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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable SAM BROWNBAC, a Senator from the State of Kansas.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, our Father, high above all yet in all, the burdens of our world are great and our hands often seem so small. Keep us from becoming weary in doing well and use us as Your instruments in these challenging times. Forgive us when we have failed to reach out to the lost, the lonely, and the least.

Empower us to bring Your freedom to those shackled by the manacles of fear. Help us to lift some burden that is too heavy for our neighbors to carry. Renew our strength and enable us to bring light to the growing darkness. As we seek to lead by example, may others praise You because we have stood firm against evil.

We pray for the Members of our Senate. Lengthen their sight that they may see beyond today and make decisions that will have an impact for eternity. Prepare our hearts to respond to You and to live for Your glory. Help each of us to find the special purpose You have in mind for our life.

Sustain our military in the heat of its challenges.

We pray this in Your holy Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable SAM BROWNBAC, a Senator from the State of Kansas, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 5, 2004.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SAM BROWNBAC, a Senator from the State of Kansas, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. BROWNBAC thereupon assumed the Chair as Acting President pro tempore.

LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of leader time under the standing order.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business for 60 minutes with the first 30 minutes under the control of the Democratic leader or his designee, and the second 30 minutes under the control of the majority leader or his designee.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Democratic leader is recognized.

RISING GASOLINE PRICES

Mr. DASCHLE. Mr. President, I intend to use my leader time this morn-

ing and comment, if I may, on gasoline prices. They continue to hit record highs.

According to the Department of Energy, the average retail price of a gallon of gasoline in America is more than \$1.84, up 23 cents in the last two months, 33 cents in the last year, and 37 cents in the past 36 months.

In my State of South Dakota, the average price of gasoline is \$1.80 per gallon, with many communities seeing much higher prices than that. Even more troubling, the Department of Energy expects prices to remain high through the summer. This is of particular concern for rural States such as South Dakota, where many people have no choice but to drive long distances daily to get to their jobs, to receive health care, or just to shop for essentials. Americans are increasingly frustrated with skyrocketing gas prices and want to know what the Federal Government is going to do about it. And they want action now.

In March, I sent a letter to the President recommending that he take several initiatives that could curb gasoline prices at home. First, I suggested that he use the prestige of his office and his relationships with foreign leaders to press the Organization of Petroleum Exporting Countries—OPEC—to increase production, thereby relieving some of the pressure on gas prices in the United States in the long term. This is not a radical idea. In fact, on more than one occasion in the fall of 2000, then-candidate Bush put the challenge directly to the President. His message was clear:

What I think the President ought to do is he ought to get on the phone with the OPEC cartel and say, "We expect you to open the spigots."

If that was good advice then, it is certainly sound counsel now. Unfortunately, President Bush has not followed his own advice.

Secretary of Energy Abraham announced earlier this year that the Bush

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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administration would not call on OPEC to roll back their scheduled production cuts. Secretary Abraham said, "The United States is not going to go around the world begging for oil." On April 1, OPEC went ahead with the production cuts.

In my March letter, I also asked the President to follow the Senate's advice and stop diverting oil from the marketplace to fill the Strategic Petroleum Reserve. On March 11, the Senate voted 52 to 43 for an amendment that would stop the diversions of oil. Simply put, it is illogical to be taking oil out of the marketplace when gasoline prices are so high. If anything, we should be doing just the opposite. The President has ignored the Senate's advice, and gasoline prices continue to rise.

To add insult to injury, we now know that the large oil companies are reaping record profits as a result of the volatility in the gasoline market, while consumers are struggling with higher prices at the pump. Over the past year, the "Big Four" oil companies have seen an average increase in their U.S. profits of 157 percent. Chevron-Texaco has seen a 294 percent increase in its U.S. refining and marketing profits. BP has seen a 165 percent increase. ExxonMobil has seen a 125 percent increase. And Conoco-Phillips has seen a 44 percent increase.

