the time, with this reservation: Before the vote on this cloture motion, is there time equally divided for further debate?

The PRESIDING OFFICER. Under a previous order, there are 10 minutes, equally divided, prior to the cloture vote.

Mrs. HUTCHISON. Thank you, Mr. President.

I yield the floor.

RECESS

The PRESIDING OFFICER. All time having been yielded back, under the previous order, the Senate is in recess until the hour of 2:15 p.m.

Thereupon, at 12:41 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. INHOFE).

INSTITUTING A FEDERAL FUELS TAX HOLIDAY—Resumed

The PRESIDING OFFICER. There will now be 10 minutes equally divided.

Who yields time?

The Senator from Arkansas.

Mrs. LINCOLN. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. WARNER. Do I understand, the Senator yields herself 5 minutes? Is there not 10 minutes under joint control on the subject of gas taxes?

The PRESIDING OFFICER. Yes. There are 10 minutes equally divided. She has yielded herself 5 minutes.

Mr. WARNER. Off the control of which Senator's time? My understanding is Senator BYRD controls the time for Senators in opposition, of which I am aligned. Senator MURKOWSKI controls the proponents' time.

Am I not correct on that, Mr. President?

Mrs. LINCOLN. As an opponent on the Democratic side.

The PRESIDING OFFICER. The Senator from Arkansas is taking her 5 minutes in opposition.

Mr. WARNER. That would then remove all opposition time; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. WARNER. I ask the Senator, could I have the benefit of a minute of that time?

Mrs. LINCOLN. Certainly.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 4 minutes.

Mrs. LINCOLN. I thank the Chair.

Mr. President, I spoke briefly last week about this proposal to reduce the gas tax. I spoke on the need for reforms in our Nation's energy policy.

However, because this bill did not go through committee, and because it has had little technical scrutiny, there are just two points that I believe should be considered before we move ahead with this idea.

First, I appreciate the concern that has recently been shown for the highway trust fund. There is a nice clause in this bill that would take money out of general revenues to pay for the reduction into the highway trust fund.

Last week I called this hocus pocus. It is creative, to say the least. But let's get honest here. This tax cut has to come from somewhere, and this method of accounting is not without consequence.

Regardless of the good intentions being professed by my colleagues, the transfer of this burden to general revenues would result in a tax increase to the people of my State and perhaps other States.

In Arkansas, any reduction, either whole or in part, of the existing excise tax on motor fuels will result in a penny-for-penny increase in tax at the State level. This is the law in my State, and I know that there are similar provisions in Tennessee, Oklahoma, Nevada, and California.

Mr. President, I ask unanimous consent that a copy of section 27–70–104 of the Arkansas Code be printed in the RECORD.

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

§ 27–70–104. Federal excise tax on motor fuels

(a) Should the Congress of the United States extend an option to the State of Arkansas to collect all or part of the existing tax on motor fuels imposed by the Internal Revenue Code, Chapter 31, Retailers Excise Tax, §§ 4041 and 4081, it is declared that the option is executed.

(b) Further, if the federal excise tax is reduced in any amount, the amount of the reduction will continue to be collected as state highway user revenues.

(c) Any increase in the federal excise tax, accompanied by state option, shall be disbursed as set forth in subsection (d) of this section.

(d) Any revenues derived under subsection (a) of this section will be classified as special revenues and shall be deposited in the State Treasury to the credit of the State Apportionment Fund for distribution under the Arkansas Highway Revenue Distribution Law, there to be used for the construction of state highways, county roads, and municipal streets.

History: Acts 1975, No. 610, §§ 1, 2; 1981, No. 719, § 1; A.S.A. 1947, §§ 76–337, 76–338.

Mrs. LINCOLN. I agree that this bill might give a minor tax reduction for the oil producers of 45 States, but the tax burden would remain level in as many as five States. Without a reduction in spending, this amounts to a tax increase in my home State and two of my neighboring States, Oklahoma, and Tennessee. In short, if this bill were to pass, taxes, in effect, would go up in Arkansas.

My second point is that this bill would not get relief to the people who need it. I said last week that this tax is collected on the wholesale level and all that this bill offers is a suggestion that the wholesalers pass this on to the consumers. I am not sure that this point is getting out to my colleagues, so I have a quote here from the Supreme Court of the United States concerning this tax.

According to the U.S. Supreme Court in Gurley vs. Rhoden:

> the Federal excise tax on gasoline is imposed solely upon statutory producers, and not on consuming buyers.

Let me repeat that:

> the Federal excise tax on gasoline is imposed solely upon statutory producers, and not on consuming buyers.

Therefore, I assert that even the Supreme Court agrees that this tax reduction will not go to consumers. This tax cut will go exclusively to oil producers who will have no legal requirement to pass the cut on. That won't help truckers in my State. It won't help farmers in my State. It won't help small business people in my State. It won't help average consumers.

We cannot forget that despite the fact that the administration has successfully compelled OPEC to pump more oil, and that oil prices are coming down, the high cost of the oil price spike will still be on the bottom line at the end of the year.

We have to do something real and substantial for our truckers, our farmers, and our fuel dependent small businessmen and women.

A 4.3-cent gas tax cut will do essentially nothing for anyone.

I again suggest that a suspension of the heavy vehicle use tax would be a way to get real relief to real truck drivers. This would not drain the highway trust fund to the degree that this gas tax cut would and it would directly help the people who have been hurt the most by the spike in fuel prices.

I have also advocated a short-term no-interest loan program for diesel dependent small business, and lastly I have called for a formalized end-of-the-year tax credit, that would take into account the totality of this oil spike in an environment of dropping prices.

We all want to help those in need and we should consider giving tax credits, but we should also protect the Treasury from windfalls that could arise in this economic environment.

This bill is a bad idea, it would in effect raise the tax burden on my constituents, and it would not help the people who are really hurting from the high prices at the gas pump.

I urge my colleagues, especially those from Oklahoma and Nevada, California and Tennessee, to look at how this bill will affect the tax burden in your States. Ask how this bill will affect the bonds that your State has issued. And most importantly, consider how little this bill will do to help the consumers of our Nation. We can do better, and I hope we can continue the debate on this bill so we will have that opportunity.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. MURKOWSKI. Mr. President, I yield myself 3½ minutes.

In this legislation, there is full recovery to the highway trust fund, if indeed this suspension takes place. There is a balance in it, too. That balance puts the onus on the administration to encourage that the price remain low because if it doesn't and the price goes to $2 a gallon, clearly what will happen is we will eliminate this tax, which is 18.4 cents.

The question has been asked, How do we ensure that it is passed on to the consumer? That is a legitimate question. We provide in the legislation a requirement that the GAO audit and make an issue of anyone who breaks the trust that this differential has to be passed on to the consumer. We have the support of the National Food Processors Association, a letter to that effect, and support from the National Foundation of Independent Businesses and the Independent Truckers Association.

I ask unanimous consent that those letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL FOOD PROCESSORS ASSOCIATION,
Washington, DC, April 3, 2000.

Hon. TRENT LOTT,
Majority Leader, United States Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR LOTT: On behalf of the National Food Processors Association (NFPA), the nation's largest food trade association, I am writing to urge that Congress take action to address rapidly rising fuel prices. From the food industry's perspective, the effects of higher energy prices are about to move from the gas pump to the grocery store, threatening to put a serious crimp in the incomes of America's working families.

You no doubt have heard from the transportation sector about the serious effect of the 50-plus percent fuel price increase since the first of the year. America's agribusiness industry relies heavily on trucks and the rails to transport food from the farm to processor and on to kitchen tables all across the United States. Additionally, the nation's food processors—an industry employing more than 1.5 million workers in some 20,000 facilities across the country—consume no small measure of energy to make available the tasty and nutritious foods that consumers enjoy. Given the intense competition and very small profit margins, under which most food manufacturers operate, they are in no position to absorb these dramatic increases in energy prices.

I believe the absence of an effective national energy policy is largely responsible for this budding crisis. However, there are tools available now to help address this problem, at least for the short term. First, portions of the Strategic Petroleum Reserve could be released, helping reduce prices by increasing, temporarily, the supply of fuel. Second, I encourage Congress to enact at least a temporary suspension of the most recent 4.3-cent gasoline tax increase, which was adopted in 1993 for the purpose of deficit reduction. NFPA also has urged President Clinton to support such actions.

Leadership by Congress is needed to address this serious issue. I hope that the U.S. Senate will work with the President to take action promptly to ease the strain of rapidly increasing fuel costs.

Sincerely,

JOHN R. CADY.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
Washington, DC, March 29, 2000.

