehouse
Kohl	Sanders	Wyden

NOT VOTING—8

Biden	McCain	Reid
Clinton	Mikulski	Warner
Hagel	Obama	

The amendment (No. 4723) was rejected.

Mr. DODD. I move to reconsider the vote.

Mrs. LINCOLN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4705, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate equally divided in relation to amendment No. 4705, as modified, offered by the Senator from Louisiana, Ms. LANDRIEU.

AMENDMENT NO. 4705, AS FURTHER MODIFIED

Ms. LANDRIEU. Mr. President, I ask unanimous consent that amendment No. 4705 be modified further with the changes at the desk and that Senators DORGAN, LINCOLN, and PRYOR be added as cosponsors.

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

The amendment, as further modified, is as follows:

On page 9, strike line 12 and all that follows through page 10, line 16, and insert the following:

(C) STUDY ON MANDATORY PURCHASE REQUIREMENTS.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Comptroller General shall conduct and submit to Congress a study assessing the impact, effectiveness, and feasibility of amending the provisions of the Flood Disaster Protection Act of 1973 regarding the properties that are subject to the mandatory flood insurance coverage purchase requirements under such Act to extend such requirements to properties located in any area that would be designated as an area having special flood hazards but for the existence of a structural flood protection system.

(2) CONTENT OF REPORT.—In carrying out the study required under paragraph (1), the Comptroller General shall determine—

(A) the regulatory, financial and economic impacts of extending the mandatory purchase requirements described under paragraph (1) on the costs of homeownership, the actuarial soundness of the National Flood Insurance Program, the Federal Emergency Management Agency, local communities, insurance companies, and local land use;

(B) the effectiveness of extending such mandatory purchase requirements in protecting homeowners from financial loss and in protecting the financial soundness of the National Flood Insurance Program; and

(C) any impact on lenders of complying with or enforcing such extended mandatory requirements.

Ms. LANDRIEU. Mr. President, if this amendment does not pass, significant portions of many States will be

required to have flood insurance which has never been required before. The underlying bill says everywhere there is a dike, a dam, or a levy, regardless of the situation behind the dike, dam, or levy, regardless of how strong the dike, dam, or levy is, you will be required to have flood insurance. That is a very different jump from where we are today. Our amendment strikes that language and instead says there shall be a study and evaluation to make better determinations.

This is a tough issue because we were behind levees that broke. It would have been a good idea, but this is a tax and fees on people without the appropriate study. That is what our amendment does.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, let me take 30 seconds to say to Members, if they have any amendments on this bill, I will stay around this evening. Anyone who has an amendment, we will consider them this evening. There will be no votes until tomorrow, but I will stay around tonight to engage in debate on amendments.

Let me express my opposition to the Landrieu amendment. This is less than \$1 a day; at the most it is \$350 a year for 350,000 dollars' worth of insurance. Twenty-five percent of all the claims against the flood insurance program come out of residual risk areas. One percent of the policies are coming out of that area. If we are going to have an actuarially sound program, you have to ask people to contribute.

Here is a list of dikes and dams that are failing right now. There is no guarantee these are going to last forever. We learned that painfully in Louisiana. When they don't, just like homeowner policies, you want to have something in place that will allow people to get back on their feet again other than coming to raid the Treasury to do so. Again, \$350,000 for the maximum of less than \$1 a day is very little to ask for a program that is actuarially sound. That is what we are trying to do with this bill so we don't end up raiding the Treasury in the long run.

I urge defeat of the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New York (Mrs. CLINTON), the Senator from Maryland (Mrs. MIKULSKI), the Senator from Illinois (Mr. OBAMA), and the Senator from Nevada (Mr. REID) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of illness.

Mr. KYL. The following Senators are necessarily absent: the Senator from Nebraska (Mr. HAGEL), the Senator

from Arizona (Mr. McCAIN), and the Senator from Virginia (Mr. WARNER).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 30, nays 62, as follows:

[Rollcall Vote No. 120 Leg.]

