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Senate

(Legislative day of Wednesday, February 22, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the Honorable LAUCH FAIRCLOTH, a Senator from the State of North Carolina.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, the Reverend Dr. Earnest Gibson, First Rising Mount Zion Baptist Church, Washington, DC.

PRAYER

The guest Chaplain, the Reverend Dr. Ernest R. Gibson, pastor of First Rising Mount Zion Baptist Church, offered the following prayer:

Let us pray:

Blessed are the peacemakers: for they shall be called the children of God.—Matthew 5:9.

O gracious God, Thou who hast created all things and created Thine human creatures in Thine own image, we adore Thee and praise Thee. We magnify Thy name. There is none like Thee in all the Earth.

Thou hast given this country representative government and led us into peaceful paths. Thou hast given us men and women, through the electoral process, whom the people of this Nation have chosen to speak for them.

Lord, we ask Thee to be with Your elected servants as they consider what is best for Your people and nation. Help them to be sensitive to the needs of those whom You called Your ''little ones.'' Lord, may every legislative decision be one in which we can rejoice, thank the Senate, and give Your Name the honor and glory.

In the name of Him who said to Moses, and to others, ''I will be with thee.'' Amen.

APPOINTMENT OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will read a communication to the Senate.

The assistant legislative clerk read as follows:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 23, 1995.

To the Senate:

Under the provisions of rule 1, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable LAUCH FAIRCLOTH, a Senator from the State of North Carolina, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Under the previous order, the Senator from Alaska [Mr. MURKOWSKI] is recognized to speak for up to 20 minutes.

Mr. MURKOWSKI. Mr. President, I wish you a good morning.

THE ADMINISTRATION'S RESPONSE TO THE THREAT TO U.S. NATIONAL SECURITY POSED BY U.S. GROWING DEPENDENCE ON FOREIGN ENERGY

Mr. MURKOWSKI. Mr. President, I rise to discuss President Clinton's ''do nothing—and I repeat ''do nothing''—response to the threat to our national security from the rising tide of oil imports.

Mr. President, the threat posed by our growing dependence on foreign energy is once again in the spotlight because of last Thursday's release of the Commerce Department's report to the President titled ''The Effect of Imports of Crude Oil and Refined Petroleum Products on the National Security.'' The report found that:

> * * * the reduction in exploration, dwindling reserves, falling production, relatively high cost of U.S. production, and the resulting low rates of return on investments all point toward a contraction of the U.S. petroleum industry and increasing imports from OPEC sources. Growing import dependence, in turn, increases U.S. vulnerability to a supply disruption because non-OPEC sources lack surge production capacity; and there are at present no substitutes for oil-based transportation fuels which account for two-thirds of U.S. petroleum consumption.

Based on these findings, the Secretary of Commerce formally advised the President that:

> The Department found that petroleum imports threaten to impair the national security. I recommend that you confirm this finding.

Mr. President, it is reasonable to expect the President of the United States to take bold action—bold action—if the national security is at risk. President Clinton agreed that it is at risk, but he simply refuses to take action or propose anything. In his statement, President Clinton said:

> I am today concurring with the Department of Commerce's finding that the nation's growing reliance on imports of crude oil and refined petroleum products threaten the nation's security because they increase U.S. vulnerability to oil supply interruptions.

So far, so good. But President Clinton went on to say:

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

I also concur with the Department's recommendation that the Administration continue its present efforts to improve U.S. energy security, rather than to adopt a specific import adjustment mechanism.

So that is out.

Further, Mr. President, translated into English, President Clinton will not do anything; the administration will simply continue its existing policies—the very policies that allowed the threat to our national security to occur in the first place. I would have hoped that he would come up with at least one new initiative. I know that I could have. But he did not.

It is not that the report is trivial and can be ignored. It was put together by a high-level interagency task force led by the Department of Commerce, and included every major Federal agency; namely, the Department of Defense, the Department of State, the Department of the Treasury, the Department of the Interior, the Department of Labor, the Department of Energy, the Office of Management and Budget, the Council of Economic Advisers, and the U.S. Trade Representative. Public hearings were held throughout the country, and testimony was received from 69 witnesses. The report is well researched, thoughtful, and based on fact.

