

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 40, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—59

Akaka	Dole	McCain
Baucus	Dorgan	Mikulski
Bayh	Durbin	Murkowski
Biden	Edwards	Murray
Bingaman	Feingold	Nelson (FL)
Bond	Feinstein	Nelson (NE)
Boxer	Graham (FL)	Pryor
Breaux	Harkin	Reed
Byrd	Hollings	Reid
Cantwell	Inouye	Rockefeller
Carper	Jeffords	Sarbanes
Chafee	Johnson	Schumer
Clinton	Kennedy	Smith
Collins	Kohl	Snowe
Conrad	Landrieu	Specter
Corzine	Lautenberg	Stabenow
Daschle	Leahy	Talent
Dayton	Levin	Voinovich
DeWine	Lieberman	Wyden
Dodd	Lincoln	

NAYS—40

Alexander	Domenici	Lugar
Allard	Ensign	McConnell
Allen	Enzi	Miller
Bennett	Fitzgerald	Nickles
Brownback	Frist	Roberts
Bunning	Graham (SC)	Santorum
Burns	Grassley	Sessions
Campbell	Gregg	Shelby
Chambliss	Hagel	Stevens
Cochran	Hatch	Sununu
Coleman	Hutchison	Thomas
Cornyn	Inhofe	Warner
Craig	Kyl	
Crapo	Lott	

NOT VOTING—1

Kerry

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

On this vote, the yeas are 59, the nays are 40. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

Mr. REID. I move to reconsider the vote.

Mr. President, I ask unanimous consent that the following two amendments be in order subject to the following time limit beginning at 2:15; that the time be equally divided and controlled in the usual form: Senator MCCAIN for 60 minutes, and Senator HOLLINGS for 80 minutes. This has been cleared by both managers. I also ask unanimous consent that no other amendments be in order prior to the vote.

I don't have the number of the amendments, but they have been filed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECESS

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

Thereupon, the Senate, at 12:59 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. VOINOVICH).

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT—Continued

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 3129

Mr. MCCAIN. I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself, Mr. GREGG, Mr. SUNUNU, and Mr. GRAHAM of Florida, proposes an amendment numbered 3129.

The amendment is as follows:

(Purpose: To strike provisions relating to energy tax incentives)

Strike title VIII.

Mr. MCCAIN. Mr. President, the amendment is rather straightforward. It strikes the energy tax provisions in this bill which are estimated to cost nearly \$18 billion. I read from an April 19 article from the Washington Post:

Congress's task seemed simple enough: Repeal an illegal \$5 billion-a-year export subsidy and replace it with some modest tax breaks to ease the pain on United States exporters.

This article is entitled "Special-Interest Add-Ons Weigh Down Tax-Cut Bill."

But out of that imperative has emerged one of the most complex, special-interest-riddled corporate tax bills in years, lawmakers, Senate aides and lobbyists say. The 930-page epic is packed with \$170 billion in tax cuts aimed at cruise-ship operators, NASCAR track owners, bow-and-arrow makers, and Oldsmobile dealers, to name a few. There is even a \$94 million break for a single hotel in Sioux City, Iowa. Even one of the tax lobbyists involved in drafting it conceded the bill "has risen to a new level of sleaze."

I agree with that lobbyist. This has risen to a new level of sleaze.

The lobbyist goes on to say:

"I said a few months ago, any lobbyist worth his salt has something in this bill," said the lobbyist, who would only speak on condition of anonymity. "Now you see what I'm talking about."

The Wall Street Journal, Wednesday, May 5, in an article entitled "Export Tax Follies:"

But instead of solving the problem, congressmen are engaging in one of their epic tax-bidding wars . . . including a \$482 million sop to the insurance company, \$189 million in "transitional assistance" for Oldsmobile dealers, and an \$8 million tax break for makers of children's bow and arrows.

Not only that . . . \$15 billion in energy tax breaks were thrown in as an added sweetener. The Senate couldn't pass the energy bill as a stand alone measure, so he's looking

for any shipwrecks that will sail this year. The measure includes an overhaul of tax treatment for ethanol and subsidies for "clean" fuels. . . .