YEAS—30

Baucus	Hutchison	McCaskill
Bingaman	Inhofe	Menendez
Cantwell	Klobuchar	Murray
Cochran	Kyl	Nelson (FL)
Coleman	Landrieu	Nelson (NE)
Conrad	Lautenberg	Pryor
Cornyn	Levin	Stabenow
Dorgan	Lieberman	Tester
Durbin	Lincoln	Vitter
Harkin	Martinez	Wicker

NAYS—62

Akaka	Crapo	McConnell
Alexander	DeMint	Murkowski
Allard	Dodd	Reed
Barrasso	Dole	Roberts
Bayh	Domenici	Rockefeller
Bennett	Ensign	Salazar
Bond	Enzi	Sanders
Boxer	Feingold	Schumer
Brown	Feinstein	Sessions
Brownback	Graham	Shelby
Bunning	Grassley	Smith
Burr	Gregg	Snowe
Byrd	Hatch	Specter
Cardin	Inouye	Stevens
Carper	Isakson	Sununu
Casey	Johnson	Thune
Chambliss	Kennedy	Voinovich
Coburn	Kerry	Webb
Collins	Kohl	Whitehouse
Corker	Leahy	Wyden
Craig	Lugar	

NOT VOTING—8

Biden	McCain	Reid
Clinton	Mikulski	Warner
Hagel	Obama	

The amendment (No. 4705), as further modified, was rejected.

Mr. DODD. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Florida.

AMENDMENT NO. 4709 TO AMENDMENT NO. 4707

(Purpose: To establish a National Catastrophe Risks Consortium and a National Homeowners' Insurance Stabilization Program, and for other purposes)

Mr. NELSON of Florida. Mr. President, I send amendment No. 4709 to the desk. It has been filed, and I call it up.

The PRESIDING OFFICER. Without objection, the pending amendments are set aside.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. NELSON], for himself, Mrs. CLINTON, Mr. MARTINEZ, and Ms. LANDRIEU, proposes an amendment numbered 4709 to amendment No. 4707.

(The amendment is printed in the RECORD of Tuesday, May 6, 2008, under "Text of Amendments.")

Mr. NELSON of Florida. Mr. President, this is an amendment to recognize what we have been discussing on this floor earlier: that the big one is coming. The big one is either a category 5 hurricane that is hitting an urbanized area of the coast, of which there is some loss of \$50 billion of in-

surance losses in wind losses, or it is an 8.5 earthquake on the Richter scale that hits downtown San Francisco or downtown Memphis—either one of which no one State could withstand that kind of economic loss. There is no one insurance company that can withstand that economic loss.

It is clear that the package of bills Senator MARTINEZ and I—and he, by the way, is a cosponsor of this amendment—the package of bills we have filed to address the plethora of subjects having to do with catastrophic risk—a national catastrophe fund is one of those bills. That is not going to pass. The White House opposes it. But what could pass is what has already passed the House of Representatives and is down here and is the essence of this amendment; that is, it sets up two things. It sets up, on the one hand, a consortium whereby if a State's catastrophe fund goes dry and they need additional bonding, that State then has set up a consortium where it is easy to go into the private bond market for catastrophe bonds and get that bonding back to the State catastrophe fund. That is one part of this bill. The other part of this bill is also where the State has a State catastrophe fund.

What is a catastrophe fund? It is a reinsurance fund. It reinsures insurance companies against the catastrophic risk. In the case of Florida, it is hurricanes. In the case of California, it is earthquakes. In the case of Memphis, TN, it is earthquakes. In the case of the gulf coast, the Atlantic seaboard, it is hurricanes. That is what a State catastrophe fund is.

Florida has that fund. There are a lot of other States that do not. So this amendment would only apply to those that set up and address the catastrophic risk at the State level first. Therefore, if a State has a State catastrophe fund, it would have another opportunity to have the Federal Government help it. If the well ran dry in its State catastrophe fund and was out of money, it then could borrow cash from the Federal Government at market rates to replenish the cash until it could get its own cash reserves replenished by its mechanism which, in the case of Florida, is that they assess all of the policyholders—the property and casualty policyholders—in the State. Now, that is the way Florida does it.

