

House Subcommittee on Economic Development, Public Buildings, Hazardous Materials and Pipeline Transportation, who has introduced pipeline safety legislation that is almost identical to S. 2438, the full House has not advanced a pipeline safety bill. Time is running out.

I thank our colleague from Louisiana, Senator BREAUX, for his active participation. His knowledge and expertise on this issue has been essential.

Mr. President, each day that passes without enactment of comprehensive pipeline safety legislation like that approved unanimously by the Senate places public safety at risk. As my colleagues may recall, just prior to Senate passage of the Pipeline Safety Improvement Act, a 12-inch propane pipeline exploded in Abilene Texas, after being ruptured by a bulldozer. That accident resulted in the fatality of a police officer. Sadly, that accident brings the total lives that have been lost in recent accidents to 16.

In Abilene, the victim was a 42-year-old police detective who just happened to pass by in his car as the propane exploded across State Highway 36. Just last month, 12 individuals lost their lives near Carlsbad, New Mexico, after the rupture of a natural gas transmission line. And we cannot forget about last year's tragic accident in Bellingham, Washington, that claimed the lives of three young men.

I repeat what I said two weeks ago during the Senate's consideration of the Pipeline Safety Improvement Act: we simply must act now to remedy identified safety problems and improve pipeline safety. To do less is a risk to public safety and will perhaps result in even more needless deaths.

It is my hope that I will not have to come to this floor again to implore our colleagues in the House to take action. It is not typical for me to urge the other body to take up a Senate bill without modification, but time is running out.

I also point out the strong support of our legislation by the administration.

I will quote from Secretary Slater's press release issued after Senate passage of S. 2438:

I commend the U.S. Senate for taking swift and decisive action in passing the Pipeline Safety Improvement Act of 2000. This legislation is critical to make much-needed improvements to the pipeline safety program. It provides for stronger enforcement, mandatory testing of all pipelines, community right-to-know information, and additional resources.

I further want to point out my disappointment that some in the other body are willing to put safety at risk for what appears to be pure political gain.

I am aware of a series of "Dear Colleagues" transmitted by some in the House harshly criticizing the Senate bill. This same bill, unanimously approved by the Senate, is strongly supported by Secretary Slater for being a strong bill to advance safety. Therefore, I find the criticism by a handful

of House Members quite revealing when one of those harshest critics only last year voted in support of moving a clean 2-year reauthorization of the Pipeline Safety Act out of the House Commerce Committee and the other critic has not taken any action that I have seen to advance pipeline safety during this session. They just don't want a bill because they are betting on being in charge next year. That is the kind of leadership the American people would reject.

I do not consider enacting S. 2438 to be the end of our work in this area. Indeed, I commit to our colleagues to continue our efforts to advance pipeline safety during the next Congress.

I am willing for the committee to continue to hold hearings on pipeline safety and will work to advance additional proposals that my colleagues submit to promote it. But little more can be done in the time remaining in the session. I don't see how it could be possible to move any other pipeline safety bill prior to adjournment. Therefore, it is urgent for the House to act now.

The time is long overdue for Congress and the President to take action to strengthen and improve pipeline safety. We simply cannot risk the loss of any more lives by lack of needed attention on our part. Therefore, I urge my colleagues in the House to join ranks and support passage of pipeline safety reform legislation immediately so we can send the bill on to the President for his signature. Lives are at risk if we don't act now.

I thank my colleagues, and I yield the floor.

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

The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, may I ask how much time I am allotted under the unanimous consent agreement?

The PRESIDING OFFICER. The Senator from Alaska is provided up to 20 minutes.

ENERGY

Mr. MURKOWSKI. Mr. President, I rise to address the Energy bill which has been introduced by Senator LOTT. We have had a good deal of discussion about this country's continuing dependence on imported petroleum products, particularly crude oil, to the point that currently we are about 58-percent dependent.

As a consequence of the concern over the lack of adequate heating oil supplies, particularly in the eastern seaboard, the President, on the recommendation of the Vice President, made a determination to release about 30 million barrels from the Strategic Petroleum Reserve. That is a significant event.

