

and send it to the President for signature, so these two campaign medals, one for Iraq and one for Afghanistan, can begin to be awarded to these brave men and women.

I hope we can get the needed clearance on the Republican side. All Democratic Senators have agreed to this course of action so we can bring up this legislation and pass it.

I am informed there is objection at this point; at least clearance has not been achieved. I hope that can be remedied and we can act on this bill before we leave town this week.

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.

Mr. CRAIG. Mr. President, I inquire, is there currently business before the Senate?

The PRESIDING OFFICER. The Senate is in morning business with a 10-minute time limit.

U.S. ENERGY MARKET

Mr. CRAIG. Mr. President, I come to the Senate floor once again today, as I have on three different occasions over the last 2 weeks, to visit with my colleagues about the State of the U.S. energy market and what is happening out there that I am afraid some of my colleagues are not yet understanding in a way that will cause them to act to help us shape a national energy policy for our country.

When I was on the floor of the Senate 2 weeks ago, I mentioned that gas at the pump in California had hit \$2.25 a gallon. A few days later, I announced that gas had hit \$2.50 a gallon in the State of California. Yesterday, gas hit over \$3 a gallon in the Los Angeles market—a historic high not only for this Nation but most assuredly for the State of California. In our State of Idaho—I say “our” State because my colleague, MIKE CRAPO, is presiding at this moment—in some instances, gas has gone over \$2 per gallon. For those of us who travel the miles across Idaho to get from one small community to another, that begins to have a very real impact upon the ability of our citizens to simply move across the State of Idaho, let alone those businesses and industries that use large volumes of chemicals, gasoline, and diesel for the conduct of their businesses.

So while I was accused by some of our folks on the other side of being a little bit too much of an alarmist a week ago in speaking about this, I will simply hold my tone down today. But I have to think that the average consumer who swiped his credit card with a \$50 limit and found out that before he

could get his SUV filled, he had ran out the limit of the credit card and had to swipe it one more time because the gas pump shut down got a very rude awakening this week in the Los Angeles basin.

Who ever thought it would cost \$45 or \$50 to fuel your automobile? That is what it is costing today. I said a couple weeks ago that the average citizen this fiscal year would spend \$300 to \$500 just for gasoline than a year ago. I need to update that a little bit. Now we are up to about \$560 instead of \$400. That has happened just within the course of a week and a half. Yet, the Senate still cannot get its act together. It cannot produce a national energy policy that we have been debating and refining in this Chamber and in the appropriate committees for the last 5 years. Somehow it just isn't quite perfect.

In the course of those years, we quit producing as a country. We kept demanding and growing, and our growth, in large part, is based on surplus energy that was built into our system over the last two decades. But as our economy comes back on line, that surplus is gone.

Let's remember what happened at the last peak of an economic cycle in the State of California, when the State of California went dark, and businesses and industries had to curtail production because they didn't have electricity—or very little—or it wasn't reliable or stable. Have we done anything to correct that, to create sustainability and reliability in the system?

The answer is that we have not done anything. We have debated it loudly and clearly, but we really could not get our political act together to solve the problem in California and the region. We have not drilled any more oil wells in the United States. We have not been allowed to drill where we think there are literally billions of barrels of oil in Alaska because somebody said it might damage the environment. Yet we have already proved by drilling in Alaska that proper procedure in the 1970s didn't damage the environment. Our abilities now, in 2004, are so much enhanced that we know we will not damage the environment. But it became the clarion call of the environmental movement in this country not to touch ANWR. So, politically, we did not; we could not. The votes simply were not here to do it.

What would happen today if ANWR were developed and the production was on line, even though it wasn't pumping at the moment? We could say to OPEC, to other countries around the world, that we are going to turn the valve of ANWR on and flow the oil through the pipeline of Valdez and fill our tankers and bring them down to Anacortes, WA, and to the refineries of California, and begin to refine the oil of Alaska.

I bet OPEC would scratch its head and say: Maybe we better change our ways a little bit. Maybe getting \$30 to \$35 a barrel is not realistic because we forced the United States to be less reli-

ant on us and more reliable on themselves. It is called fungibility in the oil market.

We cannot do that today because politically we have not been allowed to do the right kind of exploration and environmentally sound development in Alaska.

We are hoping this economy keeps going, keeps growing, keeps rebounding the way it currently is, but what is putting a phenomenal amount of pressure on it at this moment in the form of greater input costs into almost every aspect of the economy is the cost of energy, whether it is the average home and consumer or whether it is our farmers in the State of Idaho who this past February, when they sat down with their banker to develop their line of credit for the year, penciled in an energy cost and a fertilizer cost, little knowing what they penciled in was 30 to 40 percent inadequate from what it was actually going to cost them. They have today found out their fertilizer costs doubled. Why? Because phosphate is made from natural gas, natural gas processes, and natural gas went from \$2.50 a million cubic feet to \$6.50 to \$7 a million cubic feet, and the cost of fertilizer went through the roof.