This is not a new Federal program. This is a Federal incentive to the States solving this problem but recognizing that the big one is coming—either a hurricane or an earthquake—that when the big one does, if the State catastrophe fund, the reinsurance fund cannot handle it, the Federal Government is going to step in but only to the extent of helping the State catastrophe fund facilitate getting bonds in the private marketplace—catastrophe bonds—or, No. 2, help the State catastrophe fund have ready quick access to cash from the Federal Government but lent at fair market rates.

Now, this is utilizing the private marketplace. This is not a new Federal

program. It is a commonsense solution. It has already passed the House overwhelmingly. This is the vehicle that we have to offer it all. Even though this is a flood insurance bill, it is an insurance bill. We are not trying to monkey around with the flood insurance program; we are merely trying to have a vehicle by which we can bring this up.

Now, they are going to say it is not germane because it is not flood insurance. So that means we are going to have to get the 60-vote threshold to waive a point of order that it is not germane, and that is a high threshold. But nevertheless, we have to try.

I notice my colleague from Florida is here, and he is a cosponsor. I wish to thank him for that cosponsorship.

I ask unanimous consent that a detailed explanation of my amendment be printed in the RECORD at this point.

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

SUMMARY OF THE HOMEOWNERS DEFENSE

The Homeowners Defense amendment establishes a Consortium, a non-Federal entity that States may choose to join. The Consortium is designed to encourage and facilitate the transfer of catastrophe risk from State catastrophe reinsurance facilities/funds into the private markets, notably, the catastrophe bond markets.

In addition the bill also creates a Federal loan program to provide financing for qualified reinsurance programs and state residual insurance market entities that choose to participate to help cover the cost of paying out in the event of a disaster.

The bill includes general eligibility and underwriting requirement provisions that would:

Ensure that the savings realized from Titles I and II are passed through to primary policy holders

Encourage compliance with loss mitigation requirements

Ensure that actuarial rates are charged

Ensure that State reinsurance programs only underwrite truly catastrophic events (i.e. Katrina)

TITLE I—THE NATIONAL CATASTROPHE RISK CONSORTIUM

Title I establishes the National Catastrophe Risk Consortium, an organization that States can choose to join for the purposes of transferring catastrophe risk to the private market. To be clear, the Consortium would not assume the States' disaster risk. The risk transfer would be achieved through the issuance of risk-linked securities (catastrophe bonds) or through negotiate reinsurance contracts. The consortium is designed to function as a conduit, so that at no time would risk transfer either to or from the Federal government.

The Consortium would be governed by a board comprised of Federal and participating State representatives with all members having a single vote. All States are eligible to join. Much of the Consortium's needs for risk modeling, financial consulting, and relations with the capital markets would be arranged for on a contract basis rather than provided by a permanent staff.

The Consortium offers States and private market participants a unique opportunity to benefit from combining catastrophic risks diversified by the type of peril and geographic regions. The Consortium staff would work in coordination with participating States to catalogue inventories of catastrophic risk.

Catastrophe bond underwriters and other market participants would be able to access this database to structure bonds or reinsurance contracts and treaties.

The Consortium would serve as a conduit issuer of catastrophe bonds on behalf of the participating States, but not actually take possession of any bond proceeds, coupon payments, or underlying risk. Through the aggregation and maintenance of market statistics, the Consortium would develop industry standards for the catastrophe bond and risk transference markets. Such standards include, but are not limited to, the terms of bond offerings, the nature of triggers used and the definitions of risks.

\$20,000,000 per year is authorized to cover the costs of the establishing and administering the consortium.

TITLE II—NATIONAL HOMEOWNERS INSURANCE STABILIZATION PROGRAM

This title creates a National Homeowners Insurance Stabilization Program within the Department of Treasury designed to ensure a stable private insurance market by extending Federal loans to qualified reinsurance programs in States wishing to participate in the program. Specifically, the program would make two types of loans of last resort available: liquidity loans and catastrophic loans.