Mr. President, there is an abundance of media coverage of this legislation. It reaches, as the lobbyist said, in my view, a new level of sleaze.

We have to consider what we are doing. We had a \$170 billion tax break, which really is \$170 billion that will not go into the U.S. Treasury. So Alan Greenspan, last week, says the greatest threat to our Nation's economy is the deficit, and that a free lunch you don't have to pay for hasn't been invented yet. Yet here we are with \$170 billion worth of tax breaks, tacking on to it \$18 billion in tax breaks on an energy bill that this body could not pass.

It is remarkable, with a half trillion deficit, and we are enacting new tax credits, for—guess who—the oil and gas industry in America which, the last time I checked, is doing pretty well.

The majority of my colleagues on this side of the aisle just voted against an extension of the unemployment benefits for Americans who remain unemployed and haven't profited by this re-emerging and strengthening economy. My God, we won't give them an extension of their unemployment benefits. But if the ethanol people of Archer Daniels Midland need it, by God, we will give it to them. Mr. President, \$170 billion in tax credits but no extension of unemployment benefits for people who have been out of work, it is a remarkable commentary.

Out of all the provisions that have been added to this bill since it was first brought to the floor of the Senate on March 3, I find the energy tax title the most egregious. That is why I am offering this amendment to strike it. What do these provisions have to do with the underlying bill? Nothing. What do they have to do with ensuring that tariffs that have been placed on our Nation's manufacturers since March 1 are lifted? The answer is nothing.

I understand how sweet this is—how sweet this is—for these lobbyists who are doing so well here in Washington. But if the Senate is to consider an energy tax incentive bill or an energy authorizing bill, we should be following regular order, bringing legislation to the Senate floor, and debating it in its own right. Instead, a 319-page energy tax title was incorporated without a vote.

The proponents of this bill contend it is "revenue neutral" and that all the tax cuts in the bill are paid for with offsets. How many times have we played that game? How many times have we used the same old offsets on the same old bills, and somehow, with all these offsets, we now have a half-trillion-dollar deficit? It is hard to imagine. For example, 66 provisions of offsets are identical to provisions that were included in the highway bill. So we are using the same offsets for the highway bill, the same offsets for the energy bill. And as some more pork

comes rolling in here—squealing in here—we will probably use those same offsets again. I understand the duplicative offsets total about \$5 billion. Of course, if these bills ever get to conference and conference agreements are reached, only one measure could include these offsets.

Again, the amendment I am offering would strike title VIII of the pending bill.

By the way, I have no illusion as to how this vote is going to turn out. The Senator from Michigan just came up to me and said: Well, don't take away my tax break. I want to take away every tax break, I say to the Senator from Michigan.

The oil and gas subsidies are estimated to cost about \$5 billion and are illustrative of what *TIME* magazine referred to as the great energy scam on the American taxpayers. This graphic is from an investigative report on synthetic fuel credits which appeared in the October 2003 issue of *TIME* magazine. While synthetic fuel credits are only one indefensible part of this energy tax title, the entire oil and gas subtitle is a shameless scam that benefits the already enormously profitable oil and gas industries with little or no benefit to the American public.

I would like to highlight a few provisions that defy both fiscal and common sense. First, there is about \$835 million provided to wealthy oil and gas corporations to write off the cost of looking for domestic oil and gas reserves. As if the oil and gas companies do not have sufficient incentives or resources of their own, we are going to make the taxpayers pay for the basic cost of doing business. This provision sweetens the already generous tax treatment and would allow businesses to recoup their costs for both successful and unsuccessful projects. So failure will be as financially sweet as success.

I suppose some of my colleagues may maintain that providing this opportunity for greater riches to oil and gas corporations could result in more supply for the American public. Well, the Energy Information Administration reports that such claims are not backed by the facts. According to a February 2004 EIA report, these subsidies do not impact supply. The EIA report states:

The tax provision is expected to have a negligible impact on oil and gas production because . . . year-to-year cash flow can be at least 35 times larger than the tax value and consequently the provision is unlikely to appreciably sway drilling decisions.