It is not that the President does not have any authority to act. He certainly does. Under the Trade Expansion Act, once a determination is made that imports threaten the national security, the President obtains broad powers. These powers have been used in the past against other threats to the national security, just as they should have been put to use here. Moreover, even if the President did not want to make use of the Trade Expansion Act authority, there is a host of other regulatory and administrative changes the President could take under existing law. If the President found these powers too limited, he could have proposed legislative changes. But for reasons I cannot fathom, he has not done a single thing other than continue the administration's policy which makes us more dependent on imports.

The President's don't worry, be happy attitude may be disturbing, but I guess it is not surprising. He is equally unwilling to promote hydroelectric power, nuclear power, or coal power. He strongly supports the use of natural gas, but not the domestic production of natural gas. Based on unfounded fears of the environmental community, he is unwilling to open up even the smallest amount of the Arctic National Wildlife Refuge for exploration and development, just as he does not want to see additional onshore and offshore Federal lands opened up.

I find it ironic that at the very moment that the President of the United States is saying that the administration will do nothing new to promote energy production in the United States, the Secretary of Energy is in China promoting Chinese energy production. Perhaps we should invite the Chinese Secretary of Energy to the United States to help our industry.

To this Senator, the President's decision to do absolutely nothing about a threat to our national security is nothing short of incredible. To agree with the Department of Commerce that the national security is at risk, but to take no action, is simply unconscionable. That is particularly mystifying because in 1992 candidate Bill Clinton made the following statement:

Our reliance on foreign oil is a genuine threat to our national and economic security. When George Bush took office, foreign oil made up a third of our trade deficit, and since then the U.S. has not had an energy policy. Now we import nearly half our oil, which accounts for two-thirds of our trade deficit. Even James Watkins, the President's Secretary of Energy, has written that the U.S. imports much of its oil "from potentially unreliable suppliers half a world away." That kind of dependence makes us vulnerable, and we must change that situation.

That was President Clinton the candidate.

Mr. President, there is an old saying that those who do not learn from the past are condemned to repeat it.

Does President Clinton remember the shortages, price increases, and long gasoline lines caused by the 1973 Arab oil embargo?

Does he remember the energy shortages during the 1976–77 winter, which shut down schools and businesses throughout the Midwest?

Does he remember the Khomeni revolution and the Iraq-Iran war which threatened international oil supplies?

Does he remember our reflagging Kuwaiti oil tankers to allow the United States Navy to protect them from Iran?

And, finally, does he remember Iraq's invasion of Kuwait, which threatened two-thirds of the world's oil reserves and resulted in one-half million United States troops laying their lives on the line?

Mr. President, that was a war over oil, make no mistake about it.

In refusing to take any action, however modest, President Clinton is putting hope over experience. He is also placing our energy and economic destiny into the hands of foreign producers—producing nations who have demonstrated time and time again, that they have their political and economic interests in mind, not ours.

Mark my words: If we do not pay attention to the present, we will relive the past.

We will look at the energy situation very briefly this morning.

Mr. President, there is no question that each day our energy situation is increasingly perilous. That is obvious from the data which I would now like to provide for the benefit of the Senate. I will first describe the rapid decline in U.S. crude oil production, and the state of natural gas production.

In 1970, U.S. crude oil production hit its all-time peak of 9.6 million barrels per day. In 1973, the year of the Arab oil embargo, U.S. production had fallen to 9.2 million barrels per day. Today, we produce only 6.6 million barrels per day, a 28-percent decline since 1973 and a 32-percent decline since 1970.

Today, the United States produces less crude oil than we did back in 1955. Had environmentalists succeeded in preventing the development of the Prudhoe Bay in Alaska, the United States would now be producing less oil than before 1949, the first year for which we have data.

I might add, that Prudhoe Bay has been contributing about 25 percent of the Nation's total crude oil for the last 17 years. That production is now in decline. We would like to open up new areas in Alaska to replace the decline of Prudhoe Bay, but clearly it is not the present policy at this time. I would hope the President would see fit to change his mind. He has been known to do that on occasion.