Consumers have reason to be upset. While the big oil companies are raking in record profits, President Bush remains reluctant to take steps that could reduce the costs consumers face. It is time to reconsider this posture.

In the short term, I hope that President Bush will take another look at the value of encouraging OPEC to increase production now.

Senator WYDEN, who is on the floor this morning, has introduced a resolution calling on the President to do just that. I hope the Senate would ratify it and would encourage, on a bipartisan basis, the President to take this action with the passage of the resolution. This resolution contains the same language as the resolution the Senate passed unanimously in 2000, when then-Senators Ashcroft and Abraham joined others in offering it. I hope that the Senate will act on the Wyden resolution soon.

I also encourage the President to reconsider his decision to continue filling the Strategic Petroleum Reserve. But short-term fixes are not the answer to our longer-term energy supply problem. The Nation needs a balanced, national energy policy. This Congress has considered comprehensive energy legislation. I have voted for the conference version of this legislation twice—once in November when it contained the controversial MTBE liability relief provision, and again last week when Senator DOMENICI offered a slimmed down version with the MTBE rider as an amendment to the Internet tax bill. It was defeated both times by bipartisan votes.

It is no secret that I strongly support the renewable fuels standard provision

of the comprehensive energy bill. That section would double the amount of ethanol produced in the United States over the next 10 years. In the process, it would boost rural income, improve air quality, and extend domestic gasoline supply.

The use of domestically produced, renewable ethanol has effectively lowered gasoline prices to motorists whenever it has been made available during its 25-year history. This is because high-octane, clean-burning renewable fuels, especially ethanol, increase available volume of finished gasoline by more than 10 percent today and give gasoline markets more supply options.

In addition, the reduced tax that is imposed on renewable fuel also saved consumers millions of dollars each year as ethanol blends are nearly always priced lower than conventional gasoline.

Reenactment of the renewable fuel standard would result in more than 500,000 barrels per day of high-octane, refined ethanol for blending with gasoline, saving the United States \$4 billion in imported oil each year because we would double the use of renewable fuels.

Unlike the comprehensive Energy bill which remains stalled by bipartisan opposition to specific provisions, the renewable fuel standard enjoys strong bipartisan support. It has been reported out of the Environment and Public Works Committee twice and passed by the Senate twice, both times by more than a two-thirds vote. It is still pending in the Senate today. Last June, 68 Senators voted in favor of RFS when then-Majority Leader FRIST and I offered it as an amendment to the Energy bill. The renewable fuel standard will help blunt rising gasoline prices. If Congress is not able to pass the RFS as part of a comprehensive energy bill, it should pass it on its own. It is the right thing to do for consumers.

Beyond that, we have to recognize this country cannot sustain its current consumption of gasoline and of transportation fuels. We have to find ways in a comprehensive energy policy to deal with an issue that many on the other side are unwilling to deal with, and that is conservation. We have the capacity to improve conservation, to reduce per capita demand. We have a capacity now to use the technological innovation, the extraordinary research that has been offered in the last 20 years to bring down consumption in both comprehensive as well as in individual and specific ways. I have absolutely every confidence that if our Members would continue to work on comprehensive energy legislation with an understanding of the importance of conservation, of reduction of our insatiable appetite for more and more energy, we could do it. It must be a part of any long-term energy policy if, indeed, we are going to bring this country to a balanced and a pragmatic appreciation of the extraordinary implications of current energy policy and demand in this country today.

Again, I hope we all recognize the volatility and the extraordinary danger economically and financially we put our country and all Americans in if we are not prepared to address energy prices, gasoline prices, more effectively than we have so far at the Federal level.

Mr. REID. Will the Senator yield?

Mr. DASCHLE. I am happy to yield.

Mr. REID. We worked yesterday at great length on the FSC bill and were able to get the amendment we have been trying to get a vote on for several months dealing with overtime. The amendment, of course, passed. That is out of the way.

The Democrats are offering lots of amendments. We have amendments that are pending that have been offered by a number of Democratic Senators, amendments we have in the queue, and other Democrats have indicated they are willing to offer their amendments.

