

more reason why we need to separate the premium that applies just to the terrorism risk, as well as cap it for the initial rate increase to pay for the terrorism insurance.

There is a third protection of the consumer that must be included in any legislation the Congress passes, and that is the prevention of redlining or, in other words, the prevention of saying: I am going to give you terrorism insurance, but I am not going to give you terrorism insurance. In other words, there has to be a mandatory obligation that all policies be able to have the terrorism coverage.

Those three particular points of protection of the consumer must be in legislation that comes out of the Senate and was suggested by the White House yesterday but with no details: Point No. 1, separate the funds from an accounting standpoint so we know how much is going in to the insurance company for the terrorism risk; No. 2, cap the amount initially that can be raised until some experience can be built up and data is available to see if the rate being charged for the terrorism risk is actuarially sound; and, No. 3, have a requirement that there be the mandatory coverage of the terrorism risk so that there cannot be cherry-picking, saying: We will cover you, but we will not cover your policy.

Then the public of America would be well served.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Madam President, I ask unanimous consent that I be permitted to proceed for 5 minutes.

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

Ms. COLLINS. I thank the Chair.

(The remarks of Ms. COLLINS pertaining to the introduction of S. 2077 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:36 p.m., recessed until 2:15 p.m., and reassembled when called to order by the Presiding Officer (Mr. DURBIN).

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUNNING. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. BUNNING. Mr. President, are we in morning business?

The PRESIDING OFFICER. Yes, we are.

U.S. ENERGY POLICY

Mr. BUNNING. Mr. President, I rise today to talk about the current state of energy in our country.

We desperately need an energy policy that will address the future of our energy use. Now is the time for Congress to get serious about passing a comprehensive energy bill.

I believe that in order to make progress on this energy bill we need to balance conservation and production.

Many of us in the Senate understand that a balanced, sensible energy policy must boost production of domestic energy sources as well as promote conservation. The energy bill before us takes good steps toward striking this balance.

I look forward to the tax ideas coming from the Finance Committee that will further promote conservation and the use of alternative fuels.

However, I still believe that this bill remains too weak on production. More must be done to increase our domestic production if the Senate is going to pass serious energy legislation. Increasing our production of energy is absolutely critical in reducing our dependence on foreign oil.

Right now we depend upon foreign nations and the Middle East for nearly 60 percent of our country's oil supply. As most of us know, gasoline prices have been increasing for the past several weeks. This causes me serious concern especially since the upcoming summer months are when so many families take to the road for their annual vacation.

There are many reasons that gasoline prices are rising. One reason is that OPEC countries have cut their oil production since the end of 2000 by a total of 5 million barrels of oil per day. Another is the increasing volatility in the Middle East.

Gasoline prices have increased more than 25 cents in just the last few weeks. Higher gas prices will place a strain on the American families' budget.

They raise the cost of goods and services, and place an even greater burden on our economy just as it is showing signs of life.

The need to increase our own production of energy is especially true after Saddam Hussein's announcement yesterday that Iraq will cut off oil exports for the next month to protest Israel's actions on the West Bank. He is also calling for an OPEC embargo on all oil sales to America.

Before this announcement, the United States indirectly imported nearly 780,000 barrels of oil a day from Iraq. Saddam's threat pushed the price of oil and gas even higher. I think we need to ask ourselves whether we want to continue our dependence on other countries led by people as dangerous and unpredictable as Saddam Hussein.

Our national security has never been more important, and we must strengthen our energy independence to protect ourselves from madmen like Hussein and the politics of the Middle East.

We are at war, and we continue to face economic uncertainty. Energy is a key factor in both of these struggles, and this means that the Senate absolutely must take a cold, hard look at ANWR.

The issue is too important to play games with. It is too important for politics. Our Nation and our security are at risk.

The rules have changed. We need to stop playing around on this issue and to have a straight up or down vote on ANWR: No bluffs, no posturing, whoever has the most votes wins.