Hon. TRENT LOTT,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR LEADER: On behalf of the 600,000 members of the National Federation of Independent Business (NFIB), I want to express our support for Senate Bill 2285 which would temporarily repeal the 4.3 cent excise tax on fuel, provide additional tax relief should the cost of fuel continue to rise, and protect funding levels in the Highway Trust Fund. NFIB urges members to support its adoption.

Gas prices have been soaring. According to the U.S. Department of Energy, gas prices, which have increased by as much as 50 percent in the past year, are likely to continue to rise into the summer, if not beyond.

These high fuel prices are hitting many Americans, especially small businesses, extremely hard. For a small company that consumes 50,000 gallons of diesel fuel in a month, the increase in prices in the past year will cost that company an additional $40,000 per month. If fuel prices remain high, these costs could eventually be passed on to consumers in the form of higher prices for many goods and services. A 4.3 cent reduction in the cost of fuel would save the company more than $2,000 per month.

Your bill goes a long way towards providing America's small business owners valuable relief from rising fuel costs. We applaud your proactive efforts to reduce this tax burden on small business while at the same time providing a hold harmless provision for the Highway Trust Fund. This will guarantee that full funding will continue to flow to states and local communities for planned infrastructure projects.

Mr. Leader, thank you for your continued support of small businesses. We look forward to working with you to enact S. 2285 into law.

Sincerely,

DAN DANNER,
Sr. Vice President,
Federal Public Policy.

INDEPENDENT TRUCKERS ASSOCIATION,
Half Moon Bay, CA, April 4, 2000.

Hon. TRENT LOTT,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR SENATOR LOTT: The Independent Truckers Association—the oldest association of the nation's long-haul independent truckers and small fleet owners—endorses wholeheartedly the swift passage of S. 2285, the Federal Fuel Tax Holiday Act of 2000.

This measure would temporarily repeal the 4.3 cents excise tax on fuels and protect funding levels in the Highway Trust Fund. We see this as an important first step to help ensure that prices for consumer goods shipped to market will remain stable.

It's important to recognize that truckers—not just the independents and small fleets, but the whole industry—work on a very small profit margin. So, the recent increase of oil prices by OPEC, along with the failed energy policy of the Clinton-Gore Administration, strikes deep into the heart and wallet of America's truckers. Enacting S. 2285 today will help those injured by excessive oil and fuel prices, and help keep the economy rolling along.

Senator Lott, thank you for your support of American's independent truckers. We look forward to working with you to enact S. 2285 into law.

Very Sincerely,

MIKE PARKHURST,
National Chairman.

Mr. MURKOWSKI. Some say this isn't much of a cut. Tell that to the working man or woman who gets up at 4:30 and drives 75 miles one way to work in this city in his pickup because the Government won't let him work at home in the coal mines, or building roads, forests, because they don't support resource development. It might not mean much to the folks who can afford it, but it means a lot to the folks at home.

As a consequence, ask the public what they think. It is in a Gallup Poll: 74 percent favor a temporary reduction of the 4.3-cent gas tax.

This is a balanced piece of legislation. It is balanced because it would take off the Gore tax. This tax was put on as a consequence of Vice President AL GORE breaking the tie in this body back in 1993. That didn't go into the highway trust fund. That went into the Clinton general fund, and the Clinton administration spent that money as they saw fit. It was the Republican majority in 1998 that turned it around and put it into the highway trust fund. The Clinton administration has enjoyed $21 billion, a windfall they expended out of the general fund for their programs.

As Senators look behind the scenes on this one, be careful because reality dictates that this is good for the consumer. The consumers of this Nation want it. Seventy-four percent favor the temporary reduction of the 4.3-cent-a-gallon gas tax.

If there is anyone who has been misled by this administration and their opinion of what is going to happen, they should have read the New York Times today. The president of OPEC said today that if the price of the organization's benchmark basket of crude oil remained below $22 a barrel, the 1.5-million-barrel-a-day increase the organization agreed to last month would be cut back by one-third.

OPEC is saying: If the price goes down below $22 a barrel, we will cut our production. We are nowhere near home on this by any means. We have been sold a bill of goods. Give the taxpayer a break.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, in the 20-plus years I have been privileged to serve in the Senate, this is a day I will long remember. It is the first time I ever voted against a tax decrease in over two decades.

I see no certainty to this program. The Senator says 74 percent favor a temporary reduction. Why isn't it 100 percent? I know very few people who want to increase taxes. And with all due respect to my friend, the GAO monitoring 100,000 gas stations across America to see whether or not it came down 4.3 cents? That I just cannot accept.

Mr. MURKOWSKI. If that is a question, I would be happy to respond.

Mr. WARNER. On your time, you are welcome to do it.

Mr. President, in all seriousness, the Senate really was a leader in passing the landmark legislation to modernize America's transportation system. This gas tax was included in that highway fund by 80-plus Senators. It is a foundation block for this program. Let us not bring uncertainty to the modernization of America's transportation system by beginning to pull a block here and a block there.

I yield the floor.

Ms. SNOWE. Mr. President, I rise today in support of the motion to proceed to invoke cloture on S. 2285, the Federal Fuels Tax Holiday Act of 2000, a bill introduced by Senator LOTT, which I have been pleased to cosponsor.

This legislation will repeal, until the end of this year, the 4.3 cent-per-gallon increase to the federal excise tax on gasoline, diesel, kerosene, and aviation fuel added by the Clinton Administration in 1993.

At the same time, both the Highway Trust Fund and the Airport and Airways Trust Fund are held completely harmless. It is a bogus argument that the Trust Funds will be impacted by giving consumers a tax break at the gas pump. The progress of important highway and airport projects will not be affected because the impact would be zero. This legislation allows for reimbursement of the Trust Funds that are financed by the gasoline and aviation fuel taxes. For both of these funds, any lost revenues to be replaced from the budget surplus.

Also, our legislation is set up so that should the national average for regular unleaded gasoline prices breach the $2 mark, it would also repeal, until the end of the year, the 18.3 cent-per-gallon federal gasoline tax; the 24.3 cent-per-gallon excise tax on highway diesel fuel and kerosene; the 4.3 cents per-gallon railroad diesel fuel; the 24.3 cent-per-gallon excise tax on inland waterway fuel; the 19.3 cent-per-gallon for noncommercial aviation gasoline; the 21.8 cent-per-gallon for noncommercial jet fuel; and 4.3 cents-per-gallon for commercial aviation fuel.

This will provide the nation with a vital ''circuit breaker'' in the midst of the very real possibility of high fuel costs as America takes to the road this summer—and the legislation ensures that any savings will truly be passed on to consumers and not pocketed before customers can benefit from any savings at the pump.

Some of my colleagues say that repealing the 4.3 cent per gallon gas tax will not amount to enough savings for the consumers to even care about. Well, I guess people in Maine think differently, especially after a winter of paying the highest prices in decades for both home heating oil and for fuel at the pump.

This past week, the Maine legislature, both the Senate by a vote of 26–9, and the House, by a vote of 94–54, endorsed a bill that allows for rebates to truckers for the state diesel fuel taxes they paid between February 1 and March 15 when diesel fuel prices skyrocketed to over $2.00 per gallon. While the funding decision now rests with the appropriators, the Maine legislature has spoken clearly that they know it makes a difference, especially where the trucking industry is concerned.

I am aware of a trucking company in Maine that has lost at least $200,000 in the last three months because of the failed energy policy of this Administration that caused diesel prices to spike. How can an owner buy equipment, hire people, keep his trucks rolling, and function within a set budget for the year with losses such as these? Tell him that temporary repeal of the federal 4.3 cent tax on diesel fuel won't make a difference. Well, let's run the numbers.

This company has a fleet of about 50 trucks that take 200 gallons of diesel every time you fill them up, and since these large rigs get no more than five miles to the gallon, they get filled up quite regularly. So, if we temporarily repeal even just the 4.3 cent federal gas tax, every time the fleet of trucks gets filled up, the company will be able to save at least $430, adding up to thousands of dollars a month. No wonder hundreds of truckers drove their rigs to Washington, D.C. to protest on two different occasions in the past month. Tell them that a temporary repeal of 4.3 cents per gallon diesel fuel tax won't make a difference.

Look to your own states—California, Connecticut, Florida, Illinois, New York, Wisconsin—all around the country state legislatures are considering their own responses to the rise in all fuel prices.

In California, there is a proposal for a four-month suspension of the 15 cent per gallon state tax. In Connecticut, the Legislature's Finance Committee unanimously approved a seven cent per gallon state gasoline tax over a three-year period. In New York, both parties have called for some sort of state gas tax relief. In Illinois, the State Senate has approved an elimination of the five percent sales tax on gasoline and diesel fuel. Lawmakers in Wisconsin have proposed both repealing or temporarily suspending the state gas tax.