I say to my friend, the distinguished Democratic leader, on our side we feel this bill is doable and we can do it quite quickly. I want the record to be spread with a statement from the Democratic leader that we want the bill to pass. If it does not pass, it is not going to be anything that has been done by the minority. The FSC bill is important. We realize it has been important for some time and have done everything we can to get it passed.

Would the Democratic leader indicate his feelings about this most important piece of legislation.

Mr. DASCHLE. Mr. President, I respond to the distinguished assistant Democratic leader by first thanking him for again clarifying our circumstances with regard to the FSC bill. I said in the Senate yesterday, and I know he has reiterated our commitment, that we will pass the bill this week if we can get the cooperation of Senators on both sides.

Working with the distinguished assistant Democratic leader, we have winnowed down the number of amendments on our side to a handful. We are very confident we can finish the consideration of the pending Democratic amendments, certainly within the next couple of days. I have yet to hear from our Republican colleagues as to the status of the 55 amendments that were offered on their side. I have no information that would lead me to believe they have had similar success. I hope that is not the case. I hope they have been able to convince Republican Senators that 55 amendments, as prolific as that sounds, would make it impossible to finish the bill this week.

We are prepared to continue to work to see we bring our debate on this bill to closure. I am confident we can do that, at least on our side, and I appreciate very much the Senator from Nevada working so diligently with the managers of the bill to accommodate our optimism about our success in completing the bill this week.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Oregon.

STRATEGIC PETROLEUM RESERVE

Mr. WYDEN. Mr. President, at a time when there are record gasoline prices for the American consumer and record oil company profits, the Bush administration is filling our Strategic Petroleum Reserve at 2½ times the average fill rate. Over the last 2 years, the average fill rate has been about 120,000 barrels a day. Recently, it has been hovering around 300,000 barrels a day. Using the figures provided by the administration's Energy Information Administration Office, these policies would raise the price of oil per barrel about \$1.50.

I come to the Senate today to say I believe the Bush administration's policies with respect to the Strategic Petroleum Reserve are hitting the American people with a double whammy. For the American people, more of their tax dollars are now being spent for filling the Strategic Petroleum Reserve and more of their take-home dollars are being spent on gasoline at the pump.

I come today to say if the Bush administration is not willing to at least reduce the fill rate of the Strategic Petroleum Reserve, I ask the Bush administration to stop filling the Strategic Petroleum Reserve with a fire-hose. It is that simple.

Over the course of the year, the administration may say, we reach an average fill rate of 120,000 barrels a day. There is a great amount of oil in some months and no oil in other months.

To that, I say the months before the peak driving season, when gasoline is already at record prices, are not the months to go whole hog in filling the Strategic Petroleum Reserve. This is not the time to pour in the maximum amount of oil. One reason is because oil prices are already so high that American taxpayers are spending top dollar for the oil being put into the reserve. Anyone who has ever had to run their own family finances knows when prices are high, sometimes you wait until the price comes down to buy what you want.

There is another, more compelling reason to slow the rate of fill in the Strategic Petroleum Reserve. It is because this administration's policy is actually contributing to the high gas prices shellacking working Americans' pocketbooks every day from coast to coast.

I am of the view the American consumer is about to get hit by a perfect storm with respect to these gasoline prices. The combination of OPEC cutbacks, the fact the Federal Trade Commission—the agency that is supposed to protect our consumers—is sitting on its hands, the fact you actually get a tax break for closing a profitable oil refinery, these Strategic Petroleum Reserve policies, is going to create a perfect storm that is going to be devastating for American consumers across our country.

I know my colleagues are here and want to talk about this issue, as well, so I will abbreviate my statement.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from the great State of New Jersey.

Mr. CORZINE. Thank you, Mr. President.

Mr. REID. Mr. President, will the Senator yield in order for me to make a unanimous consent request.

Mr. CORZINE. Certainly.