As bad as that sounds, it is only going to get worse. According to the Department of Energy, in 5 years the United States will be producing only 5.4 million barrels per day of crude oil. In the year 2005—only 10 years from now—U.S. oil production will fall to 5.2 million barrels per day. Thus, unless we take action, and take it now, in the year 2005 we will be producing about the same amount of crude oil as we did back in 1949.

To put this all in perspective, in 1949 there were only 36 million cars on the road; today there are 143 million on the road, four times as many. The good news, of course, is that energy efficiency has increased dramatically.

Although natural gas production has increased over the past 2 years, it is still 13 percent below the 1973 production rate. Moreover, the Department of Energy forecasts that natural gas production will not keep pace with increased demand over the next decade.

Let me now very briefly talk about our dwindling reserves of crude oil and natural gas.

As worrisome as the decline in U.S. production may be, the decline in U.S. proven reserves of crude oil and natural gas is even more worrisome.

From 1949 until 1968, the combined U.S. reserves of crude oil and natural gas increased every year. Beginning in 1968, however, production exceeded net additions to proved reserves, and net reserves began their current decline. Since 1968, except for the addition of Alaska's North Slope reserves in 1970, our combined proven reserves of oil and gas have consistently declined.

Today, U.S. proven reserves of crude oil are 40 percent below their peak in 1979. They are even lower than they were back in 1949.

Today, U.S. proven reserves of natural gas are 43 percent below their peak in 1967. They are also lower than they were back in 1949.

In this connection, it is interesting to note that the Commerce Department's report cites the decisions "against developing other geological prospects such as the Arctic National Wildlife Refuge and the Outer Continental Shelf" as key factors contributing to the decline of U.S. oil reserves.

It should not come as any surprise that the combination of increasing demand and declining production results in growing foreign dependence on imported oil.

In 1973, the year of the Arab oil embargo, we imported 6.3 million barrels per day of crude oil and refined petroleum products. We were 36 percent dependent on foreign oil.

Today, we import 8.9 million barrels per day of oil, making us more than 50 percent foreign dependent.

By the year 2005, the Department of Energy projects that we will import 12.5 million barrels per day of oil, making us 68 percent foreign dependent.

Although we are less dependent on imports of natural gas than we are on imports of oil, our natural gas imports are also rising. In 1973, we imported 5 percent of the natural gas we consumed. Today, we are importing 12 percent, and the Department of Energy projects that by the year 2005 our foreign dependence will increase to 14 percent.

As the Commerce Department's report notes, our growing dependence on foreign energy is very worrisome because:

"The United States and the OECD countries have limited prospects to offset a major oil supply disruption * * *." and that "(d)uring a major oil supply disruption, there could be substantial economic austerity as a result of the decreased availability of oil * * * (which would) pose hardships for the U.S. economy."

Our foreign oil dependency also has significant financial implications for the United States, particularly with respect to the trade deficit.

Each and every day we spend $140 million on foreign energy—$55 billion last year alone. Altogether, over the past decade we have spent one-half trillion dollars on imported energy.

Clearly, our economy would have been healthier and more of our workers employed if we had spent that money on domestically produced energy instead of on imports.

Imports of foreign energy have cost oil workers thousands of jobs, according to IPAA and Department of Commerce statistics. In 1981, there were 15,000 independent oil and gas producers; today there are less than 8,000. Total employment in oil and gas production has fallen from 700,000 in 1982, to 350,000 today—a 50-percent decline. We can only expect this to get worse over the next decade as domestic production declines and imports increase.

You do not have to be a rocket scientist to figure out what it all means. The Department of Commerce is right on target. Our economic and national security is threatened. Our growing dependence on foreign energy leaves the United States vulnerable to the whims of foreign producers. No matter how stable our energy supply now appears, the price and availability of energy from foreign nations has been, and will continue to be, a function of their political and economic priorities, not ours.

The problem is largely self-made. For example, the entire east coast of the United States is under a leasing moratorium, just as is the west coast and the eastern Gulf of Mexico off Florida's coast. There is great oil and gas potential there which can be developed with due regard to the environment. Drill in ANWR? Not a chance, says the environmental community.