In Florida, the Republican House Speaker has proposed a 10 cents per gallon tax cut, saying, ''If the federal government is not going to help the people of Florida, then we need to''.

What this legislation before you today does is take a concrete step toward more reasonable fuel prices for everyone, helping to serve as a buffer for consumers and businesses who are already reeling from the high cost of gasoline and other fuels. Of course, I hope the provisions for temporary repeal of the full tax will not be necessary. But if they are, they will provide immediate relief to taxpayers and ensure that, if prices are skyrocketing, any savings in fuel costs will be passed on to the purchasers of the gasoline products.

The retail price we pay for refined petroleum products for gasoline, diesel fuel, and home heating oil, for instance, substantially depends upon the cost of crude oil to refiners. We have seen a barrel of crude oil climb to over $34.00 recently from a price of $10.50 in February of 1999. That is a 145 percent increase.

While OPEC agreed last month to only very modest increases in crude oil production, White House officials say that the cost of gasoline at the pump will now decline in the coming months, even though their own Economic Advisor Gene Sperling was quoted in the Washington Post on March 29, as warning that ''there is still significant and inherent uncertainty in the oil market, particularly with such low inventories, and we will continue to monitor the situation very closely''.

While the Administration has ''monitored'' the situation, crude oil prices have gone up and up, and our inventories have gone down and down. As a matter of fact, the Administration admits that it was ''caught napping'' after OPEC decided to decrease production in March of 1999—and while they napped through a long winter's sleep, prices for crude climbed as temperatures and inventories plummeted.

The effect on gasoline, diesel and home heating oil was predictable, and in fact was predicted. Last October—a half a year ago—the Department of Energy, in its 1999–2000 Winter Fuels Outlook, projected a 44 percent increase in home heating oil bills. In a severe winter, the agency estimated, an additional 28 percent increase in costs could be felt for residential customers.

In other words, the Department of Energy itself predicted an increase of over 70 percent, but did nothing. In actuality, home heating oil costs jumped from a fairly consistent national of 86 cents per gallon in the winter of 1998–99 to as high as $2.08 per gallon in Maine early last month—an increase of well over 100 percent. In that same time frame, conventional gasoline prices rose 70 percent or higher.

So now the Administration tells us that gasoline prices will most likely go down by this summer because of the small production increases agreed to by OPEC. Even with an increase in OPEC quotas, there will still be a shortfall in meeting worldwide demand for crude oil. Approximately 76.3 million barrels per day are needed to meet demand, but the anticipated new OPEC production is estimated to be only 75.3 million barrels per day. So you'll have to excuse me if I'm a little hesitant accepting estimates from an Administration that seems to make predictions while their gauge is on empty.

The Administration's projections of an average of $1.46 per gallon for gasoline this summer—which is still 25 percent higher than last summer I might add—does not presume production disruptions at the refinery. I would like to point out that one of the reasons prices went up and supply ran dangerously low a few months ago was the unexpected shutdown of four different refineries that serve the Northeast.

Just last week, DOE's Energy Information Administration stated that, ''. . . motor gasoline markets are projected to exhibit an extraordinarily tight supply/demand balance.'' Against this backdrop, we cannot depend upon the Administration's predictions turning into fact, when they have so far been so incorrect.

Now is the time for Congress to act, even if the Administration refuses to. I want to at least make sure that American businesspeople and consumers have in their pockets what they would have otherwise paid in fuel taxes if the Administration is underestimating prices once again and gasoline hits $2.00 a gallon.

Beyond the pump, consumers are getting hit with extra costs directly attributable to high fuel costs. If you've paid to send an overnight package lately, you probably noted that you were charged a surcharge—a fuel fee—because their cost of diesel fuel has increased by about 60 percent over the past year. And with a 150 percent increase in jet fuel, that airline ticket you buy today will probably include something you've never seen before—a fuel charge of $20.00. How long will it be before costs of other products will also be passed on the consumer?

Consider the impacts to the nations' farmers. In some locations, the planting season has begun. The New York Times reported two weeks ago that a farmer paying 40 cents a gallon more this year to fuel his diesel tractors and combines, will be adding as much as $240 a day to his harvesting costs. In my home State of Maine, we are at the peak season for moving last year's potato crop out of storage and to the large Eastern markets. But the industry still can't get truckers to come into the State to move the potatoes because they are discouraged by the particularly higher price of diesel in Maine.

The only help the potato industry has had recently in getting their product to market was certainly not due to the energy policy of this Administration, but to local truckers who turned to hauling potatoes because wet weather kept them away from taking timber out of the Maine woods.

Soon, we will enter the summer months, when tourism is particularly important to the economy of New England and to Maine in particular. With the high price of gasoline, we need relief now, and that's what this bill provides. As a matter of fact, we could have used the relief in Northern Maine a few months ago—that's a big tourist season for them as snowmobilers from all over the East head to Maine to use the hundreds of miles of trails throughout the northern part of the State.

The choices are clear—do nothing for the taxpayers who are being gouged by failed energy policies, or do something by supporting legislation that gives some relief at the gas pump right now. We should temporarily repeal the 4.3 cent per gallon gas tax and support a bill that also acts as a circuit breaker, giving citizens a break at the gas pump if gas goes over $2.00 a gallon while protecting the Trust Funds that build our highways and airports. I urge my colleagues to support this bill by voting for cloture.

Mrs. FEINSTEIN. Mr. President, I am as upset by the gasoline price spikes as anyone else. Price spikes have been worse in California than in any other State. Today, as I speak, though prices have recently started to come down a bit, they still average more than $2 per gallon in some parts of California.

Having said that, I feel obliged to oppose S. 2285, despite understanding the sentiment behind it. The problem with S. 2285 is that there is no way to guarantee that a reduction in the federal gasoline tax will be passed on to consumers. Why is this? Because price is a function of supply and demand, not taxes. And right now, world oil markets are extremely tight, so prices are high.

The way to relieve the pressure on the market is to boost supply and reduce demand.

With regard to supply, fourteen nations sell oil to the U.S. under a cartel known as the Organization of Petroleum Exporting Countries, OPEC. Like any monopoly, OPEC controls the price of oil by limiting supply. Decreased production in non-OPEC countries like Venezuela, Mexico, and Norway has also contributed to the squeeze.

Since OPEC is not bound by U.S. law, there are only a few things the U.S. can do to encourage the cartel to increase supply. The preferred alternative is diplomacy. Energy Secretary Bill Richardson has had some success on this front. OPEC ministers announced last month that the cartel would immediately increase supply by 1.7 million barrels a day. Mexico has also agreed to increase production by a small amount.

It takes several weeks for production increases to be felt at the pump, in lower prices. And California has unique problems affecting its supply. No other State requires the kind of reformulated gasoline that California does. So the gasoline has to be refined in California. And California refiners have had problems—including two fires—operating their plants at full capacity. They are at full capacity now.

Notwithstanding these problems, the announcement of OPEC production increases has driven spot gasoline prices down. They have dropped more than 40 cents, for instance, in the greater Los Angeles area.

The spot price is the price of gasoline on the open market without taxes and other markups figured in. Spot prices are usually good harbingers of the price movement we will eventually see at the pump about a month or two later.

But the increase in OPEC production is, at best, a short-term solution. By the middle of summer when demand for gasoline will peak, we may be back in the same predicament.

As I said a moment ago, S. 2285 doesn't solve the problem of high gasoline prices. Under California law, if the federal gasoline tax drops by 9 cents per gallon or more, then the State tax automatically rises to off-set the federal decrease. The law is designed to protect the Highway Trust Fund. I have spoken with members of the California legislature about this. They do not seem inclined to change the law.

Even if the law were changed, the price still wouldn't drop. At least that's what the chief executive officers of the three major California refiners told me. Collectively, they produce 70 percent of California's gasoline. None could guarantee that prices would drop at the pump. They cited the fundamental problem with supply, and also pointed out that they have no control over other entities in the supply chain.

What are our options?

The fact is, we have limited control over supply. Too much of the world's oil is produced elsewhere. The one thing we can control is demand.

The best way to reduce demand is to require that sports utility vehicles (SUVs) and light duty trucks get the same fuel efficiency that passenger vehicles do. If SUVs and light duty trucks had the same fuel efficiency standards as passenger cars, the U.S. would use one million fewer barrels of oil each day.

This is roughly equal to the U.S. shortfall before OPEC increased production.

The Department of Transportation is responsible for setting fuel efficiency requirements under the Corporate Average Fuel Economy (CAFÉ) program. Abut two-thirds of all petroleum used goes to transportation, so boosting fuel efficiency is an important way to wean ourselves off OPEC oil and reduce the price motorists pay for gasoline. Consider, too, the significant environmental and health benefits of higher fuel efficiency.