ANWR is the most promising domestic source of energy that we have. I believe it is indispensable to helping reduce our dependence on foreign oil.

Of course there are some in the Senate who are desperate to stop us from opening up ANWR. However, with more than 10 billion barrels of oil recoverable from ANWR, I think we all need to take a clear-headed look at it.

ANWR has the potential to produce over 1 million barrels a day. That is enough oil to replace the volume we currently import from Saudi Arabia or Iraq for more than 25 years. The oil that could be recovered from ANWR could fuel Kentucky's oil needs for the next 80 years.

Drilling in ANWR provisions in the energy bill would make a huge difference for our domestic consumption and would amount to an essential step toward ensuring our national security. We have no choice. We must lessen our reliance on Saddam Hussein and others in the Middle East for our oil by exploring ANWR.

Today the United States produces less than we did in World War II. In 1970, our oil imports constituted only 17 percent of our domestic consumption. That is three-and-a-half times less than what we import today. This dangerous trend must be reversed.

Furthermore, recent advances in technology will enable us to extract oil in ANWR in an environmentally sensitive way.

America's environmental safeguards are the toughest in the world. This means that the drilling operations will be conducted under the most comprehensive environmental regulations.

We all want to protect our environment. If we do not do a better job developing domestic energy, we will continue to rely on foreign oil, oil from other nations. These nations have weaker environmental rules than we do. Under these weaker safeguards, the damage to the environment will be even greater than if we use ANWR.

I also think that our domestic production should be increased through the use of clean coal technology. I am proud to come from a coal state. The energy bill provides a good start at increasing research and development and encouraging the use of clean coal technology.

The proposed tax package will also further increase incentives for the use of clean coal technology. Clean coal is

important to increasing our domestic energy production in an environmentally sensitive way. We have over 275 billion tons of recoverable coal reserves. This is nearly 30 percent of the world's total coal supply. That is enough coal to supply us with energy for another 270 years.

Because of research advances, we now have the know-how to better balance conservation with the need for increased production. Let's use this ability to come up with a good piece of energy legislation.

Yesterday's announcement by Saddam Hussein should remind everyone how vulnerable our economy and national security are to arbitrary decisions made by dangerous foreign dictators.

For over two decades, we've hemmed and hawed about the need for America to follow a sensible, long-term energy strategy. If the threat of Saddam Hussein putting a gun to our head—again—does not help us pass a bill, I do not know what will.

I hope we are on our way to producing a balanced comprehensive energy bill that increases production and conservation and makes a difference for our national security. I hope that we can move quickly to pass an energy bill that will make our economy and national security stronger. The time is now.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, are we on the energy bill at this time?

The PRESIDING OFFICER. We are not.

Mr. REID. Mr. President, I ask for the regular order.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 517, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

Pending:

Daschle/Bingaman further modified amendment No. 2917, in the nature of a substitute.

Feinstein modified amendment No. 2989 (to amendment No. 2917), to provide regulatory oversight over energy trading markets and metals trading markets.

Kerry/McCain amendment No. 2999 (to amendment No. 2917), to provide for increased average fuel economy standards for passenger automobiles and light trucks.

Dayton/Grassley amendment No. 3008 (to amendment No. 2917), to require that Federal agencies use ethanol-blended gasoline and biodiesel-blended diesel fuel in areas in which ethanol-blended gasoline and biodiesel-blended diesel fuel are available.

Lott amendment No. 3028 (to amendment No. 2917), to provide for the fair treatment of Presidential judicial nominees.

Landrieu/Kyl amendment No. 3050 (to amendment No. 2917), to increase the transfer capability of electric energy transmission systems through participant-funded investment.

Graham amendment No. 3070 (to amendment No. 2917), to clarify the provisions relating to the Renewable Portfolio Standard.

Reid amendment No. 3081 (to amendment No. 2989), in the nature of a substitute.

