

nominee to head the Federal Trade Commission until that agency is willing to tell the people of our State and the people of this country that there are going to be some changes and there is going to be some competition again in the gasoline markets of our country.

Mr. President, I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, how much time remains on the side of the minority?

The PRESIDING OFFICER. There is 3½ minutes.

Mr. REID. Mr. President, we are going to go to the bioshield bill at 11:30. The majority has 45 minutes. We are not going to vote on that until 2 o'clock, anyway. I ask unanimous consent that I be allowed an extra 5 minutes and that the majority also be given 5 minutes.

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

ENERGY

Mr. REID. Mr. President, we have people from the majority coming out here occasionally talking about how important it would be to pass an energy bill. I listened to the President's press secretary yesterday saying: Well, the reason we are not having lower gas prices is because the Democrats won't help with the Energy bill.

This is simply talk. It has absolutely no merit. All we need to look at is what the administration itself says about the Energy bill. The Department of Energy's Energy Information Administration studied this question and concludes the legislation's incentives to reduce our reliance on foreign oil sources will have a negligible success. The report, prepared by the administration for a Republican Senator, states:

On a fuel-specific basis, proposals in the [conference report] including changes to production, consumption, imports, and prices are deemed to be negligible.

The bill won't address our energy needs in the future. It won't protect middle-class families who are being gouged with the gas prices we see today. Nevada has the second or third highest gas prices in the country. Gas prices across the Nation have reached alarming levels, especially in Nevada and California. A regular, unleaded gallon of gasoline costs \$2.22 in Las Vegas, \$2.29 in Reno, while higher blend fuels are at about \$2.50 a gallon. I have to say, this was written on Monday. This is 2 days later. I don't know what it is today. But it has gone up.

Since the first of the year, the price of gasoline has increased more than 58 cents a gallon in Nevada. There is no doubt the price of crude oil has contributed to higher gasoline prices, but this outrageous 58-cent increase in Nevada since January has not been driven by the rising cost of crude oil but by

corporate greed and the never-ending quest for profits, no matter what it does to the consumer.

Big oil companies and refiners are getting rich. Middle-class families are getting gouged. I had in my office last week a wholesale distributor from Las Vegas and Reno. If a service station wants some oil products, gasoline, that is where they get it. These companies are going broke because they can't pay for the huge cost of fuel. The markup they get is 2 or 3 cents a gallon. They make 2 or 3 cents a gallon on the fuel they sell. So it is not the service station operators making the money. It is not the person who gives them the fuel. It is the big suppliers. Big oil companies and refiners are getting rich. Middle-class families are getting gouged.

I am not making this up. It is documented. Refiner margins have doubled and tripled. Oil companies weren't content to make 25 cents for every gallon of gasoline.

They now make up to 75 cents for every gallon of gasoline sold.

Look at this. Who is better off? Oil companies report record profit increases. British Petroleum did OK last year, a 165-percent increase in their profits. Chevron-Texaco are the record holders, a 294-percent profit. Exxon-Mobil, a 125-percent profit. Conoco-Phillips, I don't know what happened to this company; they only made a 44-percent increase in profit last year. That is all. Conoco-Phillips is down at the bottom. They made a profit before, but now they had an additional 44-percent increase in profit. I repeat, British Petroleum had a 165-percent increase in profit compared to the previous year; Chevron, a 294-percent increase in profit compared to the preceding year; and Exxon-Mobil, a 125-percent increase in profit. I am not making this up. These companies are gouging.

We have all received letters from our constituents. I have received them from Nevadans whose budgets are stretched. They have to make a choice between food, a place to live, and medicine. This is the way it is. It is too bad. Gasoline is not a luxury; it is a necessity. Families have to put gas in their vehicles so they can drive to work, take the children to school, and go to the grocery store.

Big oil companies control it all. British Petroleum, Chevron-Texaco, Conoco-Phillips, Exxon-Mobil, they make the money. And as long as they can show their shareholders they are doing great, it doesn't matter what is happening to the country or the people who work for these companies. They control the supply. They know families have little choice in the matter. They literally have consumers over a barrel of oil.

While consumers are paying record prices, the oil companies are reaping record profits. These profits are outrageous. I believe in the free enterprise system, but if you carry this to its extreme, there isn't much left for the consumer.