We must not forget that the picture is no better for our other energy resources. For example, no new nuclear powerplant has been announced for two decades. It is difficult and costly for U.S. refineries to comply with environmental restrictions. Federal environmental laws and regulations likewise make it difficult and very costly to build a natural gas pipeline, a coal-fired powerplant, an electric transmission line, or a hydroelectric dam.

There is much that can be done to promote the production of domestic energy from our abundance resources. It ranges from the mundane to the controversial. But if we do not take action, our children are going to be very critical of us as they sit in long gasoline lines or are cold at night or are unemployed.

Mr. President, the Commerce Department's report is a clarion call to action, not a lullaby to put us to sleep. We have a choice: Produce more energy domestically, or suffer the consequences of our dependency. I choose the former; President Clinton chooses the latter.

Finally, Mr. President, I ask unanimous consent that the press release from the Independent Petroleum Association of America, the American Petroleum Institute, and the National Stripper Well Association be printed in the RECORD following my statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MURKOWSKI. I thank the Chair.

Mr. President, these press releases really express the petroleum industry's deep disappointment with the President's response to the Commerce Department's finding that oil imports threaten the national security.

Mr. President, I also want to bring to the attention of the Senate a letter to the President dated February 10, 1995, sent by 70 Members of Congress, myself included. This bipartisan letter identifies a host of administrative, regulatory, and legislative actions that the President could have taken in response to the Department of Commerce report. But as I have stated before, the President instead decided to do nothing, and this is disappointing to me and to my colleagues who signed the letter.

I ask unanimous consent that this letter be printed in the RECORD.

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

CONGRESS OF THE UNITED STATES

Washington, DC, February 10, 1995.

Hon. WILLIAM J. CLINTON,

President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: The Secretary of Commerce recently reported to you the results of an investigation, conducted under the Trade Expansion Act, into the impact of crude oil imports on the national security of the United States. The investigation determined that oil imports threaten to impair the national security of the United States. While this finding may be startling to some, that is exactly the point that so many of us made when we met with you, Secretary Bentsen, and Deputy Secretary White last June.

As required by the Administration's Domestic Natural Gas and Oil Initiative, the Department of Energy recently completed a cost benefit analysis to quantify the costs of imported oil that are not reflected in the price. DOE's analysis determined that the United States pays a hidden and exorbitant economic and environmental price for imported oil.

Clearly, it is imperative that we take immediate action to alleviate this threat to our national security. By removing unnecessary impediments to domestic exploration and development we can strengthen our domestic oil and gas industry and begin to correct this dangerous oil trade deficit.

During the 103rd Congress, a bipartisan group of Senators and Representatives submitted to you the attached comprehensive domestic oil and gas policy initiative. This is a balanced package of legislative proposals and regulatory actions that could immediately boost domestic energy production.

As you will recall, the Departments of Energy, Treasury, and Interior favorably expressed a willingness to work within the framework of this bipartisan policy proposal in an effort to respond to the crisis in the domestic oil and gas industry.

In addition to the widespread support on Capitol Hill, all of the segments of the domestic energy industry enthusiastically support our proposed solutions.

Mr. President, the Trade Expansion Act requires you to take action within ninety days of the Secretary of Commerce's report. We strongly believe that our recommendations to preserve marginal well production, encourage new oil and natural gas drilling, reduce regulatory compliance costs, abolish existing prohibitions against the export of domestic crude oil production provided that full and adequate protections for the domestic merchant marine industry are assured, and ensure reasonable access to oil and gas resources on public lands, provides a blueprint for fast, effective action to protect our Nation's vital economic and security interests.

We are confident that working together with the Administration, we can quickly implement these proposals and reduce our dangerous dependence on imported oil.

We look forward to working with you to protect our Country's future.

Sincerely,

Bill K. Brewster, Glenn Poshard, Frank H. Murkowski, J. Bennett Johnston, Craig Thomas, Jim Inhofe, Jim McCrery, Pete V. Domenici, Jeff Bingaman, Conrad Burns, Howell Heflin, Kay Bailey Hutchison.

Nancy Landon Kassebaum, Don Nickles, Paul Simon, Richard Shelby, Larry E.

