Every day, ordinary men and women make an extraordinary commitment when they put on a badge that symbolizes the oath they take to protect and serve. The badge also makes them a target. Every day, they leave their families behind not knowing if they will come home tonight.

Madam Speaker, I invite my colleagues to join me as a cosponsor of H.R. 94, the Law Enforcement Officers' Flag Memorial Act of 2001. This legislation seeks to honor slain law enforcement officers by providing their families a Capitol-flown U.S. flag.

In the meantime, Congress should continue to make sure that we keep our commitment to the law enforcement community by providing funding for more officers, better equipment, and advanced training. It not only saves the lives of officers, but it makes our families, our homes, and our neighborhoods a safer place.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

GLOBAL WARMING AND THE KYOTO PROTOCOL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes as the designee of the majority leader.

Mr. SMITH of Michigan. Madam Speaker, I thank the Speaker for this opportunity to address the House and join my colleagues to talk about global warming, to talk specifically about the Kyoto Protocol and the language that is currently in the bill of the Committee on International Relations, the authorizing bill for the State Department to implement the Kyoto Protocol.

I am disappointed that there was not an amendment on the floor to take that particular amendment out of this legislation, because I think the consequences of implementing the Kyoto Protocol are so dramatic that it deserves a discussion before this House. That is why we have joined in this special hour to talk about the consequences if America was to implement the Kyoto Protocol. It is a bad deal for America, and the conferees should examine the implementation language in this bill.

Let me just say that, under this protocol, by 2008 to 2012, the U.S. would be required to slash emissions of greenhouse gases to 7 percent below the 1990 level. That level was last achieved in 1979. Based on projections of the future growth in U.S. energy use, this would require a real cut in emissions of over 30 percent. In the meantime, major greenhouse gas emitters, such as China, India, Mexico, Brazil, would be able to continue business as usual.

Let me just review the numbers of the total income in this country. The GDP in 1979, it was four trillion eight hundred sixty-nine. Today the GDP, or the total income, the total production of this country is nine trillion one hundred ninety-three.

So based on that kind of efficiency that we had back in 1979, we would have to cut the gross domestic product, the output of this country in half. Of course we have increased our energy efficiency a little bit so, not totally half. But a dramatic change.

So what we are going to be discussing tonight is how scientific is the evidence of global warming, how good is the scientific evidence of how much man contributes to that global warming.

Madam Speaker, I yield to the gentleman from Texas (Mr. BARTON), one of the experts in this area who is the chairman of the Subcommittee on Energy and Air Quality to start off our discussion tonight.

Mr. BARTON of Texas. Madam Speaker, I sincerely appreciate the gentleman from Michigan having this Special Order at the request of the leadership. I think it is important to air the issue, so to speak, as we get into this debate.

I am an official observer to the Council of Parties operating under the auspices of the United Nations. I was in Kyoto. I was in Buenos Aires. I was in Hague. I am planning at the moment to be in Bonn, Germany in July.

I think there are some things that we need to make sure that the American people know about this. First of all, the economy that will be most affected in the entire world community, if we would implement this, is the United States economy.

As the gentleman from Michigan pointed out, China, whose VOC emissions will exceed the United States within the next 10 years, would have to make no reductions. Mexico, which is a growing economy and our partner in NAFTA, would not have to make any reductions because they are considered to be a developing nation. India, the second most populous nation in the world, again with growing VOC emissions, would have to make no reductions because they are considered again to be a developing nation.

So when we get right down to it, the Western European community, because the collapse of communism occurred after the base year that they are using to calculate the reductions, would make few, if any, because they have shut down the old coal plants in the Soviet Union and in behind the Iron Curtain. In Western Europe, they have gone more and more to nuclear power. So they have to make no reductions in their economy. It would be the good old U.S. of A. that would have to make these reductions.

Under the protocol, a steel plant operating in Pennsylvania or in Illinois or in Indiana that would have to be shut down under the protocol, one could take it bolt by bolt, piece by piece, dismantle it, ship it to China or ship it to Mexico, put it back together, that same plant with the same emissions, and would be perfectly legal under the Kyoto Protocol.

For that reason, it is not just Republicans like the gentleman from Michigan and I that oppose this. Good solid labor union Democrats like the gentleman from Michigan (Mr. DINGELL) strongly oppose this. In fact, when they did the Byrd-Hagel amendment in the United States Senate, it passed 98 to 2 that we cannot implement Kyoto unless certain changes are made so that it does not negatively affect the United States economy.

Second thing that the citizens of the United States need to understand about Kyoto is that the science is not settled. In fact, 2 years ago, 15,000 of the most eminent environmental scientists in the United States signed their names to a letter that I believe was sent to the President. It may have been sent to the Members of Congress. Fifteen thousand scientists said do not implement Kyoto because the science is not settled.

Just within the last 6 months, research based on actual data in the Atlantic Ocean has come out that says the whole concept of global warming may be exactly wrong, could be totally 180 degrees wrong.

□ 2145

So there are all kinds of reasons for us to take a go-slow approach on this. And I think that President Bush, when he said the Kyoto agreement would not be ratified, did exactly the right thing. I think the President and Secretary of State are going to work with Environmental Protection Agency and the Department of Energy to develop a new mechanism for environmental negotiations, not based on Kyoto, but based on sound science and based on economic interests of the United States vis-a-vis the rest of the world.