But CAFÉ standards have not increased since the mid- 1980s. And the situation is made worse by a loophole in the CAFÉ regulations. SUVs and light duty trucks—which are as much passenger vehicles as station wagons and sedans—are only required to average 20.7 miles per gallon per fleet versus 27.5 miles per gallon for automobiles.

Since half of all new vehicles sold in this country are fuel-thirsty SUVs and light duty trucks, this stranglehold on energy efficiency has produced an American fleet with the worst fuel efficiency since 1980. We are going backwards!

According to the non-partisan American Council for an Energy Efficient Economy, the U.S. saves 3 million barrels of oil a day because of CAFÉ standards. Close the SUV loophole, as I said a moment ago, and save another million barrels each day.

Overall, SUV and light duty truck owners spend an extra $25 billion a year at the pump because of the ‘‘SUV loophole.’’ Making SUVs and light duty trucks get better gas mileage would save their owners some $640 at the pump each year when the price of gasoline averages $2 per gallon.

The ‘‘bottom line’’ is that eliminating some or all of the federal gasoline tax won't lower prices at the pump. The best way to do that is to reduce our demand. The best way to reduce demand is to increase the gas mileage requirements for SUVs and light duty trucks.

Mr. GRAMS. Mr. President, like many of my colleagues, I've come to the Senate floor on a number of occasions in recent weeks to express my concern with rising fuel costs and the lack of an energy policy by this Administration. I don't have to remind my colleagues how the rising cost of oil threatens almost every aspect of our economy and communities. Senior citizens on fixed incomes cannot absorb extreme fluctuations in their energy costs. Business travelers and airlines cannot afford dramatic increases in airline fuel costs. Families struggling to feed and educate their children cannot withstand higher heating bills, increasing gasoline costs, or the domino effect this crisis has on the costs of goods and services. To be sure, this problem is impacting virtually every facet of American life and may only get worse as we approach the high energy demand of the summer months.

I look at the situation we're now facing with high oil prices and limited supply and have a hard time understanding why it's such a surprise to so many people. I've heard Secretary Richardson refer to the fact that the Energy Department may have been caught ‘‘napping on the job.’’ Since coming to Congress in 1993, I've been saying the Energy Department is asleep at the wheel. We have an Energy Department that spends less than 15% of its budget, and even less of its time, on the core energy issues within the Department. I dare say that energy consumers are the last thing they think about over on Independence Avenue—certainly not the first.

With all due respect to Secretary Richardson, I don't think he was necessarily caught napping on the job, but flat out neglecting the energy needs of this country. Under the tenure of the last three Secretaries of Energy, this Administration has done nothing but weaken our energy security, increase our reliance on foreign oil, shut down domestic oil and gas production, and ensure the closure or removal of many of our primary means of electricity generation—coal, nuclear, and hydropower. I think it's time that policymakers in Washington come to the realization that we are now a nation with no energy policy and no ability to respond to even the most limited energy supply disruptions.

Consider the recent effort of the Administration to address the oil price crisis. We've all witnessed this Administration's ‘‘tin-can diplomacy’’ over the past few weeks. Instead of planning for the energy needs of our country, this Administration waits for a crisis and then responds by sending its appointees to grovel, plead, or otherwise beg other nations into helping us out. The United States, thanks to this Administration, is a nation running around the world looking for a handout from friend and foe alike.

It's embarrassing that the economy of our nation hinged on the decision of a few oil ministers sitting in a room in Vienna just a couple of weeks ago. Do we realize that Iran was blocking an OPEC increase of 1.7 million barrels of oil a day? The strength of our economy now may rest on the ability of OPEC oil ministers to convince countries like Iran to help us out in the future. That is quite a statement on the viability of the Clinton Administration energy policy.

But still, this Administration maintains its steadfast opposition to doing anything here in the United States to dramatically decrease our reliance on foreign oil and increase our domestic exploration and production. ANWR is off-limits. They don't want to discuss off-shore drilling. They claim they're open to looking at some activity on public lands, but at the same time they're on a blitz to lock up every last acre of land they can find into some type of new, restrictive designation before President Clinton and Secretary Babbitt leave office.

Well, the farmers of Minnesota can't wait for President Clinton or Secretaries Babbitt or Richardson to leave office before our country places a renewed emphasis on a sound, long-term energy policy. Truckers across America cannot wait for President Clinton to leave office to get some relief at the fuel pump. And energy consumers far and wide cannot stand by while this Administration begs countries like Iran and Libya to ‘‘feel our pain.’’

Regrettably, I fear the oil supply and price crisis we're now experiencing is only an early warning of the pain the Clinton Administration's neglect of energy policy is going to level on American energy consumers. It won't be that far into the future before this Administration's appetite for closing down nuclear and coal-fired power plants and destroying hyrdopower facilities will bring similar price increases for electricity consumers.

Many of us have suggested that we need to look closely at both short- and long-term approaches to easing the pain of the current oil crisis on American energy consumers and reducing our nation's reliance on foreign oil. I've spoken at length about how we need to focus our efforts on developing a long-term energy policy that puts American jobs and productivity first, instead of last. Doing so, however, will take time and produce few immediate results to help consumers in the coming months.

In the short-term, I believe Congress must consider temporarily suspending some or all of the federal fuel taxes, which, along with state excise taxes, account for an average of 40 cents per gallon of gasoline. That is why I've joined Majority Leader TRENT LOTT, Senator LARRY CRAIG and a number of my colleagues in offering S. 2285—The Federal Fuels Tax Holiday Act of 2000. Our legislation would temporarily suspend the 4.3 cent tax on gasoline, diesel fuel, and aviation fuel while protecting both the Highway Trust Fund and the Social Security surplus. The bill will suspend the 4.3 cent tax starting on April 16 through January 1, 2001. For farmers, truckers, airlines, and other large energy consumers, this action will have an even greater positive impact on the large amounts of fuel they consume.

This legislation reflects the leadership of a number of our colleagues. Senator BEN NIGHTHORSE CAMPBELL from Colorado has championed legislation to suspend the diesel fuel tax. Once a trucker himself, Senator CAMPBELL has led the way in assisting truckers and their families who are suffering as a result of the rising price of diesel fuel. And Senator MURKOWSKI, as Chairman of the Senate Energy Committee, has been a leader in calling attention to the growing energy needs of our nation and the Administration's energy policy failures.

I want to add that I'm very aware that many of my colleagues have argued that 4.3 cents a gallon has a negligible impact on consumers. To them, I say look at the amount of fuel a farmer or trucker consumes during an average week. Look at the diesel fuel required to operate a family farm or deliver products across this country. Or look at the tight profit margins that can make the difference between going to work and being without a job. I'm convinced this action is going to help farmers, businesses, truckers, and families in Minnesota and that's why I strongly support it.

I firmly believe that federal gas taxes should go to the Highway Trust Fund for road, highway and bridge improvements. That's why we're restoring revenues being provided to energy consumers by the 4.3 cent gas tax suspension. The Highway Trust Fund will be reinstated with non-Social Security budget surplus funds from the current fiscal year as well as fiscal year 2001. In addition, no highway projects or airport projects will be delayed or jeopardized, because funds going into the trust fund are fully restored by the surplus. There will be no impact on these projects.

If gas prices reach a national average of $2 a gallon for regular unleaded gasoline, federal excise gas taxes would be suspended, again without impacting the Highway Trust Fund in any way. This would suspend, until the end of the year, the 18.4 cents per gallon federal gasoline tax, the 24.4 cents per gallon tax on highway diesel fuel and kerosene, the 19.4 cents per gallon for noncommercial aviation gasoline, the 21.9

cents per gallon for noncommercial jet fuel, and the 4.4 cents per gallon for commercial aviation fuel.

Let me make this very clear: we are not going to raid the Highway Trust Fund with this legislation. In fact, we've ensured that the non-Social Security budget surplus will absorb all of the costs of the gas tax reduction. I also want to assure my colleagues and my constituents that this legislation walls off the Social Security surplus. We will not spend any of the Social Security surplus to pay for the gas tax reduction.

Our legislation is quite simply a tax cut for the American consumer at a time when it's needed most. We're going to use surplus funds—funds that have been taken from the American consumer above and beyond the needs of government—and give them back to consumers every day at the gasoline pumps. This legislation takes concrete steps toward more reasonable fuel prices, helping to serve as a buffer for consumers who are already feeling the impact of the high cost of gasoline and other fuels.