Liquidity loans would be extended to qualified reinsurance programs that have a capital liquidity shortage due to and following an insured catastrophic event.

The amount of the loan cannot exceed the ceiling coverage level for the reinsurance program. The liquidity loan would have an interest rate set at 3 percentage points higher than marketable obligations of the Treasury having the same term to maturity of between 5 and 10 years.

Catastrophic loans would be extended to a qualified reinsurance program when it has sustained losses above its maximum underwriting capacity. The catastrophic loan will have an annual interest rate set at 0.20 percentage points higher than marketable obligations of the Treasury having the same term to maturity and maturity of no less than 10 years.

As a transitional measure, during the first five years of the program, States that do not have a qualified reinsurance plan would be eligible to participate in the Title II program through their residual insurance market entities. Currently 36 states have a residual market entity that would meet the requirements of this bill.

Mr. NELSON of Florida. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MARTINEZ. Mr. President, I thank Senator NELSON, my dear colleague from the State of Florida, for bringing this bill forward, of which I am a cosponsor. I wish to associate myself with his comments regarding this very important proposal for the State of Florida. What already passed in the House ought to be given an opportunity to be considered by the Senate. I believe it could make a big difference to a lot of Florida homeowners who today are hurting because of high insurance costs because of unavailability of insurance and this is a way of safeguarding and actually it is a way of planning ahead for the inevitable storm.

Senator NELSON likes to say the big one is coming. The fact is it is inevitable that we will have other storms

and some of them are going to be substantially large storms. As that occurs, the Federal Government will have a response. Inevitably, FEMA will be there, and there will be other responses to help people. Wouldn't it make much more sense to have a Federal backstop to an insurance program that could then provide, in an orderly way, the relief that surely will come to Florida or whatever other State is afflicted by the big natural disaster as we know Katrina was and other terrible storms can be.

I met today with the Director of the National Hurricane Center. I presume Senator NELSON may have met him as well. He was coming around to tell us about their programs, the terrific job they do of forecasting, but it is also a reminder that the hurricane season is upon us. About a month from now will be the official beginning of the hurricane season. As that happens, surely I will join with Senator NELSON in saying the big one is sure to come, and when it does it will be nice to have the kinds of funds the Klein-Mahoney legislation envisions and which I fully support.

I thank the Chair and I yield the floor.

Mr. DODD. Mr. President, pending some language to be drafted on a UC request, let me respond to the comments of Senators NELSON and MARTINEZ of Florida.

First, I commend BILL NELSON and the two House Members who crafted this legislative proposal to deal with the national catastrophe events. I commend them because they thought about this in a constructive way as to how they can possibly get resources to come into the States to deal with national catastrophes. Every one of us is confronted with this problem, whether you are in Florida with hurricane season, or in the Midwest with cyclones and tornadoes and floods, or whatever else may occur. We have all been confronted with how to deal with devastating natural disasters. It has been a long-time interest of mine.

Some years ago, going back almost 20 years, Senators STEVENS, INOUE, others, and I tried to craft exactly something like this. We didn't get very far back in those days. The idea was to try to come up with a national plan that would allow us to be able to deal with these issues.

I begin my comments about the Nelson amendment as a complimentary one. We tried to accommodate it to some degree, because there are a lot of different ideas on how to do this. The authors of the original idea in the other body have a very creative idea. I welcome that. And there are others; it is not the only one. Rather than trying to adopt this in the middle of a flood insurance bill, as you heard Senator NELSON talk about earlier, we adopted a commission study for 9 months to examine these various ideas, and to come back to us with recommendations within that 9-month period. So we will

look clearly at this idea, but there are others as well. That is the intention.

