

The administration either knew better at the time or should have known better.

And our troops and the American people certainly deserved better. Over 500 Americans have been killed and over 3,000 wounded in Iraq. Unfortunately, these numbers are likely to continue to grow before our mission there is complete.

We have already appropriated over \$150 billion for this operation, and this cost could easily double before we are through.

Let me take another example—the administration's statements about the post-war environment we would encounter and the challenges we would face.

Although there are a few instances where administration officials went on the record before the war warning that a war with Iraq could require a lengthy commitment, administration officials repeatedly painted the most optimistic portrait possible in order to gain support for its strategy.

Vice President CHENEY's remarks 3 days before the start of the war typify much of what the administration was telling the American public.

When asked if the American people are prepared for a long, costly battle with significant casualties, the Vice President said, "Well, I don't think it's likely to unfold that way . . . because I really do believe we will be greeted as liberators."

This tragic miscalculation allowed the administration to abandon the intelligence-based, analytical process needed to plan successfully for the occupation of Iraq. The administration sent a smaller force than our senior military officials initially recommended.

Our personnel were not suitably prepared for the immense economic, social, and political complexities that we should have known would inevitably arise after the fall of Saddam Hussein. And our troops and the American people were not adequately equipped for the guerrilla tactics that have become all too common since President Bush declared an end to major combat operations.

Overall, the administration's overly optimistic attitude about post-war Iraq has contributed to a far more costly and arduous effort than needed to be the case.

Mr. President, not long ago, many of my colleagues and I had the honor of having dinner with more than 100 soldiers and their families at Walter Reed Army Medical Center. These soldiers had all been wounded while serving their country in Iraq. I hope my colleagues will take the opportunity to visit these young men and women. After seeing first-hand the kind of people our country has produced, I have never been more proud to be an American.

As I think of my night with these brave men and women who have sacrificed so much and asked for so little

in return, I cannot help but think: Did we do right by them? Did we do everything possible to put them in a position to succeed at the least possible risk? Did we provide them with a plan for success and the tools needed to carry it out?

In a statement last year, General Anthony Zinni, one of the most respected and distinguished military leaders this country has produced, commented on what we owed those who we placed in harm's way.

He said:

They should never be put on a battlefield without a strategic plan, not only for the fighting—our generals will take care of that—but for the aftermath and winning that war. Where are we, the American people, if we accept this, if we accept this level of sacrifice without that level of planning?

The administration based its post-war planning on blind hope, and hope is not a plan. We owe it to our troops and ourselves to determine whether we did everything we could to succeed in Iraq. Our success in Iraq and future conflicts depends on it. Our need to ensure that we do right by our troops demands it.

I yield the floor.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business until 10:30, with the time equally divided, and the time under Republican control to be equally divided between the Senator from Alaska, Ms. MURKOWSKI, and the Senator from Maine, Ms. COLLINS.

Mr. REID. Mr. President, I have a unanimous consent request I wish to make.

The PRESIDENT pro tempore. The Senator is recognized.

Mr. REID. Mr. President, we have only 40 minutes left until 10:30 a.m. We have on our side, and I am sure on the other side, more than 20 minutes. On our side, the Senator from Oregon wishes to speak for 15 minutes, the Senator from Connecticut wishes to speak for 10 minutes, which is 25 minutes. I don't know how much total time the two Senators on the majority would like. I am sure it is more than 20 minutes total.

I ask unanimous consent that the time be extended to 25 minutes on each side for morning business—not in addition to but 25 minutes total to each side.

The PRESIDENT pro tempore. On both sides, for a total of 50 minutes.

Mr. REID. A total of 50 minutes, yes, and that on our side, the Senator from Connecticut be recognized for 10 minutes and the Senator from Oregon be recognized for 15 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Alaska, Ms. MURKOWSKI, is recognized.

ALASKA GAS PIPELINE—NO LONGER A PIPE DREAM

Ms. MURKOWSKI. I thank the Chair.