In closing, I want to say that I look forward to working with my colleagues in the coming days, weeks and months in forging a number of both short-term and long-term responses to the needs of farmers, truckers, the elderly, and all energy consumers. I've been a strong supporter of renewable energy technologies and increased funding for the Low Income Home Energy Assistance Program or LiHEAP. I strongly support the efforts of my colleagues to increase domestic oil and gas exploration and production. I remain committed to finding a resolution to our nation's nuclear waste storage crisis—a crisis that threatens to shut down nuclear plants and further weaken our nation's domestic energy security. And I'll continue to be one of the Senate's strongest critics of the Department of Energy's unconscionable neglect of the long-term energy needs of our nation.

Mr. KYL. Mr. President, I rise today to speak in support of S. 2285, the Federal Fuels Tax Holiday Act of 2000. Our country is in dire need of a comprehensive energy policy, including a strategy to reduce fuel prices. Immediately suspending the 4.3 cent per gallon Clinton/Gore gas tax is one thing we can do in the short-term to provide some relief from the high fuel prices we have been experiencing.

S. 2285 would further suspend all but 0.1 percent of federal excise taxes on fuels if the national average price of a gallon of regular unleaded gasoline rises to $2. While I fully support this concept, we should consider doing more. I have cosponsored legislation in the past that would permanently repeal all but two cents per gallon of the federal gas tax, allowing states to make up the difference if they choose to fund their own highway-construction needs.

Mr. President, we Arizonans have been sending more gas tax revenues to Washington than we receive back in federal highway funds. For Arizona, and other so-called donor states, repeal of the federal tax would either mean significant tax relief or, if the state does increase its own tax, more dollars actually spent on highway improvements in-state. It is time to divest the federal government of this authority, and give it back to the states where it rightfully belongs.

To ensure our energy security in the long-term, we also need a strategy for reducing our dependence on imported oil. Today we are extremely dependent on other countries for our oil—56 percent comes from foreign sources. While our imports are rising, domestic production is decreasing. In just the last decade, U.S. production has declined 17 percent. At the same time, our consumption has increased 14 percent. Unfortunately, we are moving in the direction of greater dependence on foreign oil, not less.

To reverse this trend we need to stop the decline in domestic production, which can only be done by increasing access to lands with high potential for oil and gas resources. Of course this can, and must, be done in an environmentally sensitive manner. While extraction should be part of a larger energy strategy, including the development of alternative fuels, and conservation efforts, it is a critical component. Increasing domestic production will help reverse our rising reliance on imported oil, and will boost supply, thereby lowering prices.

Mr. CAMPBELL. Mr. President, I intend to vote for cloture this afternoon on the Federal fuels tax holiday bill to help address the soaring cost of fuel and our rising dependency on foreign oil. We have had numerous hearings and many statements have been given on the floor to address this grave situation we are in. Unfortunately, it seems like we are going to have to endure this problem for a while longer.

Over the last few weeks, I have had many conversations with truckers, shippers, and concerned citizens about how this problem affects them. Specifically, my conversations boiled down how this crisis affects our American truck drivers. Over 95 percent of all commercial manufacturing goods and agricultural products are shipped by truck at some point. 9.6 million people have jobs directly or indirectly related to trucking. In addition, trucking contributes over 5 percent of America's gross domestic product which is the equivalent of $372 billion to the economy.

Along with these astonishing facts about trucking, here are some more facts about this fuel crisis:

fuel taxes account for about 28 percent of what you pay for a gallon of gas at the pump;

the government imposes 43 different direct and indirect taxes on the production and distribution of gas, bringing the total burden to 54 percent of the price of a gallon of gas;

U.S. oil production is down 17 percent from 1992, consumption is up 14 percent;

DOE estimates the United States will use 65 percent foreign oil by 2020;

the United States spends $300 million per day, and $100 billion per year on foreign oil;

and oil makes up one-third of our trade deficit.

I know what our truckers are going through. I put myself through college driving a truck and I just recently got my Colorado commercial driver's license so that I could get back into driving. Since I own a small rig, I know firsthand how the fuel crisis impacts those who depend on it. My fuel bills have doubled in the last year alone.

Hundreds of truckers from all over have come to Washington to ask for help on three different occasions in the last few weeks. One thing I have learned is that when many private citizens give their time to come to Washington, the issue is not profit margins, or stock prices, it is because they are fighting for their families' very livelihood.

I met a man named Wesley White from Oregon, who said he was on his last run. He could not afford to continue fueling his truck. He has spent his pension to buy the truck, but when he gets home, he's parking it for good. Without the income derived from delivering goods he will not be able to make truck payments and will lose the truck. Another trucker I met was living with his wife and two small children in the truck sleeper because the increase in diesel costs did not leave them enough money to pay their house rent.

Unfortunately, the administration has ignored the plight of these hard working Americans. This administration got us into this mess by their total lack of an energy policy. They stand in the way of domestic oil production by locking up public lands and refuse to release federal fuel stockpiles already in place.

Now, faced with skyrocketing diesel prices, they still do nothing of substance, instead they wanted to wait for OPEC to meet in Vienna which happened on March 27 and 28 of this year, hoping that the outcome would be favorable for the U.S., which is debatable. But can we trust this outcome when the U.S. has sanction on 8 out of the 11 OPEC nations?

Recently, the Energy Secretary went to the Middle East with hat in hand, to beg for fuel. He claims that this increase in oil production will lower fuel costs by approximately 11 cents by the end of the summer. Well, what do we do until then? The crisis is happening now. Also administration officials come before Congress to propose studying alternative energy sources, which is fine, but I have news for them: Trucks today run on diesel, not wind or solar power. Everything we buy to eat and wear comes on a truck. If the trucks stop rolling, this Nation stops rolling.

The benefits from this recent increase in oil production will not be seen for months. We need solutions now before any more Americans lose their jobs because of high fuel prices.

I am pleased the pending legislation includes a provision which is similar to a bill I introduced more than a month ago on March 2, S. 2161 the American Transportation Recovery and Highway Trust Fund Protection Act of 2000. My bill would temporarily suspend the federal excise tax on diesel fuel for one year or until the price of crude oil is reduced to the December 31, 1999 level. It would replace the lost revenues with monies from the budget surplus in the general fund, while protecting the Highway Trust Fund. S. 2161 is endorsed by the American Trucking Association, the Independent Truckers Association, and the Colorado Motor Carriers Association to name just a few.

The provision in the pending legislation states that in the event the national average price of unleaded regular gasoline rises to $2 per gallon or more, it would further suspend all federal excise taxes on fuels, while retaining only the 0.1 percent portion devoted to Leaking Underground Storage Tanks Trust Fund. I believe this action would be an important step forward to help relieve the escalating burden on America's truckers and farmers.

But, these bills are only short-term solutions, and only one step which could be taken. Our real problem is our dependence on foreign oil. In 1973, the year of the Arab oil embargo, the U.S. bought 35 percent of its oil from foreign sources. Today, we buy 56 percent, by some reports 62 percent. All the negotiations the administration is doing to get OPEC to open the spigots is not more than a band aid approach to a problem that will continually revisit us as long as we are dependent on foreign oil. It is unfortunate that we, a global superpower, are reduced to begging, and now we have to take what we can get from OPEC. More forceful actions need to be taken to expose the severity of this problem and address it now, not in the months to come. We cannot stand by and do nothing of consequence while good people lose their means of support.

The Federal fuels tax holiday bill is an important step forward to provide relief to hard working Americans from the burden of rising fuel prices, and I urge my colleagues to support cloture so we can pass this bill.

I thank the Chair and yield the floor.

● Mr. ROCKEFELLER. Mr. President, I wish to take this opportunity to explain why I missed the vote on the motion to invoke cloture on S. 2285, the Federal Fuels Tax Holiday bill, and more importantly, to explain why I would have voted against cloture on this bill.

I had to be absent for this vote because I was traveling to Taiwan, where I became the first Member of the U.S. Congress to visit its newly elected leadership. I made the trip to discuss and reinforce Taiwan's close economic ties with my state of West Virginia, and to relay our country's interest in Taiwan and its continued stable relations with China.

Had I been in Washington, DC, for this vote, I would have most assuredly voted against it. I would have opposed cloture for a number of reasons, including my philosophical opposition to the frequent use of the cloture procedure by the majority to foreclose Democratic initiatives. However, I was happy to see that this cloture motion failed because of more substantive concerns. Quite simply, this bill represents bad tax policy, bad energy policy, and bad transportation policy, all dressed up in an election year wrapper.

Proponents of the gas tax ''holiday'' would have us believe that this bill—which would have cut more than $200 million in federal highway money for West Virginia—was offered to do something about the recent price increases for gasoline and other fuels. Petroleum products are taxed at the refinery, not at the pump, and consumers would not have seen any of the savings passed through to them. Consumers in some states would even have seen their state gasoline tax go up in response to the federal tax going down. The effect of this bill would have been the creation of a windfall for oil companies and middlemen, with West Virginians still paying much more than the national average for a gallon of gas.