I question the legality of that action. I question the meaning or significance of that action, but we can get into that a little later in my comments. I am

also going to touch on our realization of the high price of natural gas, following our recognition of our dependence on imported oil.

Oftentimes, we do not see ourselves as others see us. I am going to read a paragraph from the New York Times article of September 26 called "Candidate In The Balance." It is by Thomas L. Friedman.

I quote:

Tokyo. It's interesting watching the American oil crisis/debate from here in Tokyo. The Japanese are cool as cucumbers today—no oil protests, no gas lines, no politicians making crazy promises. That's because Japan has been preparing for this day since the 1973 oil crisis by steadily introducing natural gas, nuclear power, high-speed mass transit and conservation, and thereby steadily reducing its dependence on foreign oil. And unlike the U.S., the Japanese never wavered from that goal by falling off the wagon and becoming addicted to S.U.V.'s—those they just make for the Americans.

I think there is a lot of truth to that. As we reflect on where we are today, I think we have had an acknowledgment at certain levels within the administration that they have been "asleep at the wheel" relative to our increasing dependence on imported oil.

This did not occur overnight. This has been coming on for some time. We can cite specifics over the last 7 or 8 years, and in every section, U.S. demand is outpacing U.S. supply.

We saw crude oil prices last week at a 10-year high—\$37 a barrel—twice what they were at this time last year.

It is rather interesting to note the Vice President's comments the other day that the high price of oil was due to profiteering by big oil. That is certainly a convenient political twist, isn't it—profiteering by big oil. There was no mention that last year big oil was very generously making crude oil available at \$10 a barrel. You think they did that out of generosity? Who sets the price of oil? Does Exxon? British Petroleum? Phillips?

Big oil isn't the culprit; it is our dependence on the supplier. Who is the supplier? The supplier is OPEC, Saudi Arabia, Venezuela, Mexico. They have it for sale. We are 58-percent dependent, so they set the price.

With crude oil at a 10-year high, gasoline prices are once again above \$1.57, \$1.59, in some areas \$2 a gallon.

Natural gas—here is the culprit, here is what is coming, here is the train wreck—\$5.25 to \$5.30 for deliveries in the Midwest next month. What was it 9 months ago? It was \$2.16. Think of that difference.

Utilities inventories are 15-percent below last winter's level. How many homes in America are dependent on natural gas for heating? The answer is 50 percent, a little over 50 percent; that is, 56 million homes are dependent on natural gas in this country. How many on fuel oil? Roughly 11 million.

What about our electric power generation? Fifteen percent of it currently comes from natural gas. What is the increasing demand for natural gas? We

are consuming 22 trillion cubic feet now. The projections are better than 30 trillion cubic feet by the year 2010.

The administration conveniently touts natural gas as its clean fuel for the future, but it will not allow us to go into the areas where we can produce more.

I remind my colleagues, I remind the Secretary of Energy, and I remind the Vice President and the President, there is no Strategic Petroleum Reserve for natural gas. You can't go out and bail this one out, Mr. President. The administration has placed Federal lands off limits to new natural gas exploration and production.

More than 50 percent of the over-thrust belt—the Rocky Mountain area, Montana, Wyoming, Colorado—has been put off limits for exploration. We have a Forest Service roadless policy locking up an additional 40 million acres; a moratorium on OCS drilling until the year 2012. The Vice President said he would even consider canceling existing leases.

You have a situation with increased demand and no new supply. What does this add up to? Higher energy prices for consumers this winter—a train wreck. This is going to happen. Yet the administration sits idly by and hopes the election can take place before the voters read their fuel bills.

So there we are. We now have situations in California, in San Diego, of electricity price spikes. We have possible brownouts. The reason is, there is no new generation. You can't get permits for coal-fired plants.

It takes so long to get new generation on line.

Heating and fuel oil inventories, as I have indicated, are at the lowest level in decades, leaving us unprepared for winter. It is a lack of overall energy policy.