So fertilizer got applied less in some areas and where it did not get applied, the farmer rolled the dice and gambled, hoping somehow the value of the crop produced would increase 25, 30, or 40 percent, which, of course, won't happen. That is agriculture alone.

What about the chemical industry? What about those kinds of industries up and down the east coast of America that produce the chemicals for this country? Many of them have already shut down, and they have taken their production to Europe. It has cost us thousands of jobs.

I must tell those men and women who are out of work: Why don't you pick up the phone and call your Senators and ask your Senators how they voted on the Energy bill, and if they voted no, why did that vote cost you your job because the cost of energy went through the roof and your company had to shut down. That is, in part, the reality America is facing today.

While all of us are excited about the growth of the economy and the thousands of new jobs that are being created at this moment, there is a cloud hanging over Wall Street and the investment community. They openly say that cloud is the unpredictable high cost of energy and the impact it will have on certain segments of the economy that are highly dependent upon it.

What did we do when we crafted S. 2095? We built a broad-based, incentivized bill that said we ought to be producing in all segments of the energy market. It was not selective. It said America would grow and America would prosper with an abundance of energy at a reasonable price that was reliable and available. Therefore, our bill, S. 2095, encouraged domestic oil

production, encouraged the development of more natural gas, encouraged the building of necessary infrastructure, such as the Alaska natural gas pipeline. Oh, I didn't tell you? We are pumping trillions of cubic feet of gas back into the ground in Alaska as we speak from the currently developed oilfields. Why? Because we cannot get it to the lower 48. We produce it, it comes up, we segregate it from the oil, we put the oil in the pipeline, and we pump the gas back into the ground.

So we said: Why don't we build a pipeline? And industry said: Because it is so expensive, we cannot afford to build it unless you give us certain consideration. This week we gave them that consideration. We gave them the tax incentives to build the pipeline to bring the gas to the lower 48 to supply our business and industry, to bring down the cost of fertilizer, and S. 2095 did just that. It encouraged and incentivized the building of a natural gas pipeline out of Alaska.

Our Senate bill encouraged use of renewable fuels, such as ethanol. It encouraged more renewable energy. Wind—you bet we are all for wind and more of it as a generating source for electricity and photovoltaics, energy cells, taking the energy of the Sun. This bill promotes that where it can fit and does work. We have strengthened the future of nuclear energy as an option by, again, trying to incentivize getting into what we call generation 4 reactor development.

Our State of Idaho might well be the place where a prototype is built. This week in the State of Idaho, five representatives from five different nations around the world visited our national laboratory as the site where a new reactor prototype will be built, called generation 4. It is a high-pressure reactor, safe to operate, that can produce a phenomenal abundance of nonemitting electricity and even hydrogen for a hydrogen economy and a hydrogen fuel cell transportation market. That is in S. 2095. That is part of what we have been working on.

Clean coal technology, that phenomenal energy resource of the Senator from Kentucky, who is sitting here beside me at the moment, could be used without the risk of pollution.

There is hydrogen promotion, hydrogen fuel cell development, and I spoke of the generation 4 reactor and the production of hydrogen. Of course, there is conversation, using energy more wisely so we use less, research and development in new technologies, mandatory reliability rules for the electrical grid that moves our electricity across the country, the promotion of advancement and the expansion of that grid. That is the full package.

It is also very interesting that when George Bush was President-elect George Bush, before he had taken the oath of office, I will not forget meeting with him for the first time just down the hall from the Senate Chamber in the office of the majority leader of the

Senate. He said: My most important priority beyond education, the economy, and tax cuts to get the economy going again will be a national energy policy.

At that time, he said: I will task the Vice President to put the best minds in the country together and make recommendations to you, the Congress, to develop a national energy policy based on what we see is necessary in the market. Our President did that.

It is interesting that a lot of people criticized him for it: Gee, who was that who was meeting with you? Did they meet behind closed doors? What did they recommend? And all of that.

They recommended a first-class list of things to do and what I have mentioned. What is embodied in S. 2095 is, in large part, what the President of the United States recommended to us as a national energy policy.

Why isn't it law? Why hasn't this country turned toward producing energy instead of simply consuming and being more reliant on a foreign producer than a U.S. producer? Because this Senate could not get its act together. It is not big oil you ought to be blaming anymore, it is big Government and big politics. It is the politics of energy, it is the politics of the environment, and it is the denial of the responsibility that every Senator in this body has to the home folks, to the consumer, to the producer, to the farmer, to working men and women who are now paying more for energy than at any other time in this Nation's history.