Mr. President, I would like to briefly discuss some of the problems with this legislation. The proposed 4.3 cent reduction would translate to more than $4 billion in lost revenue that would otherwise go to the Highway Trust Fund. The complete elimination of fuel taxes that would have been triggered by the price of gas going above $2.00 would explode that shortfall to more than $20 billion—all to be made up from a surplus that some would argue does not exist. These funding reductions would have put hundreds of thousands of Americans out of work, jeopardized projects to upgrade our aging transportation infrastructure, and put millions of highway users at risk.

In addition to the severe cutback in the highway funding mechanism, which we were so happy to put in place two years ago with the passage of TEA–21, the impact of the fuel tax repeal would have left the Airport and Airway Trust Fund under-funded to the tune of about $700 million a year. The effect on airline passenger safety, and on airport construction and maintenance projects, would be devastating.

Repeal of the gasoline excise tax would have eliminated the tax incentives we in Congress have instituted to expand the use of alternative fuels. Without the general excise tax from which to partially exempt alternative or blended fuels, there would be no realistic means of bringing our nation into compliance with fuel diversity standards we have previously worked to put in place. As this temporary worldwide shortage of gasoline demonstrates so painfully at the pumps, the United States needs an energy policy that weakens the grip of foreign suppliers.

Finally, Mr. President, I would like to comment on an earlier cloture vote on this issue. On March 30 I voted for the cloture motion on the motion to proceed to this bill. I voted this way not because I supported the gas tax repeal, but precisely because I thought the Senate should proceed to consideration of the bill, so that its many faults could be debated, and the bill could be voted down.●

Mr. BYRD. Mr. President, in response to the inquiry from the senior Senator from Virginia, Mr. WARNER, I would like to pass on my views on the intent and impact of Section 1(f)(4) of S. 2285. This provision, as Senator WARNER pointed out, is indeed unprecedented in the history of the law governing the Highway Trust Fund. As I read this provision, it is an attempt to make up for the losses in deposits that would occur to both the Highway and Airport and Airway Trust Funds as a result of a reduced fuel tax in this bill with transfers from the general fund of the Treasury. As has been pointed out by other Senators during debate on this bill, the legislation does not state with specificity how this diversion of general funds is to occur. It is not clear whether these general funds would be derived from the non-Social Security surplus or be required to be diverted from other areas of federal spending.

Finally, Mr. President, I would like to recognize the excellent staff work of Ann Loomis of Senator WARNER's staff, Ellen Stein of Senator VOINOVICH's staff, Tracy Henke of Senator BOND's staff, Mitch Warren of Senator LAUTENBERG's staff, Tom Sliter and Dawn Levy of Senator BAUCUS' staff, as well as Peter Rogoff, of my Appropriations Committee staff, on this effort.

Mr. President, I ask unanimous consent that letters of support from a number of interest groups be printed in the RECORD.

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

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA,
Alexandria, VA, April 10, 2000.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, DC

DEAR SENATOR BYRD: The Associated General Contractors of America (AGC) greatly appreciates your vote in favor of the Byrd-Warner-Baucus-Voinovich-Lautenberg-Bond Sense of the Senate Amendment to the Budget Resolution. Your vote in support of not tampering with the federal gas tax and the Highway Trust Fund demonstrates your commitment to improving our nation's highways, bridges and transit systems.

The amendment, which was overwhelmingly approved by the Senate 66 to 34, declares the Senate's support for maintaining the current level of federal motor fuels taxes. The Senate has consistently rejected efforts to repeal portions of the federal gas tax. In 1998, 72 sitting Senators voted against repeal of the 4.3-cent gas tax. The next day, the entire Senate voted to spend the 4.3 cents for badly needed highway and transit improvements.

It is imperative that the Senate continues to oppose any efforts to reduce the federal gasoline taxes on either a temporary or permanent basis. These user fees save lives, reduce congestion and create thousands of American jobs. Any reduction or suspension of the federal gasoline tax threatens to erode the spending levels guaranteed in the Transportation Equity Act for the 21st Century (TEA–21). Moreover, the reduction in gasoline taxes provides no guarantee that consumers will experience any reduction in the price at the pump.

Again, thank you for your support of the Byrd-Warner-Baucus-Voinovich-Lautenberg-Bond Sense of the Senate Amendment to the Budget Resolution. Please continue to help defeat any efforts to reduce the federal gasoline taxes and preserve the integrity of the Highway Trust Fund.

Sincerely,

JEFFREY D. SHOAF,
Executive Director,
Congressional Relations.

AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION,
Washington, DC, April 7, 2000.

Hon. PAT ROBERTS,
U.S. Senate,
Washington, DC.

DEAR SENATOR ROBERTS: On behalf of the 5,000 members of the American Road and Transportation Builders Association (ARTBA), thank you for your April 6 vote in support of the Byrd-Warner-Baucus-Voinvoich-Lautenberg-Bond Amendment to the proposed FY2001 budget resolution.

We greatly appreciate you going on record in opposition to efforts to repeal or suspend the federal motor fuels tax in response to rising gas prices. We have notified our members in your state that you voted to support retaining the current federal motor fuels tax and sent a strong signal against proposals that would place funding for state highway and mass transit improvement programs at risk.

Unfortunately, this issue may come before the Senate again the week of April 10. We understand S. 2285, or some variation thereof, may be brought to the Senate floor in the near future as a stand-alone bill or as an amendment to other legislation. S. 2285 would temporarily repeal 4.3 cents of the federal motor fuels tax from April 15, 2000, through January 1, 2001. The bill would repeal the entire 18.4 cents federal gas tax if the national average price for a gallon of gasoline rises above $2.00. The bill proposes to use the ‘‘on-budget surplus’’ to ‘‘reimburse’’ the more than $20 billion that could be lost to the Highway Trust Fund under this scheme.

We hope you will vigorously oppose S. 2285 or like proposals.

This bill introduces uncertainty and risk into state highway and mass transit funding. Federal investment in these areas is already guaranteed under TEA–21. There is no need to risk this guarantee for a promise that things will be taken care of using the ‘‘on-budget surplus.’’

The fact is, S. 2285 could utilize the entire FY 2000 ‘‘on-budget surplus.’’ According to the Senate Budget Committee’s Informed Budgeteer, the Congressional Budget Office has re-estimated the FY 2000 ‘‘on-budget surplus’’ to be $15 billion. Repealing the entire federal gas tax from April 15 to September 30—a possibility under S. 2285—would cost the Highway Trust Fund approximately $15 billion.

This would leave no room for other Republican or Clinton Administration budget priorities . . . or for using the ‘‘surplus’’ to pay down the national debt . . . or to protect Social Security and Medicare. The House has already adopted a supplemental appropriation bill for FY 2000 that would tie-up $16.7 billion of the ‘‘on-budget surplus’’! The proposed supplemental is but one of many measures that would utilize the ‘‘on-budget surplus.’’

Again, we thank you for your vote April 6. We need you to be with us again in opposition to S. 2285.

Sincerely,

T. PETER RUANE,
President & CEO.

AAA WASHINGTON OFFICE,
Washington, DC, April 4, 2000.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, DC.

DEAR SENATOR BYRD: AAA is pleased to lend its support to your amendment to the Senate budget resolution, S. Con. Res. 101, expressing the ‘‘Sense of the Senate’’ that the federal gasoline tax should not be reduced or repealed.

AAA has serious concerns about efforts to suspend or repeal any portion of the federal excise tax on gasoline. While attractive at first glance, this course of action will do little to address the root cause of our gasoline price problem today, which is a shortage of supply caused by curtailed production of crude oil by OPEC member nations.

The benefit to motorists from reducing the gas tax is, at best minimal—repealing 4.3 cents would amount to about $1/week for the average consumer. However, as your amendment points out, the resulting loss of revenue to the Highway Trust Fund would be disastrous to the important work of fixing the nation’s highways and bridges and improving safety.

It is highway and traffic safety that is of most concern to AAA. Lower receipts to the Highway Trust Fund compromise the safety of the traveling public. We take these roads back and forth to work and on vacations, our children take these roads to school, and our public safety officials use these arteries to respond to emergencies.

Asking Americans to choose between a gas tax reduction and safety is posing the wrong question. The right question is: How should Congress and the Administration manage an energy strategy that reduces dependence upon a foreign cartel? That way motorists would have the safe highways they’ve paid for through their gas taxes and an oil supply they can rely on. Short-term fixes, while politically popular, are not in the best interests of highway safety and the overall economic well being of the nation.