Mr. President, we will soon begin debating the merits of the tax bill that will bring the United States into compliance with our World Trade Organization's obligations and assist domestic manufacturers. I understand this bill has been renamed the Jumpstart JOBS Act, referring to the number of manufacturing jobs that have been lost in the past few years, whether it is from businesses relocating their plants overseas, the outsourcing of jobs, or increased efficiency that does not require as much manual labor.

I believe that every Senator in this body wants to help those Americans who have been laid off to find new employment and to provide assistance to our domestic manufacturers that will lead to real job creation. But when we talk about job creation, too often this body overlooks a project that would produce those jobs for Americans, that would create jobs in all 50 States, and not just a few jobs but by at least one estimate we would create over 1 million jobs across the country.

Certainly, the number of jobs nationwide will at a minimum—at a minimum—be in the thousands, and that project I am speaking of is the construction of a natural gas pipeline from Alaska to the lower 48.

With the reality in mind that this project will lead to real job creation, I would like to speak to the body this morning about three very exciting announcements relating to the Alaska natural gas pipeline.

Three consortiums have filed applications to build a gas pipeline from Alaska's North Slope. These proposals would transport the 35 trillion cubic feet of known technically recoverable reserves to the starved markets in the lower 48. This would happen at a rate of roughly 4.5 billion cubic feet per day. Many believe there is upwards of 100 trillion cubic feet of natural gas on the North Slope and quite possibly more than that.

The first announcement from MidAmerican Energy Holdings Company, a major U.S. pipeline company and a subsidiary of Berkshire Hathaway whose chief investor is financier Warren Buffett. Partnering with MidAmerican will be Cook Inlet Regional Corporation and Pacific Star Energy, which is a consortium of Alaska Native corporations.

This is great news for Alaska, and it is great news for America. Individual Alaskans, Alaska Native corporations, and Alaska-owned corporations will have ownership opportunities in the pipeline under this proposal—this is good for Alaska's economy—and oversight of the main transportation project that will be used to move Alaska's commonly owned resources to market.

Rather than just benefit from the jobs and influx of short-term construction spending, as we saw during the construction of the Trans-Alaska pipeline, this represents a significant long-term benefit to individual Alaskans and their families.

Following MidAmerican's application, the three major producing companies in Alaska—ConocoPhillips, BP Exploration, and ExxonMobile—also filed an application with the State. These three companies hold the lion's share of the right to produce North Slope natural gas.

Late last week, a third group, which is the Alaska Gasline Port Authority, filed another application to build a pipeline. This third option proposes a liquefied natural gas project that would take natural gas from the North Slope, liquefy it at tidewater in south central Alaska for transport to the west coast markets in the lower 48.

In the end, the project that best meets the needs of Alaska and the markets will get built, but too often in our discussions we overlook the proposed LNG project in favor of the land route that goes through Canada. Two years ago, Alaska voters indicated their desire for construction of an LNG project, but we have to make sure the numbers make sense and the proposal is good for the State of Alaska.

I inserted language in the omnibus appropriations bill that provides the opportunity for the loan guarantees included in the Energy bill to be available for the LNG project option; that is, if the Secretary of Energy determines that it is the best project for purposes of this provision. It is something that needs to be proven by the project sponsors. Again, it demonstrates the need for passage of the Energy bill.

In the meantime, we have three applicants that are vying to build a gas pipeline along the Alaska-Canadian highway, with a possible spur to south central Alaska for an LNG project. They have come forward, put their names on paper, and they are willing to begin negotiations with the State. For all of these reasons, Alaskans are excited.

I need to back up and clarify. When the initial announcements were made about filing the applications, both MidAmerican and the producers stressed the need to enact the regulatory streamlining, the judicial streamlining, and the fiscal incentives that are currently contained in the Energy bill for the construction of a natural gas pipeline to go forward. There should be no misunderstanding about this; the provisions in the Energy bill relating to these issues must be enacted into law if we hope to see positive movement on this project.