We also included in the legislation several other ideas to try and deal with some of these problems. Two initiatives particularly, I admit, don't address the overall problem. They assist homeowners in communities faced with these problems. One is to provide a tax credit to homeowners who live in coastal areas—and it is not in the bill; it is a separate piece of legislation—who have seen property insurance rates substantially increase. That is certainly the case in Florida, where they have seen significant increases in those rates.

The bill I have introduced would give homeowners an immediate relief to offset part of the rise in premiums as we grapple with the long-term solutions. Again, it is not an answer, but it is some financial relief before we sort out this issue. I hope it will be on an appropriate vehicle, and I hope we will have an opportunity to offer that idea in the next several weeks.

I have also introduced a bill to provide grants and loans to home and business owners to undertake mitigation efforts. The best we can do for people in harm's way is to help them lessen the risk in the first place, with things such as storm shutters, hurricane clips, elevating essential utilities, and even elevating an entire house, in some cases. That will not only reduce insurance costs but save lives.

Mitigation costs are not inexpensive. We thought it might be a great help to assist in this so when problems arise, there is an effort to reduce the amount of damage that would occur. First, I admit these are not solutions to the issue raised by our colleague from Florida. I urge my colleagues at this juncture to add a specific idea such as this. But this is going a little beyond where we are prepared to go. That is my note of caution.

There is a vote on this tomorrow. I will be voting against the amendment offered by Senator NELSON, but not because I am opposed to the idea. In fact, I would make a case that I believe there may be legal authority that exists today to do some things already that he is talking about in his amendment. Some may be redundant based on what existing law would allow States to do to assist with funds in these areas. Some would clearly require new authority.

I urge colleagues, when considering this, not to give up. We will get to it. We have to. I think the best way to approach it is in a more comprehensive fashion. I thank them for their ideas, and I commend the two House Members of the Florida delegation, the principal authors of this idea. I commend Senator MARTINEZ, as well, for addressing these issues. I met with both of the House Members in my office several weeks ago and, ironically, at the time they came to my office, the chief executive officer of the Travelers Insurance Company, Jay Fishman, a very good

friend of mine, a good fellow, was in the office, and he has authored his own idea that has attracted broad-based interest. Despite the fact that somebody would say it has come from the CEO of an insurance company, he is an original thinker; he thinks outside of the box. In fact, both of the members of the Florida delegation were quite taken with his idea and thought it was very creative as a national model. That is one other idea that is out there that we happened to discuss that day in the lengthy conversation we had on this issue.

There are many ideas, a lot of which have very sound merit, but they need to be thought out. I am a little uneasy about taking an idea and adopting it as an amendment as part of a flood insurance bill without understanding the full implications of what is involved in it. For those reasons, I will be objecting, or at least asking my colleagues to turn down this particular approach—not because it is a bad idea or it may not work but because we are not quite ready to accept that at this juncture.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

AMENDMENT NO. 4711 TO AMENDMENT NO. 4707

Mr. DEMINT. Mr. President, I wish to call up two amendments and then make some brief comments about them. The first amendment is amendment No. 4711, which I believe is at the desk.

The PRESIDING OFFICER. Without objection, the pending amendments are set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. DEMINT] proposes an amendment numbered 4711 to amendment No. 4707.

Mr. DEMINT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To require the Director to conduct a study on the impact, effectiveness, and feasibility of amending section 1361 of the National Flood Insurance Act of 1968 to include widely used and nationally recognized building codes as part of the floodplain management criteria developed under such section)

At the end, add the following:

SEC. _____. REPORT ON INCLUSION OF BUILDING CODES IN FLOODPLAIN MANAGEMENT CRITERIA.

