Alaska Pipeline, I have heard the allegation that oil and gas development will hurt the caribou that thrive within our State. This argument was made during the building of the 800 mile Trans Alaska Pipeline 20 years ago. It has now been dusted off and used in the debate against developing ANWR. Mr. Speaker, I think the truth about development's impact upon caribou can be easily found by looking at the impact over the past 20 years of the Trans Alaska Pipeline.

When the pipeline was being built the caribou population of the Central Arctic Caribou Herd was at 3,000. Since development, populations have been as high as 23,400. The reason caribou have thrived on the North Slope is because our arctic development has relied on technological advances which actually help create a favorable environment for the wildlife. With directional drilling and ice roads and pads, the oil and gas industry can utilize technology to protect wildlife and the environment.

Madam Speaker, developing the coastal plain of my home State of Alaska to responsible drilling is the right thing to do. This small development will supply this country with vital energy resources while doing no harm to the environment. Utilizing such a small area, as Congress intended, to service our Nation's energy needs is an important part of a comprehensive energy policy and something that can be done with balance to conserve the environment. It is something that the Native Alaskan population that call the coastal plain home want. It is something that a majority of Alaskans want. And oil and gas production from Alaska's coastal plain is something this nation needs.

The SPEAKER pro tempore (Mrs. BIGGERT). Under a previous order of the House, the gentleman from Indiana (Mr. HOSTETTLER) is recognized for 5 minutes.

(Mr. HOSTETTLER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. VISCLOSKY) is recognized for 5 minutes.

(Mr. VISCLOSKY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

USING THE TAX CODE TO BUILD SCHOOLS IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Madam Speaker, we have had a number of great fiscal debates on this floor. Yesterday we confronted the issue of how to use the Tax Code to help build schools in America. The Democrats had one approach, the Republicans had another. And the bill which was passed yesterday, unfortunately, was a blend of the two.

The Democrat approach makes an awful lot of sense. It builds on the tradition we have in this country that when school districts issue school bonds, the Federal Government gives them lower interest rates because the interest on those bonds is tax excluded, tax exempt, and accordingly those who buy bonds from school districts agree to lend that money with a low rate of interest.

Building on that, the Democrats have suggested that school districts, in effect, get zero-interest bonds, the chance to issue bonds where the holders of those bonds get no interest at all paid for by the school district, but rather they receive a tax credit from the Federal Government. So instead of subsidizing the interest cost, the Federal Government through the Tax Code would pay the interest costs.

The effect for school districts is to reduce their borrowing costs by one-third. That is to say, instead of repayment costs that might cost a school district $100,000 a year, they would be making repayment costs of $66,000 a year. That will allow school bonds to be sold throughout this country and allow us to build and revitalize schools, and that is important for our education.

What the bill we dealt with yesterday does is instead of providing $25 billion of these special tax credit, no-interest, lowest possible cost bonds to the school districts, providing $25 billion over a period of 2 years, it provides only $15 billion of those bonds over a 3-year period. Roughly half of what we Democrats suggested.

Now, in one way it is a little more than half. We wanted 25, they gave us 15. But if we really look at it, it is a little less than half. We wanted $12.5 billion a year; they are providing $5 billion a year. And what is also bad is that they have weaseled the Davis-Bacon language so that not only do school districts get less than half of the help they need, but we are going to get substandard schools built at substandard wages in inadequate quantity.

The Republicans, though, did provide another method of helping school districts. It was a new idea and an exciting idea. A terrible idea. An idea which will cost the Federal Government over $2 billion, but is worse than nothing to the school districts. What they are going to do is relax the arbitrage rules. What that means is they are going to turn to school districts around this country and say, ''We know you are going to issue tax exempt bonds, but when you do so, do not use the money to build schools right away. We are going to let you play with the money for 4 years.''

So this is a special incentive from the Federal Government to help the school districts. We are going to give them a free ticket to Las Vegas with the bond proceeds. Take the bond proceeds and go gamble them, and that is what Congress wants school districts to do.

Madam Speaker, did we forget what happened to Orange County, California, which went bankrupt just a few years ago? The idea will not help build a school on Elm Street, but it will help build skyscrapers on Wall Street.

The idea that we would encourage school districts to take 4 years, when they did not build schools and instead played with the money, does nothing for education. It will cost the government over $2 billion.

But I understand where the impetus for this provision comes from, because for many years I practiced tax law. I would emerge from the tax law library after 12 dreary hours of reading fine print regulations and I would say at least my job is exciting compared to those tax lawyers who are subspecialists in tax law for tax exempt bonds. That is the most boring job I can imagine, and I was a tax nerd for many years. I know boring.

The Bond Council want the excitement of the investment bankers. We should not do it. We should build schools now.

COMPREHENSIVE SCHOOL CONSTRUCTION LEGISLATION NEEDED BEFORE THE END OF 106TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. CAPPS) is recognized for 5 minutes.

Mrs. CAPPS. Madam Speaker, today I would much rather be on my way back home to the central coast of California in order to spend time with my constituents. Instead, I rise to express my deep concern over an issue that greatly affects them as well as millions of other Americans: Schools in this country and in my communities which are overcrowded and in great disrepair.

In these last few hours in the 106th Congress, I am disappointed that we have not yet passed comprehensive school modernization legislation. But we are still in session and there is still time.

I strongly believe that education is a local issue. But overcrowding is a national crisis which demands a strong national response, not just a token. I have come to stand here on this floor several times on this topic. Recently, I held a letter signed by over 300 students from Peabody Elementary School in Santa Barbara expressing their desire for real, meaningful school construction legislation.

Now, this is a school in Santa Barbara built for 200 students which now houses over 600. These students know how disadvantaged they are when portable classrooms take up precious outdoor space which should be used in the development of their bodies and minds through physical activity. Time and time again, I have visited schools throughout my district which suffer from similar circumstances.

Madam Speaker, there is not a school in the Santa Maria Bonita district whose enrollment is not hugely impacted. One school comes to mind, Oakley, which was built for 480 students and now houses over 800. The high school district in Santa Maria is hoping to pass a bond measure because of the extreme overcrowding.