Craig, John Breaux, Alan Simpson, Trent Lott, Ted Stevens, Thad Cochran.

Frank D. Lucas, Tom A. Coburn, Henry Bonilla, Jerry F. Costello, Pete Geren, Ralph M. Hall, Barbara Cubin, Blanche Lambert Lincoln, Sonny Callahan, Greg Laughlin, Wm. J. Jefferson, Bob Livingston, ——— ———.

Jim Chapman, Ernest Istook, Tim Hutchinson, James Hayes, W.J. Billy Tauzin, Ken Bentsen, Gene Green, Charles Wilson, Pat Danner, Alan B. Mollohan, Chet Edwards, Bob Wise, Don Young.

Larry Combest, Steve Largent, Ray Thornton, Lamar Smith, Jack Fields, Wally Herger, Joe Skeen, Sam Johnson.

Charlie Stenholm, Jay Dickey, Frank Tejeda, Jerry F. Costello, Solomon P. Ortiz, Calvin Dooley, Mac Thornberry, Bill Thomas, Dave Camp.

PROPOSAL, MARCH 25, 1994

A TAX CREDIT TO PRESERVE MARGINAL PRODUCTION AND TO ENCOURAGE NEW DRILLING

The provision will first establish a tax credit for existing marginal wells. The provision will allow a $3 per barrel tax credit for the first 3 barrels of daily production from an existing marginal oil well and a $0.50 per Mcf tax credit for the first 18 Mcf of daily natural gas production from a marginal well.

The current definition of marginal wells will be expanded to include a new category for ''high water cut property''—producing 25 barrels per day or less per well, with produced waters accounting for 95 percent of total production. In addition, techniques such as waterflooding and disposal, cyclic gas injection, horizontal drilling, and gravity drainage should be encouraged to enable domestic producers to capture more of the oil in a given marginally economic property.

The provision will also include a tax credit for production from new wells that have been drilled after June 1, 1994. The provision will allow a $3 per barrel tax credit for the first 15 barrels of daily production for such oil wells and a $0.50 per Mcf for the first 300 Mcf per day for such gas wells.

The tax credit will be phased out in equal increments as prices for oil and natural gas rise. The phaseout prices, which are based on BTU equivalence, are as follows: Oil—phase out between $14 and $20; Gas—phase out between $2.49 and $3.55.

The tax credit is creditable against regular tax and AMT.

ADDITIONAL LEGISLATIVE INITIATIVES

Geological and Geophysical Costs. We continue to urge the administration to support the current expensing of G&G costs. We understand that the administration is studying the tax treatment of G&G costs, and we recognize that legislative action may be required.

Eliminate the Net Income Limitations on Percentage Depletion. Currently, the depletion deduction cannot exceed 100% of income from the property, and the deductions from all properties cannot exceed 65% of taxable income. Many of producers have so little income from the property that the net income limitations further restrict the value of their deductions. We support the repeal of both these limitations.

Limitation on Exports. We favor abolishing the existing prohibitions against the export of domestic crude oil production provided that full and adequate protections for the domestic merchant marine industry are assured.

OCS Deepwater and Frontier Area Production. With domestic reserves dwindling, areas with potential for new production are the deepwater of the Outer Continental Shelf (water depths greater than 400 meters) and frontier areas. The costs of finding and producing most oil and gas in these areas exceed the current price for that oil and gas. We support the consideration of a per barrel tax credit to encourage deepwater and frontier production.

ADMINISTRATIVE/REGULATORY INITIATIVES

Oil Pollution Act of 1990. We believe that the financial responsibility requirements of OPA '90 are excessive, and we support a reduction in the dollar levels. In addition, the agencies implementing the financial responsibility requirements should revise their regulations to make the requirements more realistic in several ways. First, the regulations must recognize that Protection and Indemnity Clubs function as indemnitors, rather than guarantors. Second, we support a thorough examination of existing resources to identify those that are available for immediate response and those that are available to pay damage claims and restoration costs. Third, we believe that the MMS should propose regulations regarding de minimis quantities. Finally, the MMS should apply the requirement for offshore facilities to maintain financial responsibility only to the area seaward of the coastline, consistent with prior agency actions implementing the OPA '90 and with the February 28, 1994, Memorandum of Understanding establishing Federal jurisdictional boundaries for offshore facilities.