In other words, these companies are too rich to pay attention to a paltry \$835 million.

Another provision of this bill, which is perhaps even more egregious than picking up the tab for oil and gas exploration, would provide nearly \$2 billion for the extension and modification of tax credits for producing fuel from a nonconventional source. "Nonconventional" is the operative word when we talk about synthetic fuels. There is nothing conventional about this so-

called fuel, a creation of Congress in 1980. Now that this tax credit scam has been exposed by not only *TIME* but by our own IRS, Congress has no excuse to perpetuate this expensive hoax, which has cost the taxpayers \$4 billion since 1999.

If there is anyone who does not know how synthetic fuel is made, the process conjures up images of Rumpelstiltskin turning straw into gold, except in this case it is not turning something into anything different. But this is not a fairytale.

Here is how the process goes. First, you start with coal, and then, since IRS rules require a chemical change to occur, you must spray the coal with something other than water—usually it is diesel fuel or pine tar—and, magically, you now have a "synthetic fuel," which sounds better than "sprinkled" coal, I guess. The company then sells the coal to a user, such as a powerplant, for a slightly lower cost than untreated—or unsprinkled—coal and claims a huge tax credit for "manufacturing a synthetic fuel." If anyone missed a step of this miraculous process, it is coal, to sprayed coal, to gold.

I would like to show you how golden this tax credit can be. This graphic shows the reduced tax rate of one multinational hotel corporation that also produces synthetic fuel. This corporation is not the biggest beneficiary of the synthetic shelter, but it is illustrative of the point that one does not need to be in the oil or gas business to strike it rich with synthetic fuels.

The IRS has struggled mightily with this tax shelter that grows ever more expansive and expensive. It has undertaken two formal reviews of synthetic fuel production and testing facilities and concluded that there is not any synthetic fuel being produced. This remarkable finding is presented in a November 2003 IRS bulletin, and I quote:

The Service believes that the processes approved under its long-standing ruling (that a synthetic fuel must differ significantly in chemical composition from the substance used to produce it) do not produce the level of chemical change required.

Incredibly it goes on to say:

Nevertheless, the Service continues to recognize that many taxpayers and their investors have relied on its long-standing ruling to make investments.

So basically the IRS is going to give this lucrative hoax a "wink and a nod" while it waits for Congress to end this sham, which is very unlikely.

Another objectionable provision would provide subsidies for the highly profitable gas production method called coalbed methane. According to the Department of Energy, coalbed methane accounted for 57 percent of the growth in U.S. natural gas production between 1990 and 1999. Coalbed methane wells are proliferating in western coalfields and wherever else coalbeds exist, without a tax incentive.

As you can see from these tables, the number of wells drilled in the Powder River Basin in Wyoming has sky-

rocketed. The tremendous growth in production from 1993 to 2002, with 10,718 wells in this Wyoming field, occurred without a tax credit, and the BLM expects that another 40,000 new wells will be drilled in this area over the next decade. So I think it is clear that this industry has not been waiting around for taxpayer dollars.

If any of my colleagues believe that by making a very profitable industry even more profitable, these tax breaks will help increase gas supply and bring down prices, they are wrong. According to the Congressional Research Service:

[V]irtually all of the added gas output (from coalbed methane) has substituted for domestic conventional gas rather than imported petroleum, meaning that the credit has basically not achieved its underlying policy objective of enhancing energy security.

In other words, the gas industry has turned from conventional production to coalbed methane with its higher margin of profitability without an increase in total supply.

Additionally, the Congressional Research Service found:

that from an economic perspective, the Sec. 29 credits compound distortions in the energy markets rather than correcting for pre-existing distortions due to pollution, oil import dependence, "excessive" market risk, and other factors.

