

our efforts in going after the al-Qaida terrorists.

We said: President Assad, you have to go after the groups, such as Hezbollah, that you are offering facilities to, which are also fostering terrorism.

Of course, he rejected that. His point of view was that they were freedom fighters. There is a lot of politics in it.

It will take leaders such as Assad and the leader of Lebanon, with whom I met yesterday, the Prime Minister of Lebanon, Rafiq Hariri, to emerge as leaders in the Arab world and say: We have to change the old ways; we have to do it differently, and violence and killing is not in our interest.

Those Arab leaders are going to have to say vigorously to their colleagues that it is in their interest that they create an environment where they can solve this violent situation in the Middle East and bring the Palestinians and Israelis together. As the Good Book says, "Come let us reason together."

I am very grateful that the Senator took the Chair so I could come to my desk and make these remarks.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

The Senator from Nevada.

Mr. REID. Mr. President, we are waiting, as I have indicated, for Senator MURKOWSKI. As I indicated an hour or so ago, he had to go to a funeral in Arlington. We are going to hopefully agree on bringing up an amendment he has dealing with Iraq. That will probably take about 45 minutes, and then we will move to the border security matter. So those Senators wishing to speak in morning business, the time may be limited today.

We certainly have time for Senator CORZINE to speak for up to 10 minutes. I ask unanimous consent that Senator CORZINE be allowed to speak for up to 10 minutes as in morning business.

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

The Senator from New Jersey.

#### SOCIAL SECURITY TRUST FUND, THE SECURITY AMERICANS NEED

Mr. CORZINE. Mr. President, today I rise to speak out on a subject that is both timely and extremely important to the American people. A few hours ago, the House of Representatives, showing an unimaginable indifference to the retirement security of American families, and further undermining the integrity of the Social Security trust fund, made permanent the tax cuts that were enacted last year.

The bill they passed really frames a stark choice for the American people:

Do we take payroll tax revenues that working people, working Americans, thought were being dedicated to the Social Security trust fund and use them instead to pay for this huge new tax cut, a tax cut that really goes to the wealthiest of Americans or should we be using Social Security revenues, payroll taxes, for their intended use, securing the Social Security trust fund for this and future generations?

It is a pretty fundamental choice. It is pretty starkly laid out by the nature of the tax cut that was endorsed by the House Republicans today. It is a choice that will impact all Americans.

I believe if Americans were asked, they might come up with a different answer. I think they would choose security, Social Security, not tax breaks that would take the security out of Social Security.

I want to give one perspective. The tax cut that was implemented today in the House is about \$400 billion more in the next decade, and 60 percent of that upcoming tax cut goes to those with incomes over \$500,000. That is hard to believe. Of the additional \$400 billion, 60 percent is going to people with incomes over \$500,000. I have a hard time understanding why we are taking payroll taxes and the Social Security trust fund to fund that kind of tax cut.

The effort to make that tax cut permanent is not only misallocating resources, but in my view it is draining the resources that are badly needed to protect Social Security in the years ahead for those millions of baby boomers who will be retiring in the coming decades. It is really quite substantial.

Right now, Social Security has about 46 million folks retired. In another 20 years, that will be 72 million. So it is a big change in the population. That is what the demographic bubble is all about. How are we going to pay for it if we are going to implement tax cuts that are going to take as much as \$4 trillion away from the ability of the American public to have revenues to pay for Social Security in the years ahead in the second 10 years? It is hard for me to understand.

More importantly, I want to consider two numbers. The 75-year cost of the tax cut is \$8.7 trillion. That is a lot of money. It will take awhile to count that far. By contrast, the shortfall in the funding to maintain the currently guaranteed benefits for Social Security beneficiaries, of all generations over the next 75 years, is only \$3.7 trillion. So we have more than two times coverage by the tax cut that was implemented. If it were to be followed in the way the House did it, we would be giving up those revenues to cover the needs of Social Security. I do not get it. We have the resources, if we have the will, to make sure that Social Security is there for each and every generation.

So that is part of the trouble. Unfortunately, these drains on Social Security revenues that are caused by this

tax cut are step 1 in the administration's plan to undermine the security of Social Security. Step 2 is to privatize that program; that is, taking \$1 trillion out of the trust fund—it is actually a little more than \$1 trillion, but for round numbers, and it is a big number—in the next decade so we can provide funding for these private accounts. That is going to lead to a dramatic cut in benefits which are absolutely necessary.