I would think within the next year or so we will come up with a different mechanism that actually will enhance the environment and will enhance the world community. But the Kyoto agreement, as it is currently structured, is totally flawed. It would be very disadvantageous to the United States. And unless we want to go back to the economy like it was in the 1970s, as the gentleman pointed out, this is exactly the wrong agreement and should not be implemented in this country.

Mr. SMITH of Michigan. I joined the gentleman from Texas at the Hague, and what the Kyoto Protocol did is it left a lot of the details of implementation to further negotiations. One of the questions at the Hague was the so-called ''sinks,'' the sequestration of the CO2, and this chart, I think, demonstrates why the United States was trying to insist that sinks be a consideration in emissions. As we see by this

chart, this is North America, and the red indicates the amount of CO2 emissions. The blue at the bottom displays the sequestration, or the sinks, how much of the CO2 we capture by our corn and our sorghum and our field crops and our woodlands. And when we compare that with Europe and the whole Eurasian and North African area, we can see that the amount of emissions of CO2 greatly exceeds the amount they sequester.

It seems to me this was one of the reasons that Europe said, well, no, we cannot allow you any credit for sequestering those.

Mr. BARTON of Texas. If the gentleman will continue to yield, this whole concept of sinks was something that back in the mid 1990s, when we began to negotiate Kyoto, was not even a variable. People had not even thought of this. And then, when it became apparent that our forestlands and our grasslands actually consumed CO2 and that we could be a country that on a net basis emitted no CO2 because we had large pinewood forests in the south and hardwood forests in the north and the grasslands and the cornfields in the Midwest, this caused consternation in the international environmental community, because under the very mechanism that they had negotiated, the United States, in their mind, walked away free.

So as the gentleman pointed out, at the Hague this was the subject of intense negotiations to minimize the impact of sinks. But again, the sink is an issue that, using their terminology and their models and their variables, the United States should get tremendous amounts of credit, which is, again, one of the reasons this is a flawed process, because they have not really thought the science through.

Mr. SMITH of Michigan. It seems to me that rather than negotiating in good faith, a lot of the countries of the world, but maybe particularly in Europe, seemed to be more willing to use the treaty as a way to reduce our competitive position. Do you think there is merit there to that?

Mr. BARTON of Texas. There is a train of thought that this would be a surrogate system to put the United States at a competitive disadvantage vis-a-vis the rest of the world.

Now, do not hold me specifically to these numbers, because I do not have some of my briefing books before me as we engage in this special order, but my recollection is that of all the nations in the world that are involved in the Kyoto agreement, and it is around 160 to 170, there would be only 13 that would have to make any significant reductions in their emissions, and of that, the United States would be a huge majority.

So nations like Iceland would have to make some reduction, Japan, Great Britain, Australia, the United States, there were a total of 13 out of 162, but over half the reduction would come from the United States economy.

I have to exit, but I want to tell the gentleman I appreciate his taking this special order, and I think it is very timely and very important that the American people understand some of the facts and figures the gentleman is going to present.

Mr. SMITH of Michigan. Let me add my birthday wishes to your daughter, where I understand you are going.

Mr. BARTON of Texas. Kristen Barton is 19 today. Her birthday party is going on as I speak. I thank the gentleman.

Mr. SMITH of Michigan. The gentleman from Texas mentioned that a lot of individuals, Republicans and Democrats, questioned moving ahead with the Kyoto Protocol. In fact, in July of 1997, before the Kyoto Protocol was agreed to, the U.S. Senate passed what they called the Byrd-Hagel resolution, which says that the U.S. should not be signing any treaty that, one, would mandate reductions in greenhouse gas emissions for developed countries but not developing countries; and, two, would result in a serious economic harm to the Nation. And of course the Kyoto Protocol moves in both of these directions. It does not include countries for any reduction, such as China, India, Mexico, Brazil, and many other developing countries. It seems to me this common sense resolution, which was approved by a Senate vote of 95 to 0, set the minimal parameters for Senate ratification of any treaty.

And with no realistic idea that a treaty was going to be signed and eventually ratified by the Senate, which it has to be ratified for it to work, the Bush administration said let us move ahead and make sure we reduce our CO_2 emissions, reduce our greenhouse gases, but let us be very careful about signing on to a treaty that is demanding almost the impossible. And although many European governments have expressed bitter disappointment about the U.S. decision, it should be pointed out that Romania is the only developed country in the whole world that so far has ratified the treaty.

At this time, Madam Speaker, I am going to yield to another leader in this area, the gentleman from Pennsylvania (Mr. PETERSON), who was a leader in trying to introduce an amendment to take this language out of this particular authorizing legislation for the State Department.

Mr. PETERSON of Pennsylvania. I thank the gentleman from Michigan and am delighted to join him here this evening. This has been an interesting issue, because during the last administration, and my friend from Michigan will agree with this, each and every department of government almost had a budget to promote global warming in the Kyoto Treaty. It was very cleverly done. Billions of dollars were spent selling the concept of global warming; that it was a fact, when, in reality, it has been based on computer models. It has not been sound science.

But just to back up for a few years, in 1977, when we were at the height of some cold weather, there is an article here in Newsweek, about seven or eight pages long, called ''The Deep Freeze.'' They talk in here about the beginning of the Ice Age. Because we had a couple of real cold winters in a row, they were talking and they were predicting here that by the year 2000 how the colder climate was going to be moving further south and limiting agricultural ability in this country. The same people are now the ones that are screaming global warming and the oceans will rise as the ice melts and all will be catastrophe.