Major California refineries owned by Valero and Tesoro that supply the Las Vegas-Reno area have reported record profits and project even bigger gains in the months ahead. Record profits for big oil; record prices for American families.

I have asked the Federal Trade Commission to stop this price gouging, but they won't act. The FTC continues to study the problem while gas prices skyrocket. We all agree something must be done. It is a simple fact that we can't drill our way out of the problem. We are sitting on less than 3 percent of the oil reserves of the world. This includes ANWR. We consume 25 percent of the oil that is produced, and 97-plus percent of the oil reserves in the world are someplace else.

We need to find an innovative new solution, but this administration's energy policy is stuck in the past. It is slanted toward big oil and special interests generally. This is a policy that was hatched in secret 3 years ago by the Vice President's energy task force. This is the task force that refuses to produce the records of who met, where they met, what they talked about. This has gone to court. They have stalled it for almost 4 years.

This past Sunday the Washington Post reported on the influence that has been wielded in this administration by the people who raised large amounts of money for President Bush's campaign. One of the four people who organized the entire fundraising apparatus was Donald Evans, a Texas oil man. The article also noted the influence of Enron CEO Ken Lay—"Kenny boy," as he was called by the President—who served on the Energy Department transition team and recommended two of the appointees to the five-member Federal Energy Regulatory Commission. Is it any wonder nothing is being done?

When it comes to national energy policy, this administration is taking care of the Enrons, the big oil companies, while middle-class families and other families are gouged. Our Nation must promote the responsible production of oil and gas, but that doesn't mean we should roll back environmental protections of our priceless public lands to allow drilling. Remember, we cannot produce our way out of this problem.

If we allow drilling in ANWR, with all the roads and other support structures that would be required, we would despoil a national treasure for little long-term gain in energy security.

Instead of squandering our children's birthright for a temporary supply of oil, we should do a better job of conserving.

If all our cars, trucks and sport utility vehicles got an average of 27.5 miles per gallon, we would save more oil in 3 years than could be recovered economically from the entire Arctic National Wildlife Refuge.

I know we can do it because we did it once before.

After the 1973 Arab oil embargo, when Americans were forced to wait in

long lines to buy gasoline, we realized that our dependence on oil from the Middle East was compromising our national security.

So we dedicated ourselves to building vehicles that were more fuel-efficient. And by 1990, the average American vehicle got 40 percent more miles per gallon than in 1973.

That is an American success story, a triumph of good old American ingenuity.

We need to redouble our efforts to conserve oil.

We also need the President to stop filling the Strategic Petroleum Reserve.

It is more than 90 percent full. How much is enough?

There have been two major releases of oil from the SPR. Crude oil prices fell sharply each time.

The first SPR release occurred as the U.S. began bombing Iraq on January 16, 1991. The next day crude oil prices fell from \$32 to \$21 per barrel.

The second release occurred in September 2000. Crude oil prices immediately fell from \$37 to \$31 per barrel after this release was announced.

The President also needs to pressure OPEC to significantly increase its production quotas to lower the price of oil on world markets.

These are some immediate steps we can take to help middle class families.

But to meet our energy needs over the long term, we need an energy policy that looks to the future.

I have already talked about the need to conserve oil.

Conserving would protect consumers, and it would make our country stronger.

Thomas Friedman, who covers the Middle East for the New York Times, wrote last week that we must renew our efforts to free ourselves from our dependence on oil from that region.

He suggested an effort modeled after the Manhattan Project. That, of course, was our extraordinary race to develop a nuclear weapon during World War II.

The Manhattan Project was a success. It helped keep the world free.

And we can do it again.

We are going to be spending a lot of time this week talking about national defense, about ways to make our country stronger.

Well, we can make our country stronger by finding an efficient and environmentally sound way to produce hydrogen fuel.

We can find a way to produce hydrogen fuel by harnessing our abundant renewable energy sources—the power of the wind, the warmth of the sun, and the heat within the earth.

We need to break this bill apart and extract what is good.

Let's take elements of this energy legislation that enjoy broad, bipartisan support, and move them forward to the President's desk.

I was encouraged that the FSC/ETI bill passed by the Senate last week contains the Energy Tax Incentives.