Congress made a very important decision by creating the Highway Trust Fund and establishing the direct link between user fees paid by motorists and trust fund monies dedicated to improving the nation’s surface transportation. Because of TEA–21, the trust fund is now dedicated to providing Americans the safe and efficient transportation system on which they have paid and on which they rely.

Again, AAA appreciates your continued leadership on transportation issues and is pleased to support your amendment.

Sincerely,

SUSAN G. PIKRALLIDAS,
Vice President,
Public & Government Relations.

CONSTRUCTION INDUSTRY MANUFACTURERS ASSOCIATION,
Washington, DC, April 7, 2000.

Hon. PETE V. DOMENICI,
U.S. Senate,
Washington, DC.

DEAR SENATOR DOMENICI: The Construction Industry Manufacturers Association (CIMA) thanks you for your support of the amendment to S. Con. Res. 101 to oppose a reduction of federal fuel taxes. CIMA is the full service, innovative business resource for over 500 construction equipment manufacturers and services providers.

CIMA’s membership was alerted to this amendment and actively lobbied for a favorable vote. The bipartisan support for the amendment demonstrates that an overwhelming majority of the Senate supports the user fee concept to build and maintain our nation’s roads, highways and bridges.

A reliable transportation infrastructure is essential to maintain the strength of the U.S. economy and for the American public to enjoy safe and efficient modes of travel.

CIMA thanks you for your support.

Sincerely,

DENNIS J. SLATER,
President.

LABORERS’ INTERNATIONAL UNION OF NORTH AMERICA,
Washington, DC, March 28, 2000.

DEAR SENATOR: On behalf of the more than 800,000 members of the Laborers’ International Union of America, I am writing to urge you to oppose any effort to temporarily repeal the entire 18.4 cents per gallon gas tax to offset the recent increases in the price of gasoline, diesel and aviation fuel. While a repeal of the gas tax would most certainly result in less spending on transportation infrastructure, safety programs and job losses, there is simply no guarantee that it would result in lower prices at the pump.

The current plan likely to be considered on the Senate floor proposes to suspend the 4.3 cents gas tax immediately. However, even if the 4.3-cents tax is suspended, few consumers will likely see savings at the pump for at least two reasons. First, the tax is not actually imposed at the gas pump; rather it is collected shortly after it leaves the refinery. The fuel can pass through several middlemen before it reaches the consumer. None of these middlemen would have to pass along the savings. Those supplying the fuel could simply keep the reduced tax. Past experience has shown that as the wholesale cost of fuel goes up, prices at the pump increase. Decreases in fuel taxes, however, have not necessarily been passed on to motorists and motor carriers.

Several years ago, Connecticut reduced their state fuel tax but it did not translate into a price cut for consumers. As the Hartford Courant noted in 1997, after prices failed to come down.

‘‘Gas taxes and prices are not connected in an ironclad way. The tax can be cut, but the benefits to consumers will be swallowed up in higher prices at the pump. In the future, the governor and legislature should build tax policy on a firmer foundation.’’

Secondly, some states, such as California, have laws that automatically increase the state fuel tax with any reduction in the federal fuel tax. In those states, the consumer would realize no tax savings at all.

The new Senate plan calls for funding the gas tax repeal out of the budget surplus, a proposal that would supplant other legislative priorities. In 1997, Congress transferred the revenue from the taxes imposed on highway users to the Highway Trust Fund to help pay for highway and transit infrastructure, and for highway safety programs. The 4.3-cent tax on gasoline and diesel brings in $7.2

billion to the Highway Trust Fund annually—$5.8 billion for highways and $1.4 billion for transit. When Congress passed the TEA–21 bill, it established a direct link between these funds and the funding returned to the states and cities for highways and transit. Under TEA–21, all highway programs—highway construction, highway safety, transportation enhancements and high-priority projects—are decreased proportionally if tax revenues fall. Using the budget surplus for transportation puts highway construction, highway safety and transit programs at risk when Congress reauthorizes them in 2003, because the funding levels in TEA–21 will not be sustainable without a tax increase or continued transfers from the General Fund.

In essence, repealing the gas tax could reduce spending for highway construction, transit and other transportation infrastructure programs and draw down the budget surplus without ever putting one cent, and at the very most pennies a week, into the pocket of the average consumer. To put it simply, it's a bad idea.

For all the above reasons and more, we ask you to oppose any effort to repeal or suspend any portion of the gas tax if the full Senate considers it.

Sincerely yours,

TERENCE M. O'SULLIVAN,
General President.

AMERICAN PORTLAND CEMENT ALLIANCE,
Washington, DC, April 6, 2000.

Hon. JOHN WARNER,
U.S. Senate,
Washington, DC.

DEAR SENATOR WARNER: On behalf of the American Portland Cement Alliance (APCA), a trade association representing virtually all domestic portland cement manufacturers, thank you for voting in favor of the Byrd-Warner-Baucus-Voinovich-Lautenberg-Bond sense of the Senate amendment to the budget resolution.

As you know, an attempt to repeal or temporarily suspend the federal fuels user fees (gasoline tax) may occur next week, possibly during consideration of the Marriage Penalty Tax legislation. Because the amendment would likely reimburse the transportation trust funds with General Fund revenues, its enactment could easily consume this year's entire projected budgetary surplus (not required to protect the Social Security Trust Fund). In short, if you have other priorities, such as paying down the national debt, estate and marriage penalty tax reductions, Medicare, or education, the money will be gone.

APCA is deeply concerned that any reduction in the user fee would undermine TEA–21 and the funding commitment that legislation made to the states for highway and mass transit programs. Any reduction in these user fees would jeopardize the funding guarantee under TEA–21 and, more importantly, introduce uncertainty for state highway and transit improvement programs, and the construction and material supply industries, such as the cement manufacturers. Therefore, I respectfully ask that you vote against any measures to repeal the federal fuels user fees.

Again, thank you for your support on the Byrd-Warner-Baucus-Voinovich-Lautenberg-Bond sense of the Senate amendment.

Sincerely,

RICHARD C. CREIGHTON,
President.

AAA WASHINGTON OFFICE,
Washington, DC, April 7, 2000.

Hon. DANIEL K. AKAKA,
U.S. Senate,
Washington, DC.

DEAR SENATOR AKAKA: AAA thanks you for your vote in support of the amendment offered by Senator Robert Byrd (D–WV) to the fiscal year 2001 budget resolution. The 66–34 vote in favor of the Byrd amendment is a clear signal that the majority of the U.S. Senate does not support efforts to suspend or repeal any portion of the federal excise tax on gasoline.

AAA continues to have serious concerns about efforts to reduce the federal gas tax. Motorists will see very little benefit from the repeal and they could, in fact, face significant safety problems. The loss of revenue to the Highway Trust Fund would be disastrous to the important work that needs to be done to improve the nation's highways, bridges, and safety programs. A gas tax repeal is a short-term fix to a long-term problem and is not in the best interests of highway safety.

AAA encourages you to stand firm in opposition to further consideration of any effort to repeal or suspend the federal gas tax.

Sincerely,

SUSAN G. PIKRALLIDAS,
Public and Government Relations.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. How much time remains?

The PRESIDING OFFICER. The Senator has 40 seconds.

Mr. MURKOWSKI. I respond by telling my friend, Senator WARNER, that the gas station is the most competitive business in this country. I yield the remaining time to my friend, Senator SMITH of New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. How much time remains?

The PRESIDING OFFICER. The Senator has 30 seconds.

Mr. SMITH of New Hampshire. Mr. President, under S. 2285, lost revenues to the highway trust fund would be made up dollar for dollar from the on-budget surplus. Let's not forget that we are in this position because the President of the United States does not have an energy policy. We cannot continue to risk both the well-being of the American people and our national security. This policy of relying on overseas energy has left us vulnerable to the whims of foreign countries.

Passage of S. 2285 will bring relief to working families and protect our highway trust fund. I urge my colleagues to support the legislation.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I will use a few minutes of my leader time, if I may, because I understand we have no time on our side either.

I ask unanimous consent that a letter sent to me by two Cabinet officials, Larry Summers and Bill Richardson, be printed in the RECORD at this point.

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

APRIL 10, 2000.

Hon. THOMAS DASCHLE,
Minority Leader,
U.S. Senate; Washington, DC. 20910

DEAR SENATOR DASCHLE: The Administration believes that Congress should pass critical tax credits and incentives that would promote energy efficiency and the use of renewably energy resources to enhance our energy security, instead of a temporary suspension of fuel taxes that will offer consumers little tangible benefit while risking highway and mass transit funds and squeezing other key priorities like education and law enforcement.