Royalty Reduction. To remain competitive in attracting capital, U.S. royalty laws should be reassessed. The existing royalty reduction for marginal oil wells on public lands (onshore) should be expanded to include marginal natural gas wells. The royalty reduction for offshore production should be extended for new activity, especially deep water and other frontier areas, and marginal properties. Finally, we support legislation that would temporarily suspend the collection of royalties from wells in deep water, such as the bill that was approved by the Senate Energy and Natural Resources Committee.

Royalty Collection. 'Reinventing Government'' legislative proposals establish an unworkable, unfair penalty regime that will have particularly adverse affects on natural gas production. The Administration should withdraw this proposals and work with industry to eliminate royalty collection problems.

Underground Injection Control. The EPA is developing revised regulations, reportedly deviating from recommendations made by the Advisory Committee on UIC. Indications that the EPA is considering tightening regulations are disappointing, especially in light of its report to Congress which found that any problems could be solved by enforcing existing regulations, rather than adopting new rules. This proposal could be extremely costly to the industry without improving environmental protection. We oppose the EPA proposed revision of existing UIC regulations.

Natural Resources Damage Assessment. The Departments of Interior and Commerce are developing regulations to impose liability on natural resource producers for injuries caused by hazardous discharges. Although relevant statutes do not require it, damages could include emotional loss of persons who do not suffer from direct contact or use of the natural resources. The ''non-use'' damage proposal relies on an economic methodology known as contingent valuation (CV).[1] However, a panel of economists created by NOAA was unable to confirm that CV was a reliable methodology. We believe that CV for damage assessments is seriously flawed and oppose the inclusion of liability for non-use value loss in the final regulations.

Oil and Gas Leasing on Public Lands. The Interior Department is conducting an internal review of leasing to promote a new approach called ''ecosystem management.'' Current law, the Federal Land Policy Management Act (FLMPA), is based on multiple use, including oil and gas leasing activity. We urge the Interior Department to abide by the principle of multiple use.

EXHIBIT 1

INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA

Independent Oil and Gas Producers Reject Clinton Administration's Do-Nothing Strategy, Call for Congressional Hearings on Risks Posed by Oil Imports.—Independent producers are stunned and disappointed by President Clinton's response to a Commerce Department finding that oil imports threaten to impair national security. ''The good news is the president agreed that oil imports pose a national security threat. The bad news is he's not going to do anything about it,'' said IPAA Chairman George Alcorn. ''That's a do-nothing approach from an administration that talks about taking action but fails to follow-through.''

''It is unprecedented for a president not to take any new action, direct or indirect, to address the national security threat,'' said Alcorn. ''All other presidents who have concurred with the national security finding have proposed specific new initiatives.''

IPAA and a nationwide coalition of producers petitioned Commerce to launch the investigation under section 232 of the Trade Expansion Act last March following a drop in world oil prices that forced producers to shut-in wells and lay off thousands of employees. Last year the amount of oil the United States imported reached an all-time high—over 50 percent of demand—while domestic production fell to a 40-year low. During the first two years of the Clinton administration, over 22,000 more American workers in the U.S. oil and gas industry lost their jobs. ''It has all happened on the Clinton administration's watch,'' said Alcorn.

''This industry has been made noncompetitive by over-regulation and a confiscatory tax policy. Congress has recognized the threat and asked for presidential leadership in a letter written only a week ago,'' said Alcorn. ''Faced with congressional support and evidence provided by the administration's own investigation that the loss of this strategic American industry poses a national security risk, the president still proposes no specific action.''

''The lack of leadership and action by this administration again demonstrates a flawed view of national security and economic stability that cannot be allowed to prevail,'' said Alcorn. ''Therefore we are calling upon Congress to investigate the threatened impairment of national security and to act where the president has failed to do so.''