It is interesting in the last couple of years, and we know most Americans get their news from television, but according to a recent media study, the major networks are biased in their coverage on this subject. And if we think about it, they really are. The study of Media Research Center's Free Market Project states for the three big networks' nightly newscasts, not a single comment from a global warming skeptic for 3 months. That is beyond bias, because this issue has been getting a lot of ink. The numbers clearly show that, with the exception of Fox News Channel, the nightly newscasts have become advocates for the environmental extremist cause. Our findings come as scientists with impeccable credentials, and no particular political axe to grind, such as Dr. Sally Baliunas of Harvard, Smithsonian Center for Astrophysics, or Dr. Richard Lindzen of MIT, concur that the science of global warming is very much unsettled, flawed, and, in many cases, exaggerated.

During this same time, I am pleased that two people from my district have written me in the month of May. A gentleman here who says, ''I am not sure whether or not you have taken a position on this matter, but my letter is to ask you to give support to the administration's decision to withdraw U.S. support from the Kyoto Protocol to help protect the country's citizens, including those who are retired and on fixed incomes. We already have an energy mess that is crippling the economy in California. Enacting the Kyoto Protocol would have put the whole country in danger of a California-style crisis.''

He goes on and discusses that there is not agreement in this country. And that is true.

Another gentleman I know quite well, Mr. Sam Smith, the Whip of the House in Pennsylvania government, wrote me another letter: ''The Kyoto Treaty would devastate mining communities unnecessarily because it really attacks the use of coal.''

I am here to say that if we are going to deal with the energy crisis in this country, and we own 40 percent of the world's coal and 2 percent of the world's oil, clean coal technology needs to be a very strong part of our future energy policy.

It says here, ''Mr. Bush got a lot of flack recently for opting to pull out of

the Kyoto Treaty, but it was the correct decision and he did it for some very good reasons. Tens of thousands of those good reasons work in American coal fields and in our factories every day. The harsh realities of the treaty drawn up by international bureaucrats in Japan in 1987 would have its most devastating impact on small towns in States like Pennsylvania, West Virginia, and Kentucky.''

And it goes on here to talk about many of the things that have already been spoken about, that countries like China and our competitors, who have already stolen a lot of our light manufacturing, would force us to give them our heavy manufacturing, because that would be the only place in the world you could do it.

Let me come back to another issue that has been talked about a lot, the scare tactics of the ice melting and the oceans rising. Here is what it says. ''As many know, the United Nation's Panel on Climate Change publishes a report on global climate change every 5 years. Chapter 11 of the most recent report addresses sea level rise, a favorite scare scenario of the media and radical climate warmers. Professor Morner is president of the International Commission representing the scientific community of sea level researchers. These are the best scientists in the world on this subject. This is what he had to say about Chapter 11 and the dire predictions made about catastrophic sea level rise:

''The IPCC Chapter 11 is a very inferior product, written by 33 persons in no way being specialists on the task. The real sea level specialists would never give these statements, figures, and interpretations.'' He says, ''I have finished a seven-page review report. It is most shocking reading. Lots of modeler wishes but very little hard facts based on real observational data by true sea level specialists. I allow myself a few quotations from the report. It seems that the authors involved in this chapter were chosen not because of their knowledge on this subject, but rather because they would say the climate model that had been predicted.

This chapter has a low and unacceptable standard. It should be completely rewritten by a totally new group of authors chosen among the group of true sea level specialists. My concluding position is to dismiss the entire group of persons responsible for this chapter, form a new group based on real sea level specialists, let this group work independently of a climate modeler.''

So much of this global warming concept has been computer models, and we know what they can do with computer models.

Mr. SMITH of Michigan. If the gentleman from Pennsylvania would yield, there is no question, and I totally agree the treaty lacks a firm scientific basis. And while there is no disagreement that carbon dioxide and other greenhouse gases are in our atmosphere, before the industrial revolution they were there, they are there now, but scientists disagree about the extent of man-made gases and how much they contribute to global warming.

□ 2200

The amount of warming or if the planet is warming at all, and like the gentleman from Pennsylvania suggests, some scientists have even come to the conclusion that maybe we are in a cooling-off period.

I think nowhere is this more evident than in the divergence between atmospheric conditions, the data collected from satellites and weather balloons, and surface temperature data collected from ships which tell a different story. Highly accurate satellite measurements do not note any warming over the past 2 decades.

What we have in the red, for those individuals that can make out the small details, the red is the surface temperature. The blue is the satellite-measured temperatures, and lower are the balloon-measured temperatures. If you take the satellite along with the weather balloon temperatures, they are almost on an even keel, and they show no global warming. The only global warming that is portrayed is the surface temperatures, and they could be caused by a lot of changes, such as expanded populations in some of the areas.

In terms of the potential contributions of ocean, you see a big peak over here in 1998. That was actually credited to the impact of El Nino. I think the gentleman from Pennsylvania is totally correct. These and other shortcomings make climate models unreliable tools for predicting future climate change and for making energy policy.

Mr. Speaker, I yield to the gentleman.

Mr. PETERSON of Pennsylvania. Mr. Speaker, the gentleman is absolutely right. In debates I have had with people who believe opposite of I, I say give me data. Give me facts and true measurements, and they cannot. They keep using these models. We have cycles of weather, but if my memory was correct, there was not much talking about global warming when we had the coldest temperature months in a hundred years this past winter. Temperature hours, we had a cold year overall. But you do not hear people talking about that.

A year or so ago when we had unusually warm summers brought on by El Nino and other air currents, everything was global warming.