We urge the Congress to adopt measures that would address fundamental energy needs. The President has proposed a comprehensive tax package, including new tax credits for domestic oil producers and essential incentives to promote energy efficiency and the use of renewable energy sources. Congress should pass the President's tax package and fund fully his fiscal year 2001 budget and 2000 Supplemental to promote energy security through the use of domestic energy technologies. Enactment of these proposals would reduce the effect of high energy prices, decrease our dependence on imported oil, and improve the environment.

Much of the benefit of the proposal would accrue to OPEC and other producers rather than American consumers, in contrast to the Administration's approach, which seeks to enhance energy security by increasing domestic energy supplies and energy efficiency. Reducing fuel taxes would increase the demand for imported oil. The quantity of oil in the world market in effectively fixed in the short term. The combination of increased demand and a fixed supply would increase the price of oil, with much of that increase accruing to OPEC instead of American consumers.

The Transportation Equity Act for the 21st century, PL. 105–178, signed by the President on June 9, 1998, guarantees that funds deposited in the highway account will be automatically spent on federal highway and construction needs. The transportation fuels taxes are in the nature of user fees to recoup those costs. We believe that this legislation is inconsistent with this national policy that users of the nation's transportation system should pay for the costs of building and maintaining our transportation infrastructure. There is no justification for shifting transportation infrastructure costs, as S. 2285 would do, from the users of this transportation system to taxpayers generally.

We are concerned that S. 2385 only partially protects the Social Security Trust Fund. It provides that the revenue loss from rate reductions in excess of 4.3 cents per gallon may not exceed the on-budget surplus. The 4.3-cents-per-gallon rate reduction, however, would apply even if it remits in an on-budget deficit. In any case in which the rate reduction results in a deficit, the ultimate effect is that a portion of the Social Security Trust Fund equal to the deficit is diverted to maintain highway spending programs at their current level. In addition, S. 2285 would affect receipts and is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990.

Finally, we are concerned that this proposal cannot be administered. S. 2285 provides that the aggregate revenue effect of rate reduction in excess of 4.3 cents per gallon not exceed the on-budget surplus during the period the taxes are reduced. We are concerned about our ability to administer this limitation if the rate reductions in excess of 4.3 cents per gallon are triggered. Because the rate reduction period does not coincide with normal budgetary accounting periods, the budget surplus for the period may never be known.

For the forgoing reasons, we strongly oppose S. 2285. We look forward to working with you on meaningful legislation that will promote domestic energy solutions and reduce our long-term dependency on foreign oil.

Sincerely,

LAWRENCE H. SUMMERS.
BILL RICHARDSON.

Mr. DASCHLE. Basically, the letter says what a number of our colleagues have been saying throughout this debate, that this could have devastating consequences on general revenues as well as on the Social Security trust fund per se.

It says, briefly reading a couple of paragraphs:

In any case in which the rate reduction results in a deficit, the ultimate effect is that a portion of the Social Security Trust Fund equal to that deficit is diverted to maintain highway spending programs at the current level. In addition, S. 2285 would affect receipts and is subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990.

We are concerned that this proposal cannot be administered. S. 2285 provides that the aggregate revenue effect of rate reductions in excess of 4.3 cents per gallon not exceed the on-budget surplus during the period the taxes are reduced. We are concerned about our ability to administer this limitation if the rate reductions in excess of 4.3 cents per gallon are triggered. Because the rate reduction period does not coincide with normal budgetary accounting periods, the budget surplus for the period may never be known.

We ought to have a very good and thorough discussion about the implications of this bill prior to the time we are called upon to vote on it. By voting for cloture now, we cut off debate that never was. We cut off a debate that ought to provide a thorough examination of the implications on the Social Security trust fund, of the budget overall, of highway construction this year, of the implications for infrastructure in the outyears, of the solvency of the trust fund in periods beyond this fiscal year. All of those issues have not been debated.

For that reason, I hope my colleagues will join me in opposition to the cloture vote to be cast today.

I yield the floor.

CLOTURE MOTION

The PRESIDING OFFICER. All time has expired. Under the previous order, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant 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, do hereby move to bring to a close debate on Calendar No. 473, S. 2285, a bill instituting a Federal fuels tax holiday:

Trent Lott, Judd Gregg, Connie Mack, Kay Bailey Hutchison, James Inhofe, Frank H. Murkowski, Paul Coverdell, Michael Crapo, Thad Cochran, Charles Grassley, Jim Bunning, Gordon Smith, Ben Nighthorse Campbell, Larry E. Craig, Bob Smith, and Don Nickles.

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

The question is, Is it the sense of the Senate that debate on S. 2285, a bill instituting a Federal fuels tax holiday, shall be brought to a close?

The yeas and nays are required under the rule. The clerk will call the roll.

The bill clerk called the roll.

Mr. REID. I announce that the Senator from West Virginia (Mr. ROCKEFELLER) is necessarily absent.

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

The yeas and nays resulted—yeas 43, nays 56, as follows:

[Rollcall Vote No. 80 Leg.]

YEAS—43

Abraham	Gramm	Murkowski
Allard	Grams	Nickles
Brownback	Grassley	Roth
Bunning	Gregg	Santorum
Burns	Hagel	Sessions
Campbell	Hatch	Shelby
Cochran	Helms	Smith (NH)
Collins	Hutchison	Smith (OR)
Coverdell	Inhofe	Snowe
Craig	Kyl	Specter
Crapo	Lott	Stevens
DeWine	Lugar	Thompson
Domenici	Mack	Thurmond
Fitzgerald	McCain	
Gorton	McConnell	

NAYS—56

Akaka	Edwards	Levin
Ashcroft	Enzi	Lieberman
Baucus	Feingold	Lincoln
Bayh	Feinstein	Mikulski
Bennett	Frist	Moynihan
Biden	Graham	Murray
Bingaman	Harkin	Reed
Bond	Hollings	Reid
Boxer	Hutchinson	Robb
Breaux	Inouye	Roberts
Bryan	Jeffords	Sarbanes
Byrd	Johnson	Schumer
Chafee, L.	Kennedy	Thomas
Cleland	Kerrey	Torricelli
Conrad	Kerry	Voinovich
Daschle	Kohl	Warner
Dodd	Landrieu	Wellstone
Dorgan	Lautenberg	Wyden
Durbin	Leahy	

NOT VOTING—1

Rockefeller

The PRESIDING OFFICER. On this vote, the yeas are 43, the nays are 56. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. WARNER. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

MARRIAGE TAX PENALTY RELIEF ACT OF 2000

Mr. LOTT. Mr. President, I ask unanimous consent that the Senator proceed to Calendar No. 437, H.R. 6, the marriage penalty tax repeal bill, and that the motion to proceed be agreed to, that the bill be subject to debate only, equally divided, and at 4 p.m. the majority leader be recognized.

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

The assistant legislative clerk read as follows:

A bill (H.R. 6) to amend the Internal Revenue Code of 1986 to reduce the marriage penalty by providing for adjustments to the standard deduction, 15-percent rate bracket, and earned income credit and to repeal the reduction of the refundable tax credits.

The Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, I will briefly explain what we have in mind, and then I believe Senator INHOFE has some comments he wants to make on another issue before we go to the actual debate on the marriage tax penalty.

Senator DASCHLE and I have been talking. As a result of the caucus luncheon, the Democrats have some amendments they want to have made in order. If they are relevant or if they are close to being relevant in a way we can have debate and votes on them, we would like to work out an agreement to do that. I have asked him to provide me a list of those amendments so we can make sure we understand what they are and have a chance to assess their relevancy.

It is preferable we do that rather than filing cloture and having a cloture vote. I believe the American people think it is time to quit talking about the marriage tax penalty and do something about it. I know Senator MOYNIHAN has a different approach as to how to deal with it. It is credible. We have looked at that and debated it in the Finance Committee. Certainly, that substitute or other substitutes should be offered.

Rather than just mark time and not accomplishing anything, this will put us into general debate on the marriage tax penalty until 4 p.m. Then in an hour, we will have a chance to get an agreement on how to proceed. I want us to debate this issue, fully understand the ramifications of what the Finance Committee reported out, have debate on the amendments and vote on those amendments and complete this legislation. The American people believe it is time we do this.

I cannot help remembering what we did on the Social Security earnings test. We made in order a couple of amendments. We had a good debate, and we had a vote or two and passed it unanimously. I believe most Members of the Senate, if not all, realize there are inequities with the marriage tax penalty and we should do something about it. I want to facilitate getting to that point.

The House has acted overwhelmingly. We are going to see if we can work out an accommodation and obtain a UC agreement as to how to proceed.

If I need to, I will take leader time to make this brief comment on the bill on which we just voted. The Senate has spoken, although I note there were 43 Senators who thought there should be some sort of fuels tax holiday so that working Americans could have some relief.

I emphasize, this issue is not over. I fear gasoline prices are going to go up. The fact is, we are still dependent, and