IPAA Hails Energy Bill.—Today the Oklahoma Congressional delegation led by Sen. Don Nickles (R–Okla.), a key member of the Senate leadership and a member of the Finance Committee and Energy and Natural

[1] A simplified example of the use of CV is as follows: Trustees representing the public's interest in natural resources injured by an oil spill conduct a survey in which individuals are asked to state an amount they or their household would pay to prevent this injury. The reported amounts are averaged and then multiplied by the number of affected individuals or households. Since no actual use of the injured natural resource is required, the multiplier is frequently quite large and the resulting ''damage'' figure can run into the billions.

Resources Committee, introduced a comprehensive energy bill designed to help put the domestic oil and natural gas industry back to work and strengthen the U.S. economy by increasing domestic production and creating jobs throughout the 33 oil and gas producing states.

''This bill goes a long way toward developing a national energy strategy that will make the domestic oil and gas producer more competitive,'' said IPAA President Denise Bode. ''These energy initiatives are far-reaching because they will impact virtually every producer who explores for and produces oil and natural gas in the United States. The legislation is the foundation for much-needed energy reforms and it has the support of independent producers.''

The bill was introduced in the House and Senate by Congressmen Bill Brewster, Tom Coburn, Ernest Istook, Steve Largent, Frank Lucas, J.C. Watts and Senators Nickles and James Inhofe. It includes tax and regulatory measures that will help maintain production from marginally economic wells, encourage new drilling, provide relief from an unpredictable royalty collection system, promote the cost-benefit analysis of new regulations and support the export of Alaska North Slope crude oil.

''This energy bill is clearly a way we can alleviate the oil import crisis and jump-start the domestic industry,'' said Bode. ''It will put domestic producers back to work, benefiting the nation with more jobs, economic wealth and tax revenue.''

If you need additional information or would like to talk to an independent producer for a local angle on this story contact Kate Hutcheons or Jeff Eshelman.

AMERICAN PETROLEUM INSTITUTE

WASHINGTON, February 22.—The surest and most important way to stem rising oil imports is to produce more oil and natural gas at home, the American Petroleum Institute emphasized today.

The API made that observation after expressing disappointment in President Clinton's reaction to the Commerce Department's study and finding that rising oil imports are a threat to the nation.

''The President had the opportunity to express his commitment to open federal lands to new oil and gas leasing, exploration and development,'' the API said in a statement, ''but he chose to emphasize federal programs that have had no impact on rising oil imports, such as promoting alternative fuels and renewable energy resources.''

The coastal plain of the Arctic National Wildlife Refuge in Alaska holds the promise of billions of barrels of oil, as do the offshore areas of California and Florida, now closed to leasing by the federal government, API noted. The new Congress indicates a willingness to grant greater access to federal lands, but the President's support is vital, API added.

In 1994, for the first time in history, more than half of the oil used in the United States was imported. The 8,894,000 barrels a day of crude oil and petroleum products amounted to 50.4 percent of domestic demand and set an all-time record. At the same time, domestic crude oil production averaged 6,629,000 barrels a day—the lowest level in 40 years.

The President often speaks of jobs and the need for federal revenues. Both could be attained by opening new areas to oil and gas development, API said. Tens of thousands of jobs, not only in the oil fields, but in the host of service industries and factories throughout the country would be created. At the same time billions of dollars in revenues would accrue to the federal treasury in the payment of bonuses, rentals, royalties and income taxes.

The Bureau of Labor Statistics reported that in 1982, employment in the exploration and development sector of the petroleum industry reached a high of 754,500. At the end of December 1994, that number stood at 332,800—a loss of 421,300 jobs! The principal cause, the API said, were unwise federal government policies closing lands onshore and offshore to oil and gas development.

''The opportunity exists now to reverse these unwise and unsound policies,'' API said, ''and initiate policies to increase oil and gas production that would impact on oil imports.''

NATIONAL STRIPPER WELL ASSOCIATION BLASTS CLINTON ADMINISTRATION'S RESPONSE TO OIL IMPORTS SECURITY RISK—JOINS CALL FOR CONGRESSIONAL HEARINGS

Virginia Lazenby, president of the National Stripper Well Association, made the following statement regarding President Clinton's Feb. 16 response to the Commerce Department's finding that oil imports threaten to impair national security:

''I am enraged, not for myself, but for the thousands of U.S. oil and natural gas producers the National Stripper Well Association represents.