As to nuclear energy, 20 percent of the total power generated in this country comes from it. We can't address what to do about the waste. This body stands one vote short of a veto override to proceed with the commitments that we made to take that waste from the industry, waste that the consumers have been paying for the Federal Government to take for the last two decades.

Consumers have paid about \$11 billion into that fund. The Federal Government was supposed to take the waste in 1998. It is in breach of its contract. The court has ruled that the industry can recover, and they can bypass anything but the Court of Claims. That is how far that has gone.

Let's look at crude oil and SPR.

With crude oil prices on the rise again, the administration has had to go back to OPEC time and time again to ask for more foreign oil. The assumption is, if they ask for 800,000 barrels, we get 800,000 barrels. We get 17 percent of that. That is about 130,000 barrels. That is our portion. Everybody gets some of OPEC's increased production.

Foreign imports into this country in June were 58 percent. Compare that

with 36 percent during the 1973 Arab oil embargo. Recall the gasoline lines around the block at that time. The public was outraged. They blamed everybody, including Government. Sounds familiar, doesn't it?

Ask Tony Blair from Great Britain how he feels about the protests in England and everywhere else in Europe. It is threatening some governments.

To ensure we have a supply to fall back on, in 1973, 1974, 1975, we created the Strategic Petroleum Reserve or SPR. That was our response to the Arab oil embargo. We have about 571 million barrels of storage in SPR. SPR was set up to respond to a severe supply interruption, not to manipulate consumer price for a political effect.

We can only draw down about 4.1 million barrels per day from SPR. Remember something a lot of Americans, a lot of people in the media, do not understand: The Strategic Petroleum Reserve is not full of heating oil or gasoline or kerosene. It is full of crude oil. The crude oil has to be transported to a refinery. Our refineries are running at 96 percent of capacity.

The Vice President wants to release 30 million barrels from SPR to "lower prices" for consumers. I question the legality of that at this time because a drawdown can only occur if the President has found that a severe energy supply interruption has occurred. The Secretary released oil without any such finding. His excuse is that this is not a drawdown; it is a swap or an exchange.

This is the largest release of oil from SPR in its 25-year history, larger than during the gulf war.

Secretary Richardson stated today that the 30 million barrels of crude released from SPR may produce 3 to 5 million barrels of new heating oil. The U.S. uses 1 million barrels of heating oil per day.

So the obvious increase is 3, 4, 5 days' supply. That is not very much, is it? The Secretary's action regarding SPR may have an impact on price but may not have a significant impact on the supply of heating oil. That is just the harsh reality.

What about others? Well, Secretary of the Treasury Summers has indicated it is bad policy. He felt so strongly, he wrote a letter to Alan Greenspan. We have a copy of the memorandum that went from Mr. Summers, Secretary of the Treasury, to Alan Greenspan. I will refer to it in a moment.

Releasing SPR now weakens our ability to respond later to real supply emergencies. That is obvious to everyone. But I do want to enter into the RECORD this letter, a memorandum of September 13 from Lawrence H. Summers, Secretary of the Treasury, to the President. The memorandum is entitled "Strategic Petroleum Reserve." Page 2, top paragraph:

Using the SPR at this time would be seen as a radical departure from past practice and an attempt to manipulate prices. The SPR was created to respond to supply disruptions

and has never been used simply to respond to high prices or a tight market.

I don't think there is any question about the intent of that statement. It is bad policy. Alan Greenspan has indicated an agreement, or at least that is the impression we get.

The action that I indicated was illegal is illegal because it requires a Presidential finding. It is contrary to the intent of the authority for the transfer. And besides, we have not reauthorized the Strategic Petroleum Reserve. It is held up in this body by a Senator on the other side who is objecting to the reauthorization of EPCA, which contains the reauthorization for the Strategic Petroleum Reserve. Releasing SPR oil now, as I indicated, weakens our ability to respond later to real supply emergencies.

Where were we 7 years ago with regard to SPR? We had an 86-day day supply of crude oil in SPR. Today, we have a 50-day supply. The administration has previously sold almost 28 million barrels. They sold it at a loss of \$420 million, the theory being you buy high and you sell low. I guess the taxpayers foot the bill by making it up with the increased activity. I don't know what their logic has been, but that is the history.