These filings we have in place now in the State are not a guarantee that the project will be built. These applications represent the beginning of a dialog between the applicants and the State of Alaska, but no one should interpret these events to mean that we do not need to pass the Energy bill.

A cornerstone of our national energy policy is the production of Alaskan gas and delivery of the needed resources to markets in the lower 48. Members on both sides of the aisle recognize the

benefit that Alaska gas means for America.

We have seen the volatility in the natural gas prices that had significant negative impacts on businesses and on families struggling to make ends meet and to keep their homes warm in the winter. The Alaska natural gas pipeline will bring welcome stability and a measure of predictability to the natural gas marketplace, as well as benefit consumers across the United States.

A couple of weeks ago, I had an opportunity to read an article by a gentleman by the name of Douglas Reynolds, an associate professor of oil and energy economics at the University of Alaska Fairbanks. Mr. President, you have read his book, I know, and have had good things to say about what he has written in the past. I have a copy of the article.

I ask unanimous consent that the article be printed in the RECORD immediately following my remarks.

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

(See exhibit 1.)

Ms. MURKOWSKI. Mr. President, Mr. Reynolds brought out the point, which I would like to emphasize, that providing the financial incentives for a natural gas pipeline is "like a futures contract to insure a more reliable natural gas supply source."

Then he went on to say:

Congress has the option to assure a future supply of Alaska gas at a reasonable price, and to get that supply on line sooner than markets alone will do it.

The effect would be to make Alaska's gas supply less reliant on NLG exporters with less chance for market manipulation.

To me, this just hits it right on the head. Consumers are facing increasing prices of natural gas. We have the opportunity to access a reliable supply of energy that will be produced under some of the most stringent environmental standards in the world and we can do it now, before we become dependent on foreign sources.

Douglas Reynolds and I are not the only ones who agree with this viewpoint. Recognizing the United States need for natural gas, the Federal Reserve Board Chairman Alan Greenspan testified before the Congress last year that natural gas supplies represent a "serious problem" to the national economy.

He noted U.S. policy with respect to natural gas is contradictory as we encourage consumption more than production. The chairman of the Energy and Natural Resources Committee, Senator DOMENICI, has worked diligently for more than a year to craft a bill that promotes many forms of renewable energy, encourages energy efficiency in the Federal Government and consumer products, increases the authorization of the low-income home energy assistance program, and moves us closer to construction of the Alaska natural gas pipeline.

To allay the major concerns of Members that led to the filibuster on the conference report on H.R. 6, the Senator from New Mexico has introduced a new Energy bill that has significantly less impact on the Federal budget. The new Energy bill streamlines the permitting process for the Alaska natural gas pipeline, expedites judicial review and provides for Federal loan guarantees and accelerated depreciation to lessen the cost of financing the project.

To those of my colleagues in the Senate who want to see this project built, who want to stop the rise of natural gas prices, who want to ensure a reliable supply of natural gas, who want to create hundreds of thousands of jobs across the country, I say pass this new Energy bill.

The fiscal and regulatory provisions in the Energy bill are a prerequisite to the construction of this project. The longer we wait, the longer we allow this important policy to remain caught in congressional gridlock, the more our economy is going to suffer. Senators should not accept the status quo when it comes to energy production. We should instead work to pass this Energy bill so we can tell the American people help is on the way, so we can begin to rationalize the energy markets, and so we can work to become less dependent on foreign sources of energy.

The Alaska natural gas pipeline will be the largest construction project of its kind ever completed. I believe the Federal Government should play a role in reducing the risk involved with this project, just as the Federal Government played a role in bringing affordable electricity to the South and to the Pacific Northwest.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). The Senator's time has expired.

Ms. MURKOWSKI. The provisions in the Energy bill fulfill the Federal Government's role in bringing this pipeline to fruition.