I think it is very important that we also mention about the sinks that were earlier discussed. A lot of our scientists are amazed when our air currents hit the ocean after crossing the eastern part of the country because from Michigan to Pennsylvania we have tremendous forests that are great sinks that suck up the carbon dioxide, and when the air currents reach the ocean, they have a lot less carbon dioxide than when they left because of the combination of farm country and our forests. This country may not be a contributor because of our sinks, as indicated on the charts that here.

Mr. SMITH of Michigan. Let me put that chart back up. Just to review, Europe and the North Africa area, the red indicates the amount of CO2 that they are putting into the air. The blue at the bottom indicates how much they sequester or capture of CO2. And of course all living organisms live on CO2. Our plants collect that as part of their growing.

Because our agriculture is so intense and expansive in the United States and our forest lands are so abundant, we capture about the same amount of CO2 as we emit. Unlike the European countries, as you see on the right, the tropics and the southern hemisphere capture more because of the forests and the growth of biological products in that area. We see a great sequestering.

But the point needs to be made strongly that that has to be part of the consideration. And it has to be part of our research in the future. How do we increase our ability with technology to capture some of that CO2 just in case it might be causing a greenhouse gas out there.

I am chairman of the Subcommittee on Research in the Committee on Science, and all of the scientists in the field on this issue agree that we need more research on global warming because there is so much that we do not know. We are basing so many conclusions on incomplete research. There is a lot of shooting from the hip. If we are going to make this dramatic change such as what is described in the Kyoto treaty, I think it behooves us to move ahead more aggressively with the same kind of scientific research and that is what we are going to do in the Committee on Science and that is what this administration has suggested.

Mr. PETERSON of Pennsylvania. The Kyoto treaty, that chart says it all about this country. If the Kyoto protocol was implemented, would it reduce global warming if it were a proven fact? The answer is ''no'' because it would only restrict emissions in our country. It has minimal impact in Europe and all of the developing countries that are stealing our manufacturing, like Mexico and China, who would not be living up to any agreement. They would be doing nothing.

So we would be pushing manufacturing out of a country that has the best pollution control equipment in the world, taking that manufacturing to parts of the world that have little or no control over emissions, and would actually be adding to air pollution in the world.

The Kyoto treaty was not written by a friend of the United States. It is probably one of the worst documents signed and brought back to this country because it would destroy our economic base. If global warming was a fact of life, it would do little or nothing.

Mr. SMITH of Michigan. Mr. Speaker, I think it is fair to at least mention the tremendous political influence that some of the environmental community has. We all want a cleaner environment. We are all going to move ahead to develop renewable-type resources that can minimize the CO_2 emissions, but a tremendous political influence that I think has caused maybe some in the previous administration to agree to these kinds of protocols because it was so strongly supported by a strong political group.

I think the bottom line is that if we are going to make reasonable policy decisions, we are going to have to get emotion away from that policy table and scientific evidence on the table to make the kind of decisions that are going to have a tremendous impact on the economy of this and other countries.

Mr. PETERSON of Pennsylvania. One of the things that I have found distressing, the scientists that have had the courage to speak out on this issue have often been called to task by the college presidents by saying we want you to tone down your discussion of this issue. We are going to lose research dollars.

Mr. Speaker, that is not what science is about. Science should be seeking the truth and the facts. When you have a university president telling real scientists that they should not be talking about their findings in a real scientific way, you are cooking the books. In my view, a lot of that happened in the last few years. There was a huge influence from the White House and the Vice President's office, and there was intimidation at the university level that if you wanted grants and further studies, you better give them the message that they want.

When you buy scientific information and you tell them what you want to be in the answer, you are not getting anything for your money because all you are getting is somebody to state what you want stated.

Mr. Speaker, real science is about searching for the scientific facts. I think a lot of that was veered from in the last recent years.

Mr. SMITH of Michigan. There is no question that making sense of climate variability is a hugely complex challenge, but one that we can make progress on, at least before we commit to onerous regulations.

In a 1999 study, the National Research Council made recommendations for a research strategy focusing on unanswered scientific questions. The NRC identified over 200 questions that need answers if we are to understand and predict climate change. That is exactly what the gentleman from Pennsylvania is suggesting; we need real science and real answers to some of these questions.

But in the meantime, there are things that we can do to reduce greenhouse gas emissions. We can improve energy efficiency, and we are doing that. We are developing new energy sources, sources that do not emit CO_2; and certainly the research to expand the sequestration of CO_2 must be encouraged.

I have one chart that I think is dramatic. This is a model by the UC National Center for Atmospheric Research. What this diagram shows, the red line is what is going to happen to global warming without the Kyoto treaty. The orange line that we see coming up slightly underneath it in the years 2040 to 2050, represents the possible reduction in temperature. And even if all of the Kyoto treaty was implemented, the reduction in climate is 0.07 degrees centigrade, almost unmeasurable in its extent. We still have scientists that came before me in my pursuit of what is the right answer suggesting that a little global warming might be good for agricultural expansion in this country. So with that small a degree in warming, I think it is very important that the Members of this Chamber, Madam Speaker, understand that we could go into grave consequences by the implementation of this. That is why I certainly want to encourage the negotiators on the conference committee that are taking up this State Department authorization bill to review this.

I yield to the gentleman from Pennsylvania.

Mr. PETERSON of Pennsylvania. Another factor, around 1440, there was 7 degrees of warming temperature. The negative impact was the agricultural belt in this country expanded immensely. They were growing grapes further north than ever grown before. The food basket grew. There was no measured real evil force from the temperature rising 7 degrees, which has not happened in recent centuries.