President Clinton agrees that the rising level of oil imports—now over 50 percent—pose a threat to U.S. security. That's a step in the right direction. What the Clinton administration failed to do is address the threat by proposing new initiatives such as tax and regulatory measures that would help boost domestic production. The Clinton administration's inaction is unacceptable.

In addition to the nine-month national security investigation, other studies were completed last year, including one by the National Petroleum Council, which supports the call for the passage of initiatives to maintain production from the nation's marginally economic wells. NSWA played a key role in developing the report. At the time of its release Department of Energy Secretary Hazel O'Leary said ''There are actions we can and must take that will benefit the gas and oil industry.''

Why the administration has decided against taking action is shocking. Nearly half-a-million people in the domestic oil and gas industry have been forced out of their jobs over the last decade as low-priced oil has been imported into the United States. Domestic production is at a 40-year-low. The nation can not afford to lose an increasing amount of production from marginal wells which represents $10 billion of avoided imports each year.

NSWA joins the Independent Petroleum Association of America in its call for Congressional hearings on this matter and hopes that the members of Congress will take action.''

The National Stripper Well Association represents domestic producers who produce oil and gas from so-called stripper or marginal wells which are wells that produce less than 15 barrels per day. NSWA was among the groups that petitioned the Commerce Department to conduct the national security investigation last March.

THE 50TH ANNIVERSARY OF THE FLAG RAISING AT IWO JIMA

Mr. MURKOWSKI. Mr. President, last week, a somber time passed on this floor when some of our colleagues remembered the momentous battle of Iwo Jima in the Second World War. As Senator BUMPERS so eloquently reminded us, nearly 6,000 of our marines were lost forever in that battle waged 50 years ago this week and were never to know the world they helped save from tyranny in that most dreadful struggle.

There are many others who remember Iwo Jima, Mr. President, and each has his own story. One of my constituents, Herb Rhodes of Anchorage, AK, was at Iwo in February 1945. As a member of the 5th U.S. Marine Division dispatched to Red Beach II, Herb was severely wounded in the initial attack on February 19, 1945. There were a total of 6,821 American lives lost in those first 4 days following the landing on the beach at Iwo Jima, making this battle one of the costliest of the war.

In a compilation of photos, stories, and historical information gathered by Lyn Crowley, an engineering officer with the 5th Marine Division, Herb and his former comrades in arms recount the events of that now famous day, 50 years ago, when a 40-man platoon made its way to the top of Mount Suribachi. Of these 40 men, 36 were wounded or killed in subsequent fighting on Iwo Jima. This compilation, titled ''The Flags of Iwo Jima,'' recounts the first U.S. flag on Suribachi—the one it is said that ''nobody remembers.''

This is so because the first flag was very small and could not be seen down the mountain or across the island. The 5th Marine commander then ordered a larger flag be raised as a sign of encouragement to our troops, who were still in the throes of a great battle.

This second raising of Old Glory was captured for all time by combat photographer Joe Rosenthal. His photograph on Mount Suribachi became the model for the Marine Memorial that we all know so well. The photograph itself—of the second flag raising, not the first—is said to be the most famous photograph of wartime history

I promised Herb that I would speak here in order to remind us of the acts of all brave marines, the sacrifice and loss suffered by the Nation, and indeed, I speak to honor my friend Herb Rhodes and his marine brothers who climbed Suribachi in February 1945 and were the first to raise the flag. With humility and gratitude, I know that we live better lives because many of them gave their lives for us. My feelings are shared by many in Congress, and throughout our Nation and the world.

I know that Herb Rhodes will agree that the marines who fought on Iwo Jima gave their all to earn victory. This is as true for the marines who were the first to reach the top of Mount Suribachi as it is for those captured in Joe Rosenthal's photograph. Indeed, glory and honor are due to all those who sacrificed their lives or who put themselves in harm's way on Iwo Jima. While some of our warriors were captured on film, and some are immortalized in bronze in Arlington Cemetery, these serve to symbolize the heroism of all who fought to save liberty. Herb Rhodes and his soldier brothers deserve our everlasting gratitude on