I yield the floor.

EXHIBIT 1

[From the Fairbanks Daily News-Miner, Feb. 22, 2004]

GAS LINE WILL HAPPEN, BUT ALASKA MUST NEGOTIATE

(By Douglas Reynolds)

During winter break in the Lower 48, I heard over and over again concerns about the price of natural gas. It is currently about \$7 per thousand cubic feet, when only a few months ago it was \$4. Some fear there is market manipulation since stocks of gas in reserve are adequate and the winter has not been colder than normal so far. Investigations have already started.

However, there is a reason behind the price rise. While this year there may be adequate supplies of natural gas, next year may be a different story. As I explain in my book, Lower 48 and Southern Canadian natural gas production will decline and the United States will face a supply gap with prices climbing above \$10.

However, supply is declining faster than I anticipated. The market may merely be anticipating next year's supply gap—increasing prices now to conserve reserves and to increase production later.

Of course it is theoretically possible to have market manipulation. But this is extremely difficult to do and only works if the supply system is uncompetitive. The internal North American market is not.

Interestingly enough, if people in the Lower 48 are upset now about alleged manipulation of the natural gas market, they sure won't be happy when the United States starts depending more heavily on imported liquefied natural gas. This is because with imported LNG, the LNG exporters themselves will be able to manipulate natural gas prices and do it with impunity. It will be like OPEC all over again.

There is a mechanism to reduce LNG exporter's ability to manipulate the gas market. It is to get Alaska natural gas to market more quickly. Congress still has a chance to change the Energy Bill by putting back in the natural gas credit provisions. I know such a move is highly unlikely, but it is certainly something each Alaskan should be clambering for.

Interestingly enough, some experts would actually like to put in tax credits for Lower 48 gas producers rather than for Alaska gas even though Lower 48 producers are making money hand over foot. If more gas existed in the Lower 48, the current incentives would already be pushing supplies higher.

The fact of the matter is, the Alaska pipeline tax credits that were cut from the energy bill are like a futures contract to insure a more reliable natural gas supply source.

In other words, Congress has the option to assure a future supply of Alaska gas at a reasonable price, and to get that supply on line sooner than markets alone will do it. The effect would be to make America's gas supply less reliant on LNG exporters with less chance for market manipulation.

Since consumers are already complaining over high natural gas prices, I would think that having such tax credits and a more reliable source of natural gas would be to America's advantage. As it stands, American consumers will undoubtedly begin to complain ever louder when it's apparent that Alaska gas is stuck on the North Slope just waiting for the time when prices reach outrageous levels before reserves are finally developed.

Needless to say, our Alaska congressional delegation has fought hard to help make the gas line a reality, but now it is up to the state to take the initiative.

So will the gas line happen? Yes. But Alaska may have to negotiate with the producers or other pipeline companies to get a deal. I believe the best strategy for the state is to give a progressive royalty and severance tax package for all natural gas production.

That means a low royalty and tax percent during low prices and a high royalty and tax percent during high prices. This will give Alaska much more revenue than the current royalty and severance tax system would give because of anticipated high prices. It will also quicken the pace of developing a pipeline. It does however imply more risk in Alaska's revenues over the years.

The future price of natural gas will not be lower than \$4 on the East Coast and will easily stay in the \$6 to \$10 range.

This is because Atlantic Basin LNG producers will be slow to ramp up production even while Lower 48 production goes into decline. Plus LNG exporters can manipulate market prices exactly the way domestic suppliers have been accused of doing. Alaska can take advantage of this and negotiate to get a line done quickly and with greater profits.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 10 minutes.

AMERICA'S ECONOMIC ISSUES

Mr. DODD. Mr. President, I rise to very briefly address two subject matters. As I understand it, we will be moving later this morning to this ETI bill, or the extraterritorial income legislation. My fervent hope is that in addition to debating the underlying bill itself, we will also have an opportunity to raise questions about a staggering set of issues that is unfolding in our country, and that is the outsourcing of jobs all across this Nation to foreign lands.