Therefore, one must ask, what is the American public actually receiving from these tax incentives? Economic distortions which translate into higher gas prices. I am certain my colleagues do not want to perpetuate the perverse price effect of this tax credit.

In the Western U.S., most lands operate on the doctrine of "split estates" with different owners of the surface property rights and underlying mineral rights. As the number of coalbed methane wells has skyrocketed, the conflicts with thousands of property owners has intensified. That is due to the extensive environmental damage caused by coalbed methane production, which involves pumping massive volumes of groundwater to release the methane held by hydraulic pressure.

Clean coal. The energy tax title would provide an estimated \$1.6 billion for the so-called clean coal program. Since 1984, the Department of Energy has already invested \$1.8 billion in the clean coal program to "explore technologies," making it the largest environmental technology development effort the Federal Government has ever conducted. But we cannot stop there. This bill would provide an additional \$1.6 billion toward the development of still more clean coal technologies. Before we require the taxpayers to pay even more for this program, should we not first consider what we have received in return for the first \$1.8 billion?

According to the Department of Energy, the \$1.8 billion worth of investments went to Bechtel, Westinghouse, General Electric, Texaco, and other companies that produced technology patents and products that have been

sold around the world, generating billions of dollars for these companies. Besides the enormous profits these companies made by using taxpayer dollars for their research and development, serious deficiencies in the program explain why a new project has not been added in the last 5 years, and why this program should not be funded again.

One of the primary goals of the clean coal program was to produce technologies that scrub emissions from powerplants that result in cleaner air. However, according to a 2001 GAO report, new technologies produced from the \$1.8 billion allocated for new clean air technologies have "limited potential for achieving nationwide emission reductions when used at existing coal-burning facilities."

The clean coal program management shows more deficiencies. The GAO reports many of the clean coal technology demonstration programs have shown severe problems in meeting costs, schedule, and performance goals.

Biomass. Nestled within the provisions of this bill is one of the more ironic and bizarre U.S. policies to be considered. Under the false guise of exploring environmentally friendly alternative energy sources, this bill extends and expands a subsidy offered to facilities that burn animal droppings. I realize a handful of States are facing legitimate environmental challenges stemming from massive amounts of poultry manure and need to find a way to manage the toxic substances that are a byproduct of these droppings. I favor determining the most effective method of addressing this environmental concern within the proper land management context. However, it would be ironic indeed if, in ordinary to satisfy the need for a clean, renewable energy source, the Senate passes legislation subsidizing the burning of animal droppings, a process which has been found to emit toxic heavy metals such as lead, mercury, and arsenic.

No less green an organization than Friends of the Earth opposes burning these droppings as an energy source because the process "cause[s] serious environment and community health problems." Moreover, EPA studies have suggested these facilities have the potential to cause more air pollution than a coal plant. On top of all this, these facilities drive up prices on natural fertilizers used on American farms, actually detracting from an environmentally friendly farming process that requires no Government subsidy.

Why on earth are we wasting valuable money on such a ridiculous, irrational program, especially when such dire financial and energy needs are facing this country today?

Another interesting provision concerns the proposed Alaska natural gas pipeline. There is a good deal of support for this new pipeline from Alaska to the lower 48 States, but to what extent are we willing to mortgage the Federal budget to help ensure its re-

ality? The energy tax title would provide a huge subsidy to the natural gas companies proposing the construction of the Alaska natural gas pipeline. In the case of a drop in the price of natural gas, the energy title establishes a price floor—how many manufacturers in America would like to have a price floor for their product?—of \$1.35 per thousand cubic feet. If the market price falls below that amount, the Federal Government would have to pay the difference to the private companies for a maximum benefit of 52 cents per thousand cubic feet. The credit would be in effect for the next 25 years. Even the conferees on the energy conference committee refused to include this provision in its final agreement on H.R. 6, which, considering the wasteful special interest giveaways included, should make one wonder about the merits of this provision.