If one has any doubt about it, they just have to look at the report released by the President's Commission on Social Security. They talk about it themselves. That, when it gets translated into individual lives, as we move to the next chart, will reduce benefits for a 30-year-old about 20 percent when they retire in about 2032.

For those who are a little younger than that, it will be almost 45 percent by 2075, a cut in Social Security benefits, 20 percent for 30-year-olds, 25 percent for people who are starting in the workplace, and about 45 percent for younger Americans.

If one thinks Social Security benefits are lavish, I think we all have another review to go through. That 25- to 45-percent cut, that goes against benefits that average about \$10,000 a year for most Social Security beneficiaries. For most seniors, Social Security is their only source of income, about two-thirds of them. I do not know what happens in Florida, but in my State of New Jersey \$10,000 is not a princely sum. It is not going to allow our seniors to have a tremendously flush lifestyle.

To the President's commission, that \$10,000 looks like too much because they are instituting a program that, in fact, will undermine the ability to maintain those guaranteed benefits at that level. I think that is hard to believe as well. That is step 2.

They do not want us to have the ability to maintain those guaranteed benefits. What they want to do is have that tax cut that I talked about before.

So I have to say that both for myself and for my colleagues, most of us on this side of the aisle, we have a different view about protecting Social Security. We think protecting the security of working American families must be our top priority. We are going to fight long and hard and steady to make sure Social Security is not undermined—not today, as was done through the passage of this tax bill in the House, not tomorrow, or in the years ahead, not ever.

Today's choice that was put in front of us is whether Social Security is really about the security of all Americans in their retirement years. I do not think we should be taking the term "security" out of Social Security. We ought to stand firm with it. That is what this debate will be about as we go forward day after day.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I ask unanimous consent that the Senator from Nebraska be recognized for 10 minutes as in morning business.

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

The Senator from Nebraska.

#### RENEWABLE FUELS STANDARD

Mr. NELSON. Mr. President, perhaps no issue related to the energy debate in the Senate has suffered more as a result of misinformation than the renewable fuels standard agreement. This historic agreement was arrived at after years of careful and considerate negotiation from all sectors of interest; environmentalists, farmers, oil industry representatives, and politicians included.

Simply stated, it directs the gradual increased production and integration of ethanol and other biofuels—renewable fuel sources—into the U.S. fuel supply. The increase in available alternative fuels such as ethanol and biodiesel are sure to result in a cleaner environment, an ease on supply, and a reduction on the U.S. dependence on foreign oil—a national security imperative.

Opponents of the renewable fuels standard have raised the specter of an increase in gas prices as a result of increased ethanol production. Some claim that motorists could pay as much as 4 to 9 cents extra per gallon. However, in parts of the Nation where ethanol constitutes a significant share of the market, over the past 10 years, there has been essentially no difference in price between ethanol and nonethanol gasoline.

According to a consulting firm working for the Oxygenated Fuels Association, whose members produce and market MTBE, 70 percent of which is imported—the defeat of the RFS will keep the MTBE market alive—it is 4 to 9.75 cents per gallon. According to the Department of Energy's Energy Information Administration it is 5 to less than 1 cent per gallon. The marketplace reality is: 20 years' experience in Nebraska—\$.01 less than ethanol-free gasoline at the pump; 10 years' experience in Minnesota—\$.08 less than gasoline at the wholesale level; 1.5 years' experience in California—no essential difference to the public; and 10 years' experience nationwide—no essential difference to the public.

The question is which numbers do you believe. Furthermore, the availability of ethanol blends has been shown to drive down the price of all gasoline as a result of market forces.

Another false argument against ethanol's we've heard is that producing ethanol consumes nearly as much non-renewable oil as the ethanol replaces. The latest U.S. Department of Agriculture report demonstrates that ethanol production has a positive energy balance of 1:1.34 and only 17 percent of that energy comes from fossil oil. The bulk of the energy used in fertilizing the crops and to power ethanol produc-

tion plants comes from natural gas or coal. Additionally, with farmers using more ethanol and biodiesel in their vehicles, and the advance of biorefineries using cellulosic biomass including agricultural and forestry crops and residues, as well as other biomass and animal waste with disposal problems, the use of fossil fuels to produce biofuels could approach zero.