We all understand this happens from time to time, but the explosion that has occurred in the last 36 months is deeply alarming to many Americans. We now have lost some 2.6 million to 2.7 million jobs over the last 36 months in the manufacturing sector alone. Many of these jobs are showing up either offshore in places such as India, Bangladesh, the People's Republic of China, or elsewhere. There is great concern in this country that we are losing a very important strategic base in our Nation, not to mention these critically important jobs which can never be replaced.

I inform my colleagues, and I know others feel similarly as I do, when we get to this bill there will be some opportunities to offer amendments and to address the very issue of American jobs.

When we hear the administration say, as the chairman of the President's Council of Economic Advisers did just a few days ago, that outsourcing of jobs was a good thing for America, we begin to understand the depths of concern people have when the administration fails to understand, at least through its leadership, how critically important it is that we stand up and do what we can to preserve critically important jobs, although not at the expense of international trade. We all understand the importance of trade in a global economy, but we also understand if we are going to be a vibrant participant in a global economy that we have to produce the goods or the services to compete.

If not only low-income jobs are given away but also high-technology jobs, information technology jobs, and engineering jobs, for instance, are leaving, then the ability of this country to compete in the 21st century is going to be severely disadvantaged.

I look forward to the coming hours today, tomorrow, and possibly Friday, to engage with my colleagues in some of this debate and discussion. It will be the first time since we have returned that we are going to have a real debate and discussion about jobs in this country and what we might do in this body to address those issues.

HAITI

Mr. DODD. Secondly, on an unrelated matter, I was alarmed but not terribly surprised to pick up the morning news-

papers and to read what I thought might happen. I did not wish it to happen, but I thought it might happen in the island nation of Haiti.

Over the past weekend, I warned, as others did, if we did not step up and try to support a democratically elected government, albeit a flawed one but a democratically elected government, we would end up reaping what we sow. And we are doing just that.

In the headlines this morning we read things such as: Haiti rebel says he is in charge and has taken over down there. The man's name is Guy Philippe. This is a person who has a dreadful human rights record. These are people who ran death squads and are involved in the drug trades. They are now taking over. Anarchy apparently is reigning in the island nation of Haiti.

Parts of this article state the country is in my hands, this so-called rebel leader says. Although American officials denounced the armed rebels and said they should have no role in ruling Haiti, the American forces did not take any action to counter them at all. They have now taken over in that country and are apparently in charge down there. Anarchy is reigning. There are bodies in the streets of Port-au-Prince.

What I feared might happen if we did not stand up and support a democratic government—and again I will say a flawed one, but when the United States decided we were going to put a foot in the back of this elected President and send him out of the country, we warned the vacuum would be filled by the worst elements. In fact, I read over last evening and this morning that Baby Doc Duvalier, the worst oppressive leader in that country, and his father, wants to come back to Haiti under this new operation that is going on down there.

I am terribly disappointed the administration failed to step to the plate. I knew it was going to be difficult, but if we cannot support democratically elected governments—and again I will repeat, whatever problems Aristide had, they were not a few; they were many. Nonetheless, he was chosen by the people of that country on two different occasions, overwhelmingly so. If we are unwilling to stand and back democratically elected governments in this hemisphere and give a wink and a nod to those who replace governments that have been duly elected, we will see a repetition of what occurred in Haiti elsewhere. We are seeing it in Caracas, Venezuela, because we are endorsing the notion that when we don't like leaders in certain countries, we will ignore the chaos that can result from changing of government other than through the normal means of elected government. That is something that can happen, and it has happened.

So I rise to express my deep disappointment that once again the administration, in this hemisphere, is just failing terribly, and Haiti is a classic example of failure. We now have a huge mess on our hands.