I could go on and on about this bill. I could cite many examples, such as dog-track owners and all the other provisions. But this is probably the most egregious we have and it is quite remarkable. It is a very unfortunate way of doing business, because if we establish this precedent of tacking on anything we want to legislation that is totally irrelevant, then I fear the process has broken down even more badly than I first suspected.

Let me again put this in the context of the environment in which we exist today. This bill, which was designed to provide \$5 billion in order to satisfy our European friends' concerns, has now grown into a \$170 billion "Christmas tree" of goodies for every conceivable special interest. When we are running multitrillion-dollar surpluses, I guess you could argue it wasn't such a bad idea.

Last week Alan Greenspan said the greatest danger to America's economy is these burgeoning multitrillion-dollar deficits. We have never enacted tax cuts while we are in a war. If one thing has been made abundantly clear, it is the cost of the Iraq war is going to be incredibly high—far higher than we ever anticipated. Around here, it is business as usual—well, it is not business as usual; this is probably about the worst I have seen.

I won't say the worst because I probably could think of something. It is as bad as anything I have ever seen. We have no fiscal discipline in this body, and our kids are going to pay a very high price for it. When the bow-and-arrow manufacturers and all of the other things that are stuffed into this, such as horse and dog-track owners, and all of the others—cars, automobiles, Oldsmobiles, all of these things are now amassing. I urge my colleagues to vote for the amendment.

I yield the floor.

Mr. GRASSLEY. Mr. President, Senator McCain has filed a motion to strike all of the Energy tax provisions from the JOBS bill. Senator McCain has a right to his opinion, but I overwhelmingly disagree with his opinion

and I urge all of my fellow Senators to vote "No" on this amendment.

In order to secure our country's economic and national security, we need to have a balanced energy plan that protects the environment, supports the needs of our growing economy, and reduces our dependence on foreign sources of energy.

Every man, woman and child in the United States is a stakeholder when it comes to developing a responsible, balanced, stable, long-term energy policy.

The events of September 11 have made very clear to Americans how important it is to enhance our energy independence. We can no longer afford to allow our dangerous reliance on foreign sources of oil to continue.

But "wait" we do, and we do it well. It has been over 10 years since we have passed energy legislation.

And if we wait until we get that "perfect" bill, the wait will be forever.

Today, we have the opportunity to correct that because we have added all of the Energy Tax provisions to this JOBS bill. Our energy tax provisions obviously are not perfect. And to those who complain about various provisions, I say, so what do we do? Do nothing? Wait for the "perfect" bill?

These provisions may not be perfect but let me tell you what we do have. We have energy tax provisions that were crafted from inception in a bipartisan manner. From the beginning, both Democrat and Republican staffs from both Finance and Energy Committees worked side by side to craft a fair and balanced energy tax package.

I may not personally believe in every one of these provisions, but the process has worked to craft an energy tax package that is good for all 50 States and all forms of energy production, both renewables and traditional oil and gas and conservation and energy efficiency.

Some of the amendments pending on this bill suggest the energy tax provisions will pick winners and losers. Is that true? Am I OK with that?

The answer is a definite "yes." Remember, the winners we pick in this bill are all Americans, all of whom have a stake in reducing our dependence upon foreign energy. We do this by favoring domestic producers over foreign producers.

It is well past time to get serious about implementing energy efficiency and conservation efforts, investing in alternative, renewable fuels and improving domestic production of traditional resources.

As you know, Mr. President, I support a comprehensive energy policy consisting of conservation efforts, development of renewable and alternative energy resources, and domestic production of traditional sources of energy.

And we will have an opportunity under Senator DOMENICI's leadership to address the energy policy issues at a later date, but for now we will only be considering the energy tax provisions.

As my colleagues well know, I have long been a supporter of alternative and renewable sources of energy as a way of protecting our environment and increasing our energy independence.

I strongly support the production of renewable domestic fuels, particularly ethanol and biodiesel. As domestic, renewable sources of energy, ethanol and biodiesel can increase fuel supplies, reduce our dependence on foreign oil, and increase our national and economic security.