Mr. SMITH of Michigan. Mr. Speaker, the historical consequences of such a modest warming, I mentioned have shown to be beneficial. An example I was looking at was during the Medieval climate optimum. During that optimum period of slightly warming temperatures from 800 to 1200 A.D., improved agricultural production linked to warmer weather led to economic expansion throughout Europe.

There are many things that we need to give priority to to get answers to the 200 questions that the scientific community have suggested that we need answers to before we proceed in this type of venture.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I welcome scientific facts, not computer models, but the real facts. That is what we need to deal with. I think it is very important that we do get this language taken out. We have had enough promotion and sales pitch on global warming and the Kyoto protocol in the last 8 years. It is time to get back to sound science.

Mr. SMITH of Michigan. Mr. Speaker, I put the last chart up to show some of the accomplishments that we have achieved in the last 35–40 years especially in terms of increased energy efficiency.

The top black line represents the energy use at constant 1972 GDP. How much GDP does one unit of energy achieve.

What has happened is our actual energy use to achieve this greater GDP, which has almost doubled since 1979, is way down below what we have expected. That shows this country has been very aggressive in trying to achieve the greater economy. It takes 30 percent less energy to produce a dollar of GDP than it did in 1970. So we are moving ahead.

That greater efficiency means less emissions. That greater efficiency means less energy use that is also compounding our problem right now.

It is an appropriate time to discuss this issue of the Kyoto protocol when we are looking at high energy prices because if we were to follow that protocol and reduce our energy use back to the 1979 levels, we would have to ration the amount of home heating fuel and gasoline and coal; and the way to ration it would be dramatically increasing price or some kind of law that says you can use only so much.

□ 2215

Either way, there is a dramatic implication on the economy of this country, and that means on the standard of living of this country, because what other companies are going to do if energy prices were to go up in the United States, they are going to look at these countries like China and Mexico and the other ones that were impacted by this protocol and look at the energy price there that is going to be much lower, and they will say, hey, we are going to move our business and our factories and our production to those other countries. Of course, when that happens and those other countries start developing, it is very unlikely that they are going to sign a similar protocol some time in the future to impede their economy. So I think it behooves us all to make sure that we think very carefully before we emotionally move ahead on something that might cause more damage than it does good.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I think it is pretty outstanding when we have been increasing the efficiency of manufacturing and processing by more than a percent a year. The gentleman talked about 30 percent. I was reading something today that was 40 percent, I do not know what the time span was, but we have made tremendous progress in the efficient use of energy.

Now, it is my belief that the reason we are in an energy crunch today is number one, we did not have an energy policy and we had very cheap oil and very cheap gas for an extended period of time that kind of shifted us in the wrong direction. But, there was a real move in this country away from coal, away from nuclear, and the Kyoto protocol concept had us trying to phase out fossil fuels with a false assumption.

Now, we are all for renewables, but when we look at the charts, and I have read all the charts recently of energy usage in this country and growth, and when they are projecting into 2010 and 2020, renewables are still a very narrow line. I mean, there is not a lot of growth there whether it is solar or whether it is wind, and, of course, hydro has been stuck at the same amount. The chart showed, hydro, questionable in the ability to relicense; nuclear, questionable in the ability to relicense.

Those are discussions we are going to have to have. Because the phaseout of the use of fossil fuels, the phaseout of coal, except for power generation, has put a heavy load on other energies and has us in a position where we are very dependent on oil from foreign countries that are not our friends. I have a personal fear at the moment, and I heard on this floor just a couple of nights ago why we were even thinking of building coal power plants when we can build these clean natural gas ones. I believe personally we have overloaded natural gas.

I do not think we can drill wells fast enough, because what we are going to do is we are going to endanger home heating costs. We are going to have people who now mostly depend on gas for their home heating; most of our factories, our schools, our hospitals use gas. We are going to have a huge shortfall of gas in this country.

Gas prices doubled last winter. I am afraid they could double again this winter. If that is the case, we are going to have people unable to pay their energy bills, seniors unable to stay warm. When we talk about a ripple effect in our economy, natural gas will make one far worse than gasoline, because when we drive, we can drive the vehicle that gets the best mileage, we can drive a little less, give up the pleasure trips. But when it comes to heating a home and running a business, there are not too many options.

Mr. SMITH of Michigan. Mr. Speaker, I think the gentleman opened the door to a short discussion as we conclude on energy. Let me briefly go through a couple of the charts that I think describe the predicament that we are facing in energy.

This chart simply shows the top red line is energy consumption, and the bottom green line is energy production at the 1990–2000 growth rates, and so the middle is the projected shortfall. That means we are becoming more and more dependent, like the gentleman said, on other countries, especially OPEC countries.

In 1970, I was asked to go on the Presidential Oil Policy Commission, and so we went over to the White House with Bill Simon every morning at 6:30 to find out where the available supplies were and how we could distribute them. At that time we were very nervous because we were in a Cold War situation, so we gave agriculture a top priority for fuel.

So two decisions were made. Number one, put a price ceiling on the price that could be charged for gas and petroleum products. Number two, give agriculture a top priority. I was assigned the task of sort of substituting for the market economy in trying to find out what farmers were low on fuel.