ORDER OF PROCEDURE

Mr. REID. Mr. President, on the Democratic side, how much time do we have?

The ACTING PRESIDENT pro tempore. Twenty-five and a half minutes.

Mr. REID. Mr. President, we would, on this side, yield 7½ minutes to Senator CORZINE, 7½ minutes to Senator SCHUMER, and 7½ minutes to Senator BREAUX. I ask unanimous consent that be the order.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The Senator from New Jersey.

GAS PRICES

Mr. CORZINE. Mr. President, first of all, let me go back and compliment my colleague from Oregon, who I think has analyzed a problem that fits into a pattern of economic pressure that we see building on the middle class in America.

There is nothing more fundamental today in life than filling the car with gasoline and using it for commuting and taking the kids to school and doing all the normal tasks that we have going on. We see the same problem, by the way, with health care costs, tuition costs, and with property taxes across this country.

While there may be some good economic statistics out there, middle-class Americans are being hit unbelievably hard on the fundamentals that drive their basic budgets. Nothing—nothing—more clearly demonstrates this than these rising gasoline prices we have been experiencing this year. There has been a 23-cent increase in the price of gasoline. Nationally, the average price for gasoline is \$1.84 a gallon. Many places in the country it is over \$2 a gallon.

This comes from flawed simple economics 101, supply and demand. This administration is doing everything that you can imagine to hold back supply by filling the petroleum reserve at accelerated rates, when it is already about 95 percent full. It does not need to be in this position.

As we go into the summer season, the "perfect storm" the Senator from Oregon talks about is also being implemented with regard to other policies. It is counter to any basic economic analysis that you would want, to be taking supply off the market that would run down prices. I don't know what people are thinking when they implement policies that are going to restrict sup-

ply, and when they are unwilling to confront OPEC as they are cutting back supply. What we are getting is the natural result of rising prices, which is coming right out of the pocketbook of middle-class Americans. It is just absolutely wrong.

If you are cynical, you can also say, well, maybe it is because some people benefit from these higher prices. Being someone who worked in the private sector for 25 years of my life, I don't think profits are a bad thing. But when the American people are suffering from this erosion of their quality of life—because of the rise in property taxes, health care costs, tuition costs, and now gas prices—you wonder why it is so appropriate that Exxon-Mobil's profits were up 125 percent in the first quarter of this year; BP's profits were up 165 percent; and Chevron-Texaco's profits were up 294 percent. Is that economic fairness, in any context, particularly when you put it into the perspective that what the Bush administration is doing is restricting supply?

This is just wrong. It is out of the context of what is best for the American economy and for growth and the quality of life of Americans. It needs to be addressed. We are creating a windfall for American business at the expense of middle-class Americans. And it is happening day after day after day.

I do not begrudge profits, but I don't think it ought to be done on the backs of the American middle class because of the general macroeconomic policies of the President. And that is exactly what we have right now. It is wrong and needs to be pushed back, just as we need to confront Saudi Arabia with regard to its leadership in OPEC. If they are our ally, as they claim to be, then we ought to be speaking to them about increasing the production of oil out of OPEC as opposed to the restrictions we have seen.

From what we understand from all news reports and actually the Saudi Foreign Minister has said, there has not been one word of contact from this administration to the Saudis about OPEC production.

So now we have two of those very large ingredients into the supply and demand equation. That is why we are getting high prices. That is why gas is \$1.84 a gallon, on average, in the country. And that is why it is \$2 a gallon on the coast and most of the places where our larger population segments work.

It is really troubling we cannot put together a response to something that is eroding the quality of life in the aftertax base of middle-class Americans to actually operate in a sound way. So I hope we will all follow Senator WYDEN's lead. He has done a terrific job of bringing focus to it, as has the Senator from New York, talking about pushing back against OPEC on production cutbacks. We really need to take a stand for the American people, not for the oil companies and the profitability we are seeing brought forth.

At a time when we still have not recovered those 2.6 million private sector