If you don't think \$3 a gallon for gas at the pump in the L.A. basin does not have an impact on the economy of this country, then think again. If you think \$2 a gallon for gas at the pump in Idaho today does not have an impact on the consumer, does not have an impact on the farmer, the producer, the working men and women, then think again.

Our economy is a whole. It is just as I said, and if that average working family has to spend \$400, \$500, \$600 or more or \$1,000 or more a year on energy, that is \$1,000 less they have to put food on their table, buy clothes for their kids, or even go out in the evening and have a dinner.

It is that extra income that rolls across America that makes this country and this economy as strong as it is. When it is going to an OPEC nation to pay for the oil for the gas or the oil we burn here instead of going to our own producers, somehow that just is not right. But that is exactly what we are doing today, and we are doing it for one simple reason alone: Because politically we could not function. Politically we did not get our act together.

Many of us tried. We produced a bipartisan bill, but it was not quite perfect for some. Now the tragedy of that story is that the American consumer pays an unprecedented price. That is the bad news.

There is a glimmer of good news. In a bill that we passed this week, we passed a piece of this energy bill. We

passed the tax incentives. A couple of Senators came to the floor and said: Oh, all that money is just being given to big oil, which is a big rich industry and shame on you for doing that.

Do my colleagues know what the rate of return on investment in the oil industry was last year? Mr. President, 6.3 percent. Banking was 19.5 percent. Starbucks was 8 percent. In other words, it was more profitable last year to invest in a Starbucks coffee shop than to invest in a major oil company. Why? Cost of production, Federal regulations, Clean Air Act, all of those Government hurdles that the oil industry has to jump over that cost hundreds of millions of dollars to bring a new refinery online or to bring a new oilfield into production.

So good money just does not go there when money can go elsewhere with less risk to make greater return. That is what we passed this week. With the tenacity of the leadership, we got it through. That is a piece of a total picture of getting this country back into the business of producing.

Somebody said, well, we could tap SPR, the Strategic Petroleum Reserve, the salt domes down in the south where we store crude oil in the case of an emergency. So if we tap those, then we would have more oil and therefore more gas and the gas at the pump would cost less.

What they did not say is that was the strategy that Bill Clinton used during a period of high gas prices and it changed the price at the pump by one cent. The reason it changed the price at the pump by only one cent is because our refinery capacity in this country is so limited today.

Twenty years ago, we had 324 gas and oil refineries in this country. Today, we have 135 or 140. It was not cost effective to retrofit them and rebuild them to meet the standards of the Clean Air Act. They simply tore them down and they went away. So with our gas and oil refineries operating at 95- to 98-percent capacity, as we speak at this moment, adding more total supply does not change the equation.

Well, would you leverage down the Saudis and OPEC? Probably not that much, because they know that ultimately we will have to come back to buy oil from them because we are not producing it for ourselves.

So before we adjourn this final session of the 108th Congress, whether it occurs in late September or early October, there is one thing we ought to do, and that is we ought to pass a national energy policy for this country. It is written. It is refined. It has been through conference. It is laying at the desk of the Senate, ready for an up-or-down vote. It is that simple.

It will not change gas at the pump overnight, but it will set us on a path of conserving, of producing, and of creating new technologies, alternatives, and fuel sources that are clean and nonemitting. Most importantly, it will say to the American consumer that the

Senate of the United States on energy, for the first time, acted responsibly; instead of kowtowing to an environmental community or to another community of interests, it put it all together, it did the right things, and S. 2095 does, in my opinion, all of the right things and it puts us on a path of getting back to the business of producing, being more self-reliant on our own ability, less reliant and less dependent on nations elsewhere in the world that have become the primary producers of crude oil for the whole of the world.

That is the mission we ought to be about, but somehow politically we just cannot get there. So pick up your phone, call your Senator. I have called mine. I am talking to my Senator, who is the Presiding Officer. He and I agree that it is time this country get back into the business of producing energy, and it is important that the Senate respond.

I have one request of my colleagues this weekend when they are home. Take your car out, drive up to a gas pump at the local service station and fill it up and watch the face of the gas pump. Then watch your wallet because, if the tank is empty and you are filling it, it will drain your wallet, as it is draining the wallets of the working men and women of America.

Shame on us for having allowed that to happen, but it is this Senate and its inability to get a policy together that has in large part caused the problem our consumers now face.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM of Florida. I thank the Chair.

(The remarks of Mr. GRAHAM of Florida pertaining to the introduction of S. 2420 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GRAHAM of Florida. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. COLLINS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. CHAMBLISS). Without objection, it is so ordered.

IRAQ

Mr. LAUTENBERG. Mr. President, all of us in the Senate, and in the Government generally, are terribly upset with the events of these last days and weeks because the shock and awe that we all experienced in the beginning days has been diminished when compared to what we are seeing now.