As Chairman of the Senate Finance Committee, I continue to work closely with the ranking member, Senator BAUCUS, to defend an energy tax title that strikes a good balance between conventional energy sources, alternative and renewable energy, and conservation.

Among others, it includes provisions for the development of renewable sources of energy such as wind and biomass, incentives for energy efficient appliances and homes, and incentives for the production of non-conventional sources of traditional oil and gas.

I believe the energy tax provisions included in the JOBS bill does a good job to address our Nation's energy security in a balanced and comprehensive way.

I am also pleased that with the JOBS bill we have finally gotten to a point to address this important issue that has such a direct impact on our national and economic security.

For the sake of our children and our grandchildren, we must implement conservation efforts, invest in alternative and renewable energy, and improve development and production of domestic oil and natural gas resources. And we need all of the energy tax provisions to be included in the JOBS bill. I urge you to vote "no" on Senator McCAIN's effort.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, we have so many Members on this side who want to speak in opposition to the amendment, as well as Senators on the other side, but we are quite restricted as to the time to allocate. First, I will begin with Senator BUNNING, 4 minutes.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BUNNING. Mr. President, I rise in strong opposition to the McCain amendment. We need these energy tax provisions now more than ever. The price of energy has risen sharply and is only expected to keep going up and up.

The average price of a gallon of unleaded gasoline now is \$1.84 a gallon. Natural gas prices are 70 percent higher than they were a year ago. Coal prices are up 30 percent since last year. These high prices are affecting Americans' pocketbooks at a time when our economy is on the rise.

If Congress does nothing to encourage more production, Americans will continue to struggle financially and our economic recovery will evaporate.

The energy tax package in the JOBS bill will help our country meet its future energy needs and will help kick our economy into gear.

Whether you are a Republican or a Democrat, we all know we need more production. Having a cheap, ready supply of energy is now more critical than ever to our economy. These tax incentives in this bill are crafted to help this production supply. Striking them from the bill will only lead to higher prices and more energy inflation.

The energy tax incentives will also mean more jobs and more money in Americans' wallets. I am certain every single Senator has talked to his or her constituents recently about the need for the economy to create more jobs. It is a staple of the Presidential race. It is what the American people are talking about. We know the energy incentives in this bill will induce and boost industries like the coal community in my State and put people to work.

There is nothing wrong with that. Passing this bill and these energy amendments will give us all a chance to put our money where our mouth is.

Congress has been playing political football with an energy bill for years now. I think it is time to end the game. Many of us would prefer to pass a stand-alone energy bill. We have been trying and trying, with no effect. But for one reason or another, this bill has not passed, and this is probably our last and best shot to pass changes that will make a difference right away to our Nation and to our economy.

Finally, and most importantly, this is a national security issue. We all talk the talk when it comes to promoting America's energy independence and reducing our reliance on foreign oil and sources of energy. Here is a chance to actually do something about that. By beating this amendment and passing the base bill, we will provide a significant boost to domestic energy production.

We have a lot of problems in Iraq, but we cannot bury our head in the sand. We have to recognize that continuing to rely on energy supplies from that part of the world is a threat to our national security. We cannot change that overnight. We can start taking the first steps now by passing the energy tax provisions and stepping up domestic production.

I urge a "no" vote on the McCain amendment. As a member of both the Energy Committee and the Finance Committee, I helped write the energy incentives in this bill. The incentives are good legislation and will help our economy. Our workers and our country need this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield 4 minutes to the Senator from Michigan, Ms. STABENOW.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I also rise to oppose this amendment. I

first wish to thank those involved in the underlying bill and the tax bill for focusing on major provisions for manufacturing. I thank both the Senator from Iowa, the chairman, and the Senator from Montana, for their leadership on this bill.

These tax credits in this bill relate directly to support for manufacturing. It is very important that the energy tax credits for consumers that are in this bill be passed so that we can lower purchase prices for vehicles and energy-efficient appliances and be able to help build market demand for more efficient, environmentally beneficial cars, appliances, and other products.