Earlier this year, the Vice President stated: Opening SPR would be a compromise on our national energy security. He made that statement. Obviously, he has seen fit to change his mind. Everybody can change their minds, but nevertheless I think it represents an inconsistency. What we need is a real solution, reducing our reliance on foreign oil by increasing domestic production and using alternative fuels, incentives, conservation, weatherization. I could talk more on that later.

Also, it is interesting to note that the Vice President indicated his familiarization with SPR, that he was instrumental in the setting up of it. As we have noted, he was not in the Senate under the Ford administration when it was established. That is kind of interesting because it suggests that he is happy to get aboard on the issue and, again, may have had a significant role, but it is pretty hard to find the record showing him having an active role.

Another point is our increased dependence on Saddam Hussein and the threat to our national security in the sense that we are now importing about 750,000 barrels of oil from Iraq a day. Just before this administration, we carried out Desert Storm, in 1991-1992. We had 147 Americans killed, 460 wounded, 23 taken prisoner. We continued to enforce, and continue today to enforce, a no-fly zone; that is, an aerial blockade. We have had flown over 200,000 sorties since the end of Desert Storm. It is estimated to cost the American taxpayer about \$50 million. Yet this administration appears to become more reliant on Iraqi oil.

What we have is a supply and demand issue. Domestic production has declined 17 percent; domestic demand has

gone up 14 percent. Iraq is the fastest growing source of U.S. foreign oil—as I said, 750,000 barrels a day, nearly 30 percent of all Iraq's exports. We have been unable to proceed with our U.N. inspections in Iraq. There is illegal oil trading underway with other Arab nations; we know about it. Profits go to development of weapons of mass destruction, training of the Republican Guard, developing missile delivery capabilities, biological capabilities.

This guy is up to no good; there is absolutely no question about it. The international community is critical of the sanctions towards Iraq. But consider this: Saddam Hussein is known to put Iraqi civilians in harm's way when we retaliate with aerial raids. Saddam has used chemical weapons against his own people in his own territory. He could have ended sanctions at any time—by turning over his weapons of mass destruction for inspection; that is all. Yet he rebuilds his capacity to produce more. He cares more about these weapons than he apparently cares about his own people. That he is able to dictate our energy future is a tragedy of great proportion. Still, the administration doesn't seem to get the pitch. Saddam gets more aggressive. His every speech ends with "death to Israel." If there is any threat to Israel's security, it is Saddam Hussein.

He has a \$14,000 bounty on each American plane shot down by his gunnery crews. He accuses Kuwait of stealing Iraqi oil—here we go again—the same activity before he invaded Kuwait in 1990. Saddam is willing to use oil to gain further concessions. The U.N. granted Kuwait \$15 billion in gulf war compensation. Iraq has retaliated and said it will cut off exports. OPEC's spare capacity can't make up the difference.

He has the leverage. We really haven't focused in on that. The U.N. postpones compensation hearings until after U.S. elections for fear of the impact on the world market. He is dictating the terms and conditions. He says: You force me to pay Kuwait and I will reduce production. We can't stand that because that is the difference between roughly the world's capacity to produce oil and the world's demand for that oil. And Saddam Hussein holds that difference.

I ask unanimous consent to proceed for another 7 minutes.

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

Mr. MURKOWSKI. I thank the Chair. I will try this approach because I think it references our foreign policy. If I get this right, we send him our dollars, he sells us the oil, we put the oil in our airplanes and go bomb him. Have I got that right? We buy his oil, fill our planes, and go bomb him. What kind of a foreign policy is that? He has us over a barrel, and it is a barrel of oil.

Another issue that is conveniently forgotten is refinery supply. Supply of crude oil is not the only issue. Even if

we had more, we don't currently have the capacity to refine it. That is what is wrong with releasing oil from SPR. We don't have the ability for our refineries to take more product currently. That is unfortunate, but it is a reality.

We had a hearing this morning. The industry said they are up to maximum capacity with refinery utilization at 96 percent. We haven't built a new refinery for nearly a quarter century. We have had 36 refineries closed in this country in the last 10 years. This is due to EPA regulations.