I applaud Senators GRASSLEY, BAUCUS, and DOMENICI for the provision that expands and extends the production tax credit for wind, geothermal, solar, and biomass energy.

The FSC/ETI bill also guarantees a commodity floor price for the Alaskan Natural Gas Pipeline.

I strongly support a price floor and loan guarantees to build an Alaska Natural Gas Pipeline, but this supply won't enter the market for another 10 years.

Senator CANTWELL has introduced a standalone bipartisan bill to improve the reliability of our Nation's electric transmission system.

This bill is noncontroversial and can pass both Houses of Congress.

We can pass meaningful parts of this energy legislation, and begin to implement a strategy that looks toward the future.

We need to act now.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. COLEMAN. Mr. President, can the Chair advise where we are in the business of the Senate?

The PRESIDING OFFICER. We are in morning business.

MOVING AMERICA FORWARD

Mr. COLEMAN. Mr. President, I want to spend time talking about the Defense authorization bill. Before I do, I want to respond to this question, are we better off? I think it is a good question.

But the question has to be phrased: Are we better off today than we were after the impact of September 11? My colleagues across the aisle continually block out of their minds the impact of the devastating attack on American soil of September 11 and the challenges this country faced—both emotional, from the scars of the terrible loss of life, as well as the economic impact. That is the question.

Are we better off today with the Taliban not operating freely in Afghanistan? Are we better off today with Saddam Hussein no longer supporting Hamas and Hezbollah, no longer operating the torture and rape chambers?

Are we better off today fighting terrorism in Iraq rather than again back on our shores? Are we better off economically?

Mr. President, I have in front of me an article in today's Minneapolis Star Tribune, and I will refer to a couple sections. It says, in April, Minnesota broke all kinds of job records, led by the State's largest drop in unemployment, to 4.1 percent from 4.8 percent. Economists used words such as "spectacular" and "breathless" to describe the job gains they say were part of the national turnaround.

The U.S. economy added 625,000 jobs in March and April, a turnaround, I note, that was fueled by tax cuts, was fueled by bonus depreciation, was fueled by increasing expansion, fueled by lowering the top rate to give small

business a tax break. The article notes that the 0.7-percent drop in the unemployment rate was the biggest since the State started keeping records in the late 1970s.

Are we better off economically today than we were after the impact of 9/11? Absolutely. With the \$18,000 job decline and the number of unemployed people, also going back to the 1970s, that was 13 percent fewer than the 140,000 unemployed in March. The 4,500 new manufacturing jobs is the biggest monthly increase since the State started tracking the statistic in 1992.

Are we better off today, post-9/11, than we were right after that attack? Absolutely. Completing Tuesday's figures, success in more hiring suggests fewer firings. New unemployment claims dropped 14.1 percent in April. They talk about in this article the manufacturing sector.

We would be better off if we didn't have the other side filibustering an energy bill. We would grow more jobs. We would be better off if my colleagues on the other side were not blocking asbestos reform, if my colleagues were not blocking class action reform, so that we could grow more jobs. We would be better off if my colleagues on the other side were not blocking the appointing of conferees to the highway bill. That is a jobs bill. Have we moved forward? Absolutely. Have we recovered from 9/11? Absolutely. But rather than criticize, my colleagues should come together and stop the obstruction and blocking and let's move America forward.

DEPARTMENT OF DEFENSE AUTHORIZATION

Mr. COLEMAN. Mr. President, we spend a fair amount of time on this floor discussing priorities for our people and our Government. As far as I am concerned, all that talk is about what comes in second to the subject we are on today: national security.

Our first obligation is to defend the American people and our interests abroad. If we don't do that with thoroughness and excellence, nothing else is going to matter for long.

September 11 was a tragic day. It was also the end of a period of denial. For generations, we believed that we could sit here safely, protected by our oceans. But 2 world wars in the last century and the coming of the nuclear age changed that. But when the Berlin Wall fell down and the Soviet Union collapsed, perhaps some lapsed into a false sense of security. September 11th changed that forever.

This bill—the Defense authorization bill—is an attempt to respond to the defense of American interests in the world as it is, now and for the foreseeable future. Failure to be prepared invites the threats we fear. Peace through strength must remain the governing doctrine of American national security.

I support the work of the Chairman, Senator WARNER, on this bill. What a