Many of these credits are for consumers to help lower the prices because we know until there is a large demand and large production, the prices initially will be high. That is the reason for the hybrid vehicle tax credit for consumers, alternative fuel vehicle credits for consumers, and fuel cell credits.

The Federal Government must partner with American businesses and consumers to encourage the development, purchase, and use of energy-efficient technologies, and that is what is done through these energy tax credits.

All of us want our automobiles to be more fuel efficient—and certainly, as we look at the skyrocketing gas prices, this has never been more clear—so we can be less reliant on foreign sources of energy as well, but we need to be doing those things that will encourage the production of alternative fuel vehicles to move us away from that dependency on foreign sources of energy.

U.S. automakers have already invested hundreds of millions of dollars in developing better, cleaner technologies. For example, a hybrid version of the Ford Escape SUV, which has a fuel economy of 40 miles per gallon, will be available to consumers the end of this summer. It is very important that we put this in place as part of supporting that new effort. A hybrid electric version of the GM Sierra full-size pickup truck will also be available to consumers this year. And DaimlerChrysler will be producing a hybrid version of the Dodge Ram pickup truck starting this year as well.

These moves into alternative fuel vehicles are part of the way we move away from foreign oil dependence. We need to partner to help create that market and help give consumers the ability to purchase these vehicles in order to make them available. Developing fuel cells and other more fuel-efficient technologies really does require a partnership with the Federal Government and with industry. In order to achieve maximum fuel efficiency, the Federal Government must take the role as partner, along with our companies, engineers, and workers, to make this happen. That is what the energy tax credits for fuel-efficient vehicles in this bill do.

I should also indicate that it is necessary to invest in infrastructure, such

as hydrogen refueling stations, to support the development of fuel cell technology. Again, there are tax credits in this bill that allow that to happen.

There are other important provisions, of course, for ethanol, of which I am very supportive, as well as the efforts to address energy-efficient appliances. Again, we have consumer tax credits in this bill to help encourage the purchase and the development of energy-efficient appliances as well as items related to the home.

Mr. President, I will strongly oppose this amendment, and I hope my colleagues will join in a bipartisan way to defeat it.

Mr. BAUCUS. Mr. President, I yield 3 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I thank my colleague from Montana. As always, he is generous in yielding to other Members on these issues. I also join the previous two speakers in opposing the amendment of the Senator from Arizona.

The energy tax incentives that are part of this bill is a package of incentives that we reported out of the Finance Committee and added to the Energy bill essentially in the same form we have in the 107th Congress, and we have done it again in the 108th Congress. It is my strong belief that there is broad bipartisan support in the Senate for this set of energy tax provisions.

I cannot tell you that every single one of them is exactly as I would want it to be, but there are incentives to encourage more use of renewable energy, to encourage continued production of oil and gas and increase production in some cases, to provide incentives for a shift toward more use of hybrid cars and advance vehicles. All of those items are positive.

As far as renewable energy is concerned, one very important provision contained in this bill that relates to my State and many States is the extension of the tax credit—1.8 cents per kilowatt hour tax credit—for wind energy and other types of renewable energy. There are many wind energy projects that are ready to go around this country; people are waiting to see whether Congress will go ahead and extend this production tax credit for renewable energy that covers them. I think this is a good policy. We need to do that as part of this bill.

There are other provisions that provide incentives for energy-efficient homes, energy-efficient commercial buildings. They provide incentives for efficient appliances, smart meters which consumers can use to reduce their use of energy. There are a great many provisions in this bill that I believe would be useful and would move us in the right direction.

This is not a silver bullet. This does not solve our energy problems. I do not want to represent that to anyone.

These are, on balance, very positive actions that we can take, and this clearly, in my mind, is some of the most useful language that we are proposing to enact as part of this overall bill.

Mr. President, I appreciate the chance to speak. I appreciate my colleagues allowing me to go ahead of them, particularly the Senator from Idaho, who yielded time to me.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield 4 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. I thank the Senator from Montana.