Not later than 6 months after the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall conduct a study and submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the impact, effectiveness, and feasibility of amending section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) to include widely used and nationally recognized building codes as part of the floodplain management criteria developed under such section, and shall determine—

(1) the regulatory, financial, and economic impacts of such a building code requirement

on homeowners, States and local communities, local land use policies, and the Federal Emergency Management Agency;

(2) the resources required of State and local communities to administer and enforce such a building code requirement;

(3) the effectiveness of such a building code requirement in reducing flood-related damage to buildings and contents;

(4) the impact of such a building code requirement on the actuarial soundness of the National Flood Insurance Program;

(5) the effectiveness of nationally recognized codes in allowing innovative materials and systems for flood-resistant construction; and

(6) the feasibility and effectiveness of providing an incentive in lower premium rates for flood insurance coverage under such Act for structures meeting whichever of such widely used and nationally recognized building code or any applicable local building code provides greater protection from flood damage.

AMENDMENT NO. 4710, AS MODIFIED, TO
AMENDMENT NO. 4707

Mr. DEMINT. Mr. President, my next amendment is actually a modification which I need to send to the desk. It is amendment No. 4710.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. DEMINT] proposes an amendment numbered 4710, as modified.

Mr. DEMINT. Mr. President, I ask that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 8, line 13, strike “and”.

On page 8, line 16, strike “policy.” and insert the following: “policy; and

“(3) any property purchased on or after the date of enactment of the Flood Insurance Reform and Modernization Act of 2007.”.

Mr. DEMINT. Mr. President, if I could take a couple of minutes to explain these, my hope is that I can even get the chairman's support of this.

Amendment No. 4711 is actually a study that I hope we can all agree on. It is a study that would try to determine the feasibility of using incentives of lower flood insurance rates when consumers or businesses have their homes or business locations comply with nationally recognized building codes. A number of codes are out there. If we could encourage better construction of buildings, to make them more resistant to storms, it is likely we could save the flood insurance program a lot of money. So this amendment would simply study the feasibility of those incentives and what it might do to insurance rates, as well as to saving Government money.

My second amendment, No. 4710, ends the practice of permanently subsidizing premiums for older homes in flood zones, which can be as large as 65-percent. The bill does a good job phasing out these subsidies for just about every other property: businesses, vacation rentals, and primary residences that have been renovated since the flood zone mapping was determined. But there are a number of homes that

are grandfathered into subsidies up to 65 percent. These are homes that were built before 1975 or when their area's flood mapping was actually done. These primary residences enjoy this subsidy, and will continue to under the current bill.

What my amendment does not do is change the insurance rates or the subsidy for those who are grandfathered into the current rate that we call pre-firm, or before flood insurance rate maps were completed; in other words, these are folks who could legitimately have said they did not know they were in a flood plain when they bought their home. I think their rates and subsidies should stay the same.

What my amendment does is make the premiums for pre-firm properties sold after this bill's enactment the same actuarial rates of homes that were built after the new mapping was complete, or post-firm. So it is a relatively simple amendment, and I think it gives more equity to the total bill by making sure all properties are eventually treated equally.

So I will provide more detail tomorrow, but I hope the chairman will consider both of those amendments because I would love to have his support.

With that, I yield the floor.

Mr. DODD. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PUBLIC SAFETY EMPLOYER-EMPLOYEE COOPERATION ACT—MOTION TO PROCEED

Mr. DODD. Mr. President, I ask unanimous consent that upon the disposition of H.R. 3121, the House-passed Flood Insurance Act, the Senate proceed to the consideration of Calendar No. 275, H.R. 980, an act to provide collective bargaining rights for public safety officers employed by States and political subdivisions.

The PRESIDING OFFICER. Is there objection?

Mr. DEMINT. Mr. President, on behalf of several of my colleagues, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DODD. Mr. President, I wonder if consent would be granted to proceed to H.R. 980 at a time to be determined by the majority leader following consultation with the Republican leader.

The PRESIDING OFFICER. Is there objection?

Mr. DEMINT. Mr. President, on behalf of several of my colleagues, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DODD. Mr. President, in light of these objections, I now move to pro-

ceed to Calendar No. 275, H.R. 980, and I send a cloture motion to the desk.

CLOTURE MOTION

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 275, H.R. 980, the Public Safety Employer-Employee Cooperation Act.