So we set up a computer in every county of the United States, every agricultural county of the United States, and they would call in if they were out of fuel and we would go down to the chart and say, look, under law, you are required to deliver to this area so this farmer can have fuel. We learned then that price controls, from the long gas lines to the fact that we were doing a very poor job in allocating this scarce resource; computers were not good enough then, they are not good enough now, so rationing is a predicament, but this chart shows the increased dependency, and most of this is on the OPEC countries, as the gentleman from Pennsylvania suggested, that we need to not only expand, reduce our dependency totally, but certainly we need to look at some of those other countries, the Caspian area countries and others that might have a better attitude towards the United States.

This chart shows an average of what goes into a gallon of gasoline. So the crude oil price, which is which has usually been the basis, 58 cents of the price of $1.81 which was May 1, I think; 18 cents Federal tax, State tax is 27 cents, refining costs, 58 cents; distributing and marketing costs, 20 cents. Gasoline has gone up.

Mr. Speaker, I introduced a bill to suggest that the Department of Energy review all the regulations, especially the boutique fuel regulations. This chart shows the 15 different boutique fuel regulations in different parts of the United States, and if we multiply that by 3 for the regular, the midgrade and the premium, one can understand, with all of those different fuels, the tremendous inefficiency that is required by complying with those kinds of regulations. So we have to have separate holding tanks, separate pipelines, or we have to clean out our pipelines before we ship another variety through, so we need to review those. This is old data. We need to make sure that we can protect the environment, but review these kinds of regulations to see what the new technology can contribute.

Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I think we will find where we see those bright colors where the prices have been in the last year or two where we had spikes in the central part of the country; the year before in California; two years ago was up the East Coast where truck fuel prices were exorbitantly high. But where these special fuels are, our national system of pipelines does not work, because we have a different type of fuel than most of the country is using, and if one of our refineries goes down, then there is just not enough to go around, and so the price is going to go up for that marketplace. So this has really complicated the gasoline and truck fuel delivery system.

Mr. SMITH of Michigan. Mr. Speaker, this chart shows, I think, something that we can be very proud of. The increase in gross domestic product in this country has been plus 147 percent, where U.S. coal consumption has increased 100 percent, but U.S. energy consumption in total has only gone up 42 percent, and the key air emissions have actually gone down 31 percent.

Mr. Speaker, the United States is leading the world in terms of pushing the kind of research that is going to reduce CO_2 emissions, but whether it is CO_2 or whether it is vapor emissions going into those greenhouse gases, or whether it is the kind of new technology where we can develop new energy sources, the United States is moving ahead probably more aggressively than any other country, and we need to do that, but we do not need to sign and agree to the Kyoto protocol, which is not based on complete science and which would be a punishment to the United States.

Mr. PETERSON of Pennsylvania. Mr. Speaker, if the gentleman will yield, I think the head of our energy policy, as Mr. Bush and Mr. CHENEY have shared with us, is we have to conserve, we have to use energy efficiently and be more cautious that we are not wasting energy. I think we still have lots of progress we can make there. And we must continue to do that. But that is down to every American citizen who can contribute there. It does not need to be some new law, it does not need to be some strict regulation, but I think leadership from the White House is going to help Americans be much more conscious.

Of course, prices makes us much more conscious. As prices go up, we are going to turn lights out when we are not using them. We are not going to turn our thermostats to be quite as high. We will not drive quite as fast and waste fuel. We might take a little shorter trip. We may look at the next car we buy to be more fuel efficient. Those are all things we can do individually, but they should be personal choices. They should be incentives, not strict government rules and not a heavy hand from government. The American people all need to realize that we are all in this together.

However, on top of that, we cannot conserve our way out of this crisis. We have been phasing out production, and $10 oil certainly killed production in this country and $1 gas stopped all drilling. There are a lot of people thinking there are just thousands of wells out there capped, ready to let gas out. That is not true today. The pipeline system is inadequate to get the gas from one part of the country to the other. The grid that moves electricity is inadequate to get where there is excess electricity to parts of the country

where there is a shortage. We need an investment in our total system. But when we have all energies in a greater amount available in inventory, that is what stabilizes prices.

Mr. SMITH of Michigan. And the market system works. I think we have a responsibility at the Federal level to make sure as best we can that there is competition, and there is not the kind of gouging. But if last year, the crude oil prices got for a little while over $30 a barrel, I think now they are around $26, but still if we were to say, you cannot sell crude oil for over the $8 a barrel that was a low point several years ago, I mean there would not be exploration. They would not be coming into Pennsylvania and Michigan doing some wildcatting. They would not be acidizing some of the old wells to drain them dry of oil, and there would not be the kind of research that can make sure that we can be environmentally friendly in the smaller drilling in the fact that we can now sit on one site and go for 4 miles in all directions to capture some of the oil down below, rather than having the congestion that we saw back in the 1940s and 1950s maybe in Oklahoma and Texas. So technology is a huge change.

Mr. PETERSON of Pennsylvania. Mr. Speaker, we helped fund research that they felt very close to working using ultrasound, one type of ultrasound to clean out the old well bore, the other kind to go out and loosen the oil from the rock crevices and let it flow into the well. They have successfully increased production with ultrasound. Now it is a matter of the next study is going to put it out into the field in a number of wells, and if that works, we will be able to get more oil. But those are the sorts of things we need to do.