Now we are seeing the ultimate degradation of human conduct. Unfortunately, some part of it comes from us, from Americans. We are embarrassed,

apologetic, humiliated by what we have seen.

I, like all of my colleagues, had a chance to view the pictures the Pentagon sent to Congress yesterday. They were sick, perverted images from the Abu Ghraib prison. Shameful, perverted, degraded images that made Members feel ill. But we could tell from the images there were many soldiers present at these scenes. This was not a soldier or two; there were many. The photographs demonstrated complete disintegration of discipline. Unfortunately, while it would be a lot easier if this were just the case of a few bad apples, it indicates a breakdown in leadership.

I am a World War II veteran. I experienced the stress of being in a combat zone. I understand the psychological wear and tear. I also know it is the responsibility of a soldier's leaders all the way to the top of the chain of command to supervise, to manage as best they can the conduct of the troops.

Regarding the current case of prison abuse, it is premature to rush to court-martial individual soldiers before all of the facts are known. I understand the administration seeks a public, visible court-martial trial to demonstrate the United States commitment to justice, but before we simply lay all the blame on the soldiers at the bottom of the chain of command, we need to understand where the directives were and what they were when they came down from the top. How clear is it now that well-dressed men in charge have let the soldiers in uniform down?

The top civilian leadership at the Pentagon has failed. In my view, replacing Secretary Rumsfeld will change little at the Pentagon if his discredited team of advisers remain in their high-level position. A series of bad decisions by the top civilian leadership at the Pentagon has severely undermined our operations in Iraq. In my view, the Pentagon's trio of civilian leaders needs to be replaced. I am speaking specifically of the Secretary of Defense, Donald Rumsfeld, Deputy Secretary Paul Wolfowitz, and the Under Secretary for Policy, Douglas Feith. All three of those officials ought to be replaced. They all work very closely together, and I am sure not one, not even the Secretary himself, made all of the decisions. The trio's poor planning and miscalculations have undermined the troops serving on the ground in Iraq.

We are proud of those who have served so generously and nobly. That does not mean we cannot have some bad actors, but it also does not mean those at the top are free of responsibility. Their negligence regarding reports of prisoner abuses which were alleged to take place as early as last October is the last straw in a record of missteps and miscalculations that have compromised the safety and effectiveness of our military operations.

These civilian leaders have dismissed the views of people in uniform numer-

ous times. For example, in early 2003, Four Star General Eric Shinseki disagreed with Secretary Rumsfeld's plans for a light battlefield force for Iraq. He said—and it was a courageous statement—that at least 300,000 troops would be needed during the war, particularly in the aftermath of the war. Now we know that General Shinseki was right. The security situation in Iraq is deteriorating in exactly the way he said it would if there were not enough troops.

So how was General Shinseki handled by the trio of civilian leaders at the Pentagon? He was fired. Fired for telling the truth. It tells us something about the character of those decision-makers who said, no, no, we can get this done in much easier fashion. He was fired for knowing what he was talking about.

That is just one of the many miscalculations and mistakes made by this trio at the Pentagon. Despite the urging of the Joint Chiefs of Staff not to do so, the Pentagon civilian leadership disbanded the Iraqi army after the invasion. We left 400,000 armed and trained Iraqis unemployed—I am not trying to give them jobs—and resentful, and now these men are contributing significantly to the massive security problems American troops are facing.

The civilian leadership at the Pentagon also ignored postwar plans drawn up by the Army War College and the State Department Future of Iraq Project, which predicted most of the security and infrastructure problems that America faced in the early days of the Iraq occupation.

We have heard plenty of speeches from Secretary Rumsfeld and Deputy Secretary Wolfowitz and Under Secretary Feith. They talk tough about supporting the soldiers, sailors, marines, air men and women, but in reality they fail to provide adequately for our U.S. commanders as they requested in Iraq such things as sufficient interceptor body armor or adequate protection from Humvees.

I learned that on my trip to Iraq last month when I asked a young soldier—a captain, as a matter of fact—what it was he needed to better conduct his soldiers in our Army there. He said: Senator, the flak jacket you are wearing is the latest. It is the most protective. I don't understand, he said to me, why we do not have them when I have seen those in the coalition wearing those vests.

He said to me: You see this rifle? This big, heavy rifle is bigger than the one I carried in World War II; I carried a carbine. He said: There are better weapons out there with better sighting mechanisms, lighter to carry. He said: We do not have them, and I don't understand why, Senator. He said: We have seen those in coalition hands.

Recently, Acting Secretary of the Army Les Brownlee and Army Chief of Staff GEN Peter Schoomaker recently told Congress that the Army currently