AMENDMENT NO. 3081

Mr. REID. Mr. President, I understand that under the regular order we would be on the Reid and Feinstein amendments.

The PRESIDING OFFICER. The Senator is correct.

Mr. REID. Mr. President, I have spoken to the senior Senator from California. She is going to move to table my amendment as soon as she completes her remarks. I will, therefore, say just a few things.

I, first of all, commend the Senator from California for her amendment and for her work on this extremely difficult issue dealing with derivatives regulation.

To put this in proper perspective, I think we should look at the predicament in which Senator FEINSTEIN now finds herself. She represents 35 million people, the largest State in the United States. This State's gross domestic product is larger than most nations. She knows specifically, but I think California has the sixth or seventh largest gross national product in the world.

Last year's energy crisis threatened California's prosperity and brought home to all of us that we are in uncharted territory with regard to energy deregulation. The State of Nevada actually passed deregulation legislation. I spoke to the legislature a year ago. Because of my suggestions and others, they rescinded deregulation. But even by that time certain things had been put in place. Nevada suffered, along with California, with this energy crisis.

Enron was the supposed leader in energy trading and markets. It makes me wonder how can we have a company such as Enron in this country—a publicly owned company—that changes in 1 year from a high-flying, worldwide, mega company into a bankrupt loser. In the process, hundreds, if not thousands, of people's lives were ruined. We have many congressional committees now looking at what happened. A prosecutor is also looking into criminal activities that probably took place.

I think we all owe Senator FEINSTEIN a debt of gratitude for her interest in this issue and for the work in process to make changes to the Commodity Exchange Act that will ensure trading and energy derivatives is done in the open with transparency in a way that inspires public confidence in the market.

The amendment I have offered, and which she is going to move to table, would restore metal derivatives trading to exempt commodity status. Senator FEINSTEIN's amendment inadvertently included metals derivatives with

the derivatives that are the intended target of her amendment. Like other metals, metals derivatives markets help companies manage the risk of sudden and large price changes.

In recent years, derivatives and other so-called "hedging transactions" have helped the mining industry—especially in the State of Nevada—cope with the steadily declining gold price by selling mining production forward. The last couple of years illustrate the function and the value in the marketplace of such transactions.

Some companies decided not to hedge, betting that the gold price would rise and that hedging contracts would lock them into below-market prices. Most of these companies were hurt significantly because the gold price stayed relatively low.

In contrast, other companies hedged some or most of their production. These companies have survived, and survived well, and some have even thrived. By choosing to manage their risk, they accepted the risk that the gold price could rise, but they stabilized company performance, continued to provide jobs, and continued to contribute to the communities in Nevada where they are so important.

Unlike energy derivatives, which raise questions because of the recent energy crisis, metal derivatives have been traded over the counter for many years. The 2,000 amendments to the Commodity Exchange Act didn't change this; they only clarified and confirmed the legality of these markets. Lumping metal derivatives together with energy derivatives would impose regulatory burdens that never existed, even before the 2,000 amendments, without any justification.

The amendment I have offered would not allow metals derivatives markets and participants to trade derivatives without accountability and transparency.

I hope, first of all, that my amendment will be accepted. If there is a motion to table, which I understand my friend is going to offer, I hope it will be defeated.

The metal derivatives market has been going on for many years. I repeat that unlike energy derivatives, which raise questions because of the recent energy crisis, metal derivatives have been traded over the counter for many years with absolutely no problem. My amendment is necessary to restore metal derivatives trading to exempt status, which is critical to the health of the mining industry.

Because of the low price of gold, the mining industry has really struggled. We have seen various articles, which I know the Presiding Officer is interested in, which have indicated there is agreement that there needs to be a change in the 1872 mining law, which has absolutely nothing to do with what I am talking about. But the mining industry has agreed that we need to go forward with that. At a National Mining Association meeting, Jack Gerard