Mr. President, the Senator from Arizona, in his amendment, suggests to those of us listening and to those who might be observing us on C-SPAN that the oil industry is the most profitable industry in the country and somehow we are subsidizing them beyond reality or respect.

Let me tell you what the oil industry did this last quarter.

Their net earnings went up .6 percent to 6.9 percent. That was their net earnings. It is much more profitable owning a Starbucks on the street corner than it is to own a major oil company in America today. He did not say that the profit margins of the banking industry are 19.6 percent return on investment. So let us get real and, most importantly, let us be honest.

Let's talk about section 29, the synthetic fuels. What was just represented by the Senator from Arizona is not in this bill. What is in this bill, if one deals with synthetics, is there has to be a reduction in the stocks and the NO_x by 20 percent or there has to be a reduction in mercury by 20 percent to qualify for the tax credits in this provision. That is the reality of what we are talking about.

If we want to get America producing again, if we want to satisfy the consumer who in anger paid over \$2 at the pump today, then we have to incentivize an investment community to get back into the business of producing.

Fifteen years ago, there were 325 refineries in America. Today, there are less than 125. Why? Too much regulation, too much cost, going offshore. How do we get them back? Incentivize them to come home; incentivize them to begin to produce in this country. Because of Government regulations and costs, they either go offshore to produce or they quit producing.

America's refineries today are at 94-percent capacity. What this tax incentive does is incentivizes our country to get back into the business of producing.

Want to incentivize offshore deep oil drilling? When we did that for the gulf a decade ago, production went up 500 percent. Why? Because it was terribly expensive to drill out there, and so we said if they drill out there and if they find oil, they can write this off.

Our country relies on almost 30 percent of our capacity now in the gulf and in the deep waters. It worked for America and it worked for America's consumers.

So to suggest we are doing something wrong is not representing the reality of the energy sector of this country today as a piece of our economy and our willingness to incentivize it. That is why we are here. That is why this provision is in the FSC bill and that is why the McCain amendment ought to be rejected.

I yield the floor.

VISIT TO THE SENATE BY MEMBERS OF SUMMIT OF NATIONAL CONGRESSES OF THE AMERICAS ON FREEDOM OF THE PRESS

Mr. STEVENS. Mr. President, I ask the Senate to permit me the honor of introducing to the Senate Members of National Congresses of the Americas who are here in Washington for a conference on the freedom of the press. I have representatives of the National Congresses of the Americas from Argentina, Senator Guillermo Jenefer, Senate, and Representative Carlos Federico Ruckauf, Congressman, House of Representatives; Bolivia, Senator Alfonso Cabrera, Senate, and Representative Oscar Sandoval Moron, House of Representatives; Brazil, Senator Helio Costa, Senate, and Representative Celso Russomanno, House of Representatives; Chile, Senator Andres Zaldivar Larrain, Ex-President of the Senate, Senator Alberto Espina Otero, Senate, and Representative Pablo Lorenzini, President of the House of Representatives; Colombia, Representative Alonso Rafael Acosta Osio, President of the House of Representatives; Costa Rica, Representative Mario Redondo Poveda, Ex-President of the National Congress; the Dominican Republic, George Andres Lopez Hilario, Senate Meetings Coordinator; Ecuador, Representative Jaime Estrada Bonilla, National Congress, and Representative Pedro J. Valverde Rubira, National Congress; El Salvador, Representative Ciro Cruz Zepeda Pena, President, National Congress, Representative Ileana Rogel, National Congress, and Representative Francisco Merino Lopez, National Congress; Guatemala, Representative Ruben Dario Morales, First Vice President, National Congress; Honduras, Representative Samuel Bogran Prieto, Vice President, National Congress, and Representative Gilberto Goldstein, National Congress; Jamaica, Deika Morrison, Senator and Minister of State, and Michael Anthony Peart, Speaker of the House of Representatives; Mexico, Representative Francisco Arroyo Vierya, Vice Presidente, House of Representatives; Nicaragua, Representative Carlos Noguera Pastora, President, National Congress; Paraguay, Senator Modesto