Where opponents really miss the point is in their failure to recognize the threat posed to America's national, energy, and economic security by our dangerous dependence on oil imports. In 1999, America was importing over 55 percent of its oil and petroleum products. Just 2 years later, our dependency increased to over 59 percent—and part of those supplies are in jeopardy because of the unpredictability of Saddam Hussein and political instability in other oil-producing nations.

Failure to provide an adequate market for ethanol is a major factor in preventing the emergence of biofuels made from cellulosic biomass. The renewable fuels standard is critical to advance biorefinery technology that will produce urgently needed refined, domestic, renewable, and clean burning biofuels. The biorefineries, very small compared to oil refineries, will be well disbursed throughout the country and much less prone to terrorists' attacks.

Opponents wail about a monopoly in the ethanol industry and that only a small group of producers will benefit from the renewable fuels standard. This is inaccurate on two fronts.

Essentially all the ethanol and biodiesel plants under construction and in planning phases are smaller plants owned by cooperatives and community enterprises. More importantly, the RFS will provide the impetus to launch the construction of biorefineries across the Nation.

Some perceive the RFS as a targeted massive Federal Government subsidy to benefit only farm belt States. In fact, the renewable fuels standard will encourage technology advancements that could be located and employed in any region of the United States, not just the "corn states." It will enhance the Nation's economy, surely in agriculture-based economies, but also through support industries, new jobs, research and development, and opening new markets for agriculture products.

This may displays existing ethanol plants, plants under construction and ethanol, biodiesel, and other biofuels plants under consideration. As you can see, with the renewable fuels standard, biorefineries will soon be operating in most State of the Nation.

There is no question that the renewable fuels standard will reduce our dependence on foreign oil. It will slow the deterioration of the environment through the reduction of fossil fuel emission and spills, enhance national, energy and economic security, create a new industrial base with tens of thousands of new, high quality jobs, and strengthen homeland security by pro-

viding hundreds, perhaps thousands, of community-oriented biorefineries producing biofuels, biochemicals, and bioelectricity.

There are those who believe that ethanol's current tax incentives are sufficient, and obviate the need for the renewable fuels standard calling for an expanding market for biofuels. For the past 10 years the price of ethanol was generally below the price of 87 octane at both the wholesale and the retail levels. At current capacity, there is a surplus of ethanol driving wholesale price of ethanol well below the wholesale price of gasoline.

On April 11 of this year, the wholesale price of gasoline in New York was 84 cents while the national average cost of wholesale ethanol was 55 cents. If ethanol was available in New York City gasoline today, the price to the consumer should be considerably less than ethanol-free gasoline. I say should because the ethanol industry is always at the pricing mercy of the gasoline marketers. Routinely, the octane value of the ethanol accrues to the gasoline industry not to the ethanol producers. Again, historically, the availability of ethanol in the marketplace drives down the cost of all gasoline because of market forces.

According to the Society of Independent Gasoline Marketers of America,

The federal benefits afforded ethanol-blended fuels have been an important, pro-competitive influence on the nation's gasoline markets. By enhancing the ability of independent marketers to price compete with their integrated oil company competitors, this program has increased independent marketers' economic viability and reduced consumers' costs of gasoline.

Then there is the issue of the overall cost of the ethanol industry. Opponents claim that the cost of the program exceeds the benefits. This is refuted by a recent study: the Economic Analysis of Legislation for a Renewable Fuels Requirement for Highway Motor Fuels, conducted by AUS Consultants.

It will displace 1.6 billion barrels of oil over the next decade; reduce our trade deficit by \$34.1 billion; increase new investment in rural communities by more than \$5.3 billion; boost the demand for feed grains and soybeans by more than 1.5 billion bushels over the next decade; create more than 214,000 new jobs throughout the U.S. economy; and expand household income by an additional \$51.7 billion over the next decade.

The RFS in this bill represents a continuation of sound public policy supporting the biofuels industry that has brought benefits to the Nation over the past quarter a century.

Two States are showing us the way—Minnesota and Nebraska. We can also look to the major advances being made in Europe and Brazil.