I was at Penn State recently. They have a project there that has been completed in the laboratory, and now it is moving into the refinery where they are going to take western Pennsylvania coal and make jet fuel and have a carbon product that will be used by Pennsylvania's famous carbon industry. So they will take coal and turn it into two carbon items. One is jet fuel and the other one a carbon product that will be used in manufacturing, and they also have a fluidized bed boiler that can be implemented and could be used by hospitals, could be used by schools, could be used by factories, that can burn any fuel. Because the fluidized bed process is what we are using in this country to burn our high sulfur waste coal, in Pennsylvania we are using it, because they use a crushed limestone slurry that takes the sulfur and unites with it instead of sending it up to stack into the air and helps it burn it cleanly, and they are claiming that if it can burn coal and wood waste, it could burn coal and animal waste, it could burn coal and animal fat, it could burn natural gas, it could burn number 10 oil or fuel oil.

□ 2230

This kind of burner would then give a manufacturing plant or a university the ability to buy the cheapest energy that year.

When we get that kind of competition going out there we will not be stuck, because this winter we are going to have businesses and people owning homes stuck on high-priced natural gas because this country moved strictly to making all the new power plants gas without adequate inventory to back it up, in my view.

Mr. SMITH of Michigan. I think it is worth mentioning that over the last 8 years, we have been so conscientious or the administration was so conscientious on the environment that we ended up closing down about one-third of our refineries in this country with regulations and increased costs. We ended up stopping a lot of the clean coal mining in this country.

Right now I think the estimate is something around 250 to 300 years' worth of energy from coal, if we move ahead on that kind of technology. Or if we use some of technology that we have now, the administration and President Bush is suggesting another $2 billion over the next 10 years to do research on clean coal technology to even do a much better job of the nitrates and sulfur dioxide emission, besides the particle pollution that is happening.

We are able to do a lot of that now. With a little more effort, we can make this kind of a fuel a very efficient contribution to a continuing strong economy in this country.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I asked the question recently on why the question mark on relicensing hydro. Someone said, remember, these hydro plants, where water runs through a pipe coming out of a dam and turns a turbine, there is no environmental downside, these dams were built without adequate environmental impact statements, and we might want to have to tear them down.

That is where we are coming from on this whole issue. That is at a time when we are looking at shortages.

There are some very new interesting pebble bed nuclear plants that are built in small units that can be built right alongside of existing plants that have very little fuel waste and solve a lot of problems. They are being built all over the world.

Our whole energy issue, if we want to become more self-sufficient and not dependent, the thing we must not forget, the Far East countries that are providing so much of our oil today, and that is just one of our energy sources, they could double the prices again tomorrow by just restricting how much they will give us. They set the price. They have the ability, because of the amount we are buying from them, they can set the price.

If we can lower that, that is why some of us are even supporting ANWR drilling, because we need to do anything we can do to take away that control that these countries that are unfriendly to us have over us, because they could cause us to have $40 oil in the next month.

Mr. SMITH of Michigan. Mr. Speaker, the gentleman talks about the national security of this country, of our country. Certainly there is power that a few countries in the world now have over our ability to produce.

And look, we have changed. We are a new world. We are not where we were back in the thirties. We now have high-rise office buildings where we need the elevator to get up to that 15th or 20th floor; where the windows do not open, so we need the air conditioning in hot weather and we need some warming up in cold weather. We are a new society.

We have got so many older individuals that are on the kind of life support system where it is actually a matter of life and death. We cannot be a government that accepts brownouts, certainly not blackouts, as a regular order of business.

That means moving ahead aggressively with conservation, but conservation cannot do it all. It means expanding, and I am biased as chairman of the Subcommittee on Research, but it means dramatically expanding our research efforts.

Mr. PETERSON of Pennsylvania. I just talked to my local school district, who paid $2.80 for gas last year. They have now purchased this winter's gas for $5.40. Last year they paid as high as $12 one month because they had not purchased ahead.

When people this winter start paying $10 per thousand for gas, they may think, is it smart to lock up the whole West Coast for gas drilling? Is it smart to lock up the whole East Coast for gas drilling? Is it smart to lock up all of our shoreline except Texas and Louisiana? Those are the only two places I believe they are allowing drilling to happen. Is the environment compromised there? I do not think so.

We have the technology to get gas out of the ground today in a very environmental-friendly way. In a country like Norway, they drill all the way around themselves. They do not have their coastlines ruined. They have not ruined their environment. But natural gas is what they use, and I am told they have the model system of drilling offshore.

We are going to have to look at all of those things. Prices will force people to take a broader look at this issue, because $10 gas will be painful when we are heating our homes.

Mr. SMITH of Michigan. As we conclude this special order session, certainly I would like to thank the gentleman from Texas (Mr. BARTON) and the gentleman from Pennsylvania (Mr. PETERSON).

If the gentleman from Pennsylvania would like to give a wrap-up conclusion.

Mr. PETERSON of Pennsylvania. I just say to the American public, to

Members, and to those listening, I just believe that we need to support the President's comprehensive energy plan. There is no quick fix to our energy needs.

As we talked, I think a lot of it has been brought up by the hysteria of the Kyoto Protocol and the concept that the Kyoto was something special that we had to do. If global warming was a fact of life, the Kyoto Protocol was not something that made it better. It was a bad deal for this country, and would not have changed what the situation was in the world, because it would have allowed all the countries to steal our employment, steal our factories, where they do not have strict pollution laws.

In this country, where we have the strictest and the best technology, we would have lost the business, so it would not have improved the world's atmosphere, it would have destroyed the economic base. The poor people in America would have lost their jobs.

That, and the energy issue as a whole is one that the American people had better be very wise about. I think the Bush-Cheney administration on the Kyoto Protocol made the right decision, and having a broad-based energy where we improve our ability to have the energy we need for this country, and allow the marketplace then to work from supply, not from shortages, is what is needed.