Edward M. Kennedy, Robert Menendez, Russell D. Feingold, Patty Murray, Daniel K. Inouye, Amy Klobuchar, Debbie Stabenow, Ron Wyden, Barbara Boxer, Christopher J. Dodd, John D. Rockefeller, IV, Jon Tester, Sheldon Whitehouse, Frank R. Lautenberg, Sherrod Brown, Jeff Bingaman, John F. Kerry.

Mr. DODD. Mr. President, I now ask unanimous consent that the cloture vote occur on Monday, May 12, upon disposition of H.R. 3121; and that on Monday, May 12, all time after the Senate convenes until 5:30 p.m. be equally divided and controlled between the two leaders or their designees, with the mandatory quorum waived, and I withdraw the motion.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from South Dakota is recognized.

FLOOD INSURANCE REFORM AND MODERNIZATION ACT OF 2007—Continued

AMENDMENT NO. 4731

Mr. THUNE. Mr. President, I have an amendment which I understand the manager for the majority will object to me calling up, but I would like to make some remarks about it, if I might, at this time.

Mr. DODD. Mr. President, if my colleague would yield, I appreciate his recognition of that. Again, our hope is something can be worked out. The objection is not based on the substance of the amendment as much as it is a question of whether the committee of jurisdiction which this matter is being considered under has raised some concerns with our colleague from South Dakota, and my hope is they can be resolved. So I would have to object if he brought up the amendment, but certainly I welcome his opportunity to talk about this amendment, and my hope is that between now and tomorrow sometime, whatever the differences are can be worked out, and we will be able to consider his amendment.

Mr. THUNE. I thank the chairman, the Senator from Connecticut, for those words. Let me, if I might, make a couple of remarks with regard to the amendment and again suggest that if at all possible, we could figure out a way to make it a part of this Flood Insurance Reform and Modernization

Act. I think it is very fitting on this bill. There are some jurisdictional issues that have been raised. But what I would like to point out is that this is a bill which obviously has a lot of important content and legislation that needs to be acted upon by the Congress, by the Senate. The amendment that Senator JOHNSON and I have offered is directly relevant to the bill because it seeks to reduce the potential impact of FEMA's revised flood map for residents of Sioux Falls, SD, which is the largest city in my State. Above all, this amendment allows the City of Sioux Falls to have the ability to advance the funds associated with the Big Sioux Flood Control Project which was authorized by the Congress in 1996.

Keep in mind, roughly 20 years ago, the U.S. Army Corps of Engineers determined that the original flood control project in Sioux Falls was ineffective due to two significant flood events that occurred in 1957 and in 1969. The city and the Federal Government have been working since 2000 to raise the height of the levees and to construct a dam. However, without the authority contained in this amendment, the completion of the Big Sioux Flood Control Project will languish until the Federal Government's remaining share of the project is appropriated.

Effectively, with roughly \$21 million in remaining Federal costs and the fact that the average funding provided by Congress over the past 7 years has been about \$2 million per year, the city is at the mercy of the Federal Government to complete this important project. If these flood protection improvements are not made, roughly \$750 million in property damage could result in homes and businesses in a major flood event.

Adding to the urgency for completing this important flood control project is the fact that following Hurricane Katrina, the Federal Emergency Management Agency proposed modifications to the city's 100-year flood plain, just as FEMA has done in other communities across the country, to ensure that homeowners are aware of potential flood risks. As a result of FEMA's proposed flood plain modifications in Sioux Falls, until the Army Corps certifies completion of its project, roughly 1,600 homeowners and businesses will be required to purchase flood insurance. The quickest way to eliminate or reduce the need for flood insurance for the 1,600 homeowners and businesses is to complete construction of the Big Sioux Flood Control Project as soon as possible.

While the city has expressed a willingness to advance fund the Federal Government's remaining portion of the project, this would require Congress to act in a couple of ways. One is to allow the Army Corps to accept advance funding from the city for the Federal Government's portion of the project; second, to authorize the Army Corps to reimburse the city through future appropriations from the Federal Government's portion of the project.