We have the issue of reformulated gas. We have nine different geographical reformulated gasolines in this country. The necessity of that is the dictate from EPA. I am not going to go into that, but fuels made for Oregon are not suitable for California; fuels made for Maryland can't be sold in Baltimore; Chicago fuels can't be sold in Detroit. We are making designer gasoline. The result: Refiners do not have the flexibility to move supplies around the country or respond to the shortages.

The administration's response? Well, it is pretty hard to identify. They are trying to duck responsibility, hoping this issue will go away before the election takes place and the voters get their winter fuel bills. They are trying to keep this "train wreck" from occurring on their watch. They blame "big oil" for profiteering.

Think this thing through. Big oil profiteering: Where was big oil when they gave it away at \$10 a barrel last year? Who sets the price? Well, it is OPEC, Saudi Arabia, Venezuela, and Mexico, because they have the leverage; they have the supply. I think the American people are too smart to buy the issue of big oil profiteering. And the issue related to the industry is that during the time that we had \$10 oil, we weren't drilling for any gas. We lost about 57,000 gas wells, and I think 136,000 oil wells were taken out of production. Many were small.

So if we look at the areas where we get our energy, it is pretty hard to assume that there is any support in the area of domestic production and exploration because there is a reluctance to open up public land.

We have seen 17 percent less production since Clinton-Gore took office. They oppose the use of plentiful American coal. EPA permits make it uneconomic. We haven't had a new coal-fired plant in this country in the last several years. They force the nuclear industry to choke on its own waste. Yet the U.S. Federal Court of Appeals now says the utilities with nuclear plants can sue the Federal Government because it won't store the waste. That could cost the taxpayer \$40 billion to \$80 billion. They threaten to tear down the hydroelectric dams and replace barge traffic on the river system by putting it on the highways. That is a tradeoff? They ignore electric reliability and supply concerns, price spikes in California, no new generation or transmission. They

claim to support increased use of natural gas while restricting supply and preventing new exploration.

The Vice President indicated in a speech in Rye, NH, on October 21, 1999, he would oppose further offshore leasing and would even look to canceling some existing leases. Where are we headed? Downhill. It means higher natural gas prices, higher oil prices, higher gasoline and fuel oil prices, plus higher electricity prices. That equals, in my book, inflation.

We have been poking inflation in the ribs with higher energy prices, driving all consumer prices higher. One-third of our balance of payments is the cost of imported oil. We are a high-tech society. We use a lot of electricity for our activities—computer activities, e-mail, and everything else. All this boils down to the makings of a potential economic meltdown.

What we need is a national energy strategy which recognizes the need for a balanced approach to meeting our energy needs. We need all of the existing energy sources. We have the National Energy Security Act before us on this floor. We want to increase energy efficiency, maximize utilization of alternative fuels/renewables, and increase domestic oil supply and gas production. We want to reauthorize EPCA, reauthorize the Strategic Petroleum Reserve. Our bill would increase our domestic energy supplies of coal, oil, and natural gas by allowing frontier royalty relief, improving Federal oil/gas lease management, providing tax incentives for production, and assuring price certainty for small producers.

We want to allow new exploration. Twenty percent of the oil has come from my State of Alaska in the last two decades. We can open up the Arctic Coastal Plain safely, and everybody knows it. The reason is that we want to promote new clean coal technology, protect consumers against seasonal price spikes, and foster increased energy efficiency.

Regardless of how you say it, American consumers really need to understand that this train wreck is occurring and it is occurring now. We have to develop a balanced and comprehensive energy strategy, one that takes economic and environmental factors into account at the same time, and one that provides the prospect of a cleaner, more secure energy in the future.

We have this energy strategy. We have it proposed. It is on the floor of this body. This administration does not. They are just hoping the train wreck doesn't happen on their watch. The consequences of over 7 years of failed Clinton-Gore energy policies are now being felt in the pocketbooks of working American families. Mr. President, we deserve better.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized for up to 1 hour.