I thank the gentleman tonight for allowing me to join in on his special hour.

Mr. SMITH of Michigan. I thank the gentleman from Pennsylvania. In the authorizing bill for the State Department that went through the Committee on International Relations, there was an amendment in there, and that is what we have been talking about tonight, to go ahead with implementation of the Kyoto Protocol.

It is interesting, that vote was very close. I think it was 20 to 22 that the amendment succeeded in going on that bill with something like 14 members absent, so it is a real question that needs debate.

I would certainly encourage the conferees from the House and Senate, when they meet to reconcile the differences between the House and Senate, that they seriously look at the consequences of that language and consider removing it from the final bill.

THE ENERGY CRISIS IN CALIFORNIA AND THE WEST

The SPEAKER pro tempore (Mr. GRUCCI). Under the Speaker's announced policy of January 3, 2001, the gentleman from California (Mr. FILNER) is recognized for 60 minutes as the designee of the minority leader.

Mr. FILNER. Mr. Speaker, we are going to spend the next hour or so speaking about the crisis in California and the West, and spreading to other parts of this country.

Apparently, this Congress is going to adjourn tomorrow or the next day passing a tax cut for the wealthiest of Americans but refusing, refusing to do anything about the electricity crisis in California.

We just heard how good the President's energy plan was. Yet, out of the 105 recommendations made by the President in his energy plan, not one, not one addresses the problems of California and the West.

Those problems are severe. California's economy is teetering on the edge. If California's economy goes, so goes the rest of the Nation.

What is the source of the problem in California and the West, and what actions should we take to solve it? That is what we want to spend some time tonight in dealing with, and we have colleagues who will testify that this issue is not just confined to California but to other parts of the West, the Midwest, and the eastern parts of our Nation.

The roots of this crisis go back to last summer. California passed a deregulation law a couple of years ago. It put the path to deregulation that our utilities in the State would have to go. San Diego, California, which I represent, was the very first by the terms of the deregulation act to fully deregulate its wholesale and retail prices.

I think San Diego was the first place in the Nation, certainly in the State of California, to fully deregulate in this way. We found out in retrospect that that deregulation law was badly flawed. It allowed deregulation of a basic commodity, the oxygen of our economy, when there was no market, no competitive market, to allow the reduction of rates that were promised by the law. Yet, we went ahead and deregulated, and boy, did we find out what a mistake it was.

When my constituents in San Diego opened their bills last June, they were completely shocked to see that their prices had literally doubled. Even worse, the next month the prices had gone up another level, tripled from the original pre-deregulation rate.

Now, if one was a senior on a fixed income paying $50 a month and the bill went to $150 or $200 without any explanation, without any reason, and without any end in sight for the increases, that person was panicky, wondering how they can air condition their apartment or heat it when necessary.

If one was a small business and paying $800 a month for electricity and the bill went to $1,500 and then to $2,500, even $3,000, how could that business stay in business? How could they survive with those rates? Scores of my constituents had to close their doors in that first just 60 days of deregulation in San Diego.

Now, San Diegans found out and learned pretty quickly what the reason was that this occurred. It was not any hotter a summer in 2000 than it was in 1999. Demand did not go up in California or in San Diego. The cost of producing a kilowatt of electricity, which is a couple of cents, did not increase.

Yet, their prices tripled in 60 days. It was clear that there was a manipulation of the market; that the few companies who controlled electricity in California were jacking up the prices, gouging people, and taking enormous, enormous profits. Those profits, Mr. Speaker, have amounted to $20 billion over the last year in California.

Now, all the politicians reacted to the panic, to constituents who came in and said they were going bankrupt. We looked death in the eye literally in San Diego last summer. We said that this price increase, these price increases, were caused by manipulation of the market by a whole number of means which we became aware of and submitted to the Federal Energy Regulatory Commission, FERC.

FERC investigated what we had supplied them and they reported last November that, yes, we were right, the price was manipulated, the market was manipulated in San Diego, California, and the prices were unjust and unreasonable. That is the term in the law. Therefore, they were illegal.

I believe, Mr. Speaker, that the true crisis in California started the day that that report was issued by FERC, when they admitted or they revealed that the prices were illegal, yet they did nothing to stop the wholesalers and generators who were charging these prices.

What FERC said by not applying any sanctions to these wholesalers was ''Go and rob the State blind, because we are not going to do anything about it.'' Boy, did they ever.

My friend, the gentleman from Sherman Oaks, California, the most well-named city in America, is here with me. We have representatives from Chicago and the Midwest. I hope the gentleman from California (Mr. SHERMAN) will pick up the story of what occurred when they said, ''Go rob the State blind'' to the energy wholesalers, and what they did to the State of California in the year 2001.

□ 2345

Mr. SHERMAN. Mr. Speaker, I thank the gentleman from San Diego, California (Mr. FILNER) whose home county was ground zero for the consumer being directly affected by this Statewide and now regionwide rip-off.

In 1999, California paid $7 billion for electricity generation. The next year, in the year 2000, we actually used less electricity at peak times, but for the same basic amount of electricity we paid $32½ billion. This year we will use the same amount of electricity as we used in the prior 2 years, and we will be charged $70 billion, from $7 billion to $70 billion, no more electrons, just more price. A transfer this year, if it continues, of $63 billion from the consumers of California to a few megacorporations coincidently based in Texas.

The entire State said okay, we did not do the right thing with our deregulation. We want to reverse it. We want to regulate these same plants that used to be owned by our regulated local utilities and have been sold off to these big