

of OPEC cannot hide behind the doctrines of "Sovereign Immunity" or "Act of State" to escape the reach of American justice. This legislation would be a powerful tool to combat the illegal price fixing behavior of OPEC, behavior that would be severely prosecuted if it happened inside the U.S. or was carried out by U.S. companies.

Although OPEC is a big part of the problem of high gas prices, the lack of refining capacity across the country also contributes. Every day our economy demands almost nine million barrels of gasoline to keep the marketplace moving, but we lack enough oil refining capacity to meet the demand. Refineries are operating at 95 percent of capacity—and so we are forced to import 1 million barrels of refined gasoline a day.

The antitrust subcommittee on which I am the ranking member has looked into the issue of whether insufficient refining capacity is a manufactured crisis designed to raise prices by reducing the supply of refined product. No new refineries have been built in this country for 25 years, while scores have been closed. Some believe that this has allowed the remaining refiners to keep gasoline prices abnormally high. We are going to have to be vigilant if we are to keep the short supply of refineries from allowing another Enron-like gouging of consumers.

Indeed, I was gratified by the news last week that the FTC had begun a formal investigation into Shell's plans to close an important refinery in Bakersfield, CA, a refinery that produces 70,000 barrels of gasoline a day. Should the FTC conclude that the closure of this refinery results from efforts by Shell to control supply and raise prices, it must pursue all legal measures to protect consumers. The FTC must be tougher on all mergers in the oil and gas industry and act quickly and decisively to prevent oil companies from manipulating supply and prices. And Congress has important oversight responsibilities to make sure the FTC uses the powers we have given them.

The high price of gas is an issue that affects everyone, but to those on the bottom of the economic ladder it can be devastating. It is a serious problem when—because of the cost of gas—getting to work, finding a new job, or visiting the grocery store or the doctor become a luxury out of the reach of working families. It is a serious problem that we need to address seriously—and there are simple steps, like some I have outlined today, that we can take this year. We can and should act—not sit on our hands while working families again reach for the bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

STANDING FOR AGRICULTURE

Mr. DORGAN. Mr. President, my colleague from South Dakota described the circumstances on the family farms

and ranches in this country and why folks who are out there living on the land trying to grow a crop and raise some animals wonder whether the Government is on their side, wonder what is happening here in Washington, DC, with this administration and this Department of Agriculture, and why they won't stand up for their interests.

My colleague described many circumstances. Let me describe at least one. I am going to talk later today about the United States-Australia Free Trade Agreement, so-called, that I think undermines once again our agricultural interests.

Let me describe one example of this administration again deciding we are not going to stand for farmers and ranchers. It deals with China. It deals with wheat. An official from the U.S. Trade Ambassador's office in the last week in which he served in the Government gave a speech. He said the recommendation was that inside the administration they take action against China because China has been unfair in its decisions on trade with respect to U.S. agriculture.

If I can interpret that, we have farmers and ranchers who are trying to make a living, who are trying to raise some products and move them around the world and the Chinese, with whom we have a very large trade deficit—the largest in human history—have decided they are not going to play fair with us.

What is the result of a recommendation inside this administration to take action against China because China is not playing fair with respect to our ability to sell wheat to China? They say we are not going to take action against China because that would upset the Chinese. What do you think it does to farmers and ranchers out there who are trying to make a decent living?

About a week ago, I was out on a ranch in North Dakota, owned by the Ebers. They are out there by themselves. They are not a big conglomerate or a big corporation, only themselves. They run some cattle. They run a ranch, try to do a good job and try to make an income at the end of the year. I asked them, Where do you buy your groceries? It is an hour and a half away to go buy groceries. They are way out in the country.

You would expect and they would expect their Government would at least stand up for them when it comes to fairness with respect to trade agreements, whether it is CAFTA, or U.S.-Australia, or NAFTA, or the bilateral with China. Nobody is willing to stand for them.

This administration says with respect to China that we know the Chinese Government made commitments. We know the Chinese Government was supposed to do certain things and has not done them with respect to agriculture, but we are not going to do anything about it.

March 17 of last year is when a U.S. Trade Ambassador's official in the USTR office told a wheat industry

meeting here in Washington, DC, that the USTR should file a case against China at the World Trade Organization in response to the failure of the Chinese to keep their commitments. He was leaving the USTR and going to another agency. Finally, somebody was candid about what was happening inside the administration.

This official expressed his frustration with the Chinese Government. He noted that Chinese officials have never disagreed with U.S. technical criticism of how China has been administering these so-called tariff rate quotas. He said the Chinese only make the political argument: You have to understand China. China is a special case, they say.

So this fellow said publicly that the trade policy review group in this interagency process in the Bush administration has given the U.S. Trade Ambassador's office the green light to move forward with a WTO case against China. That means in English that China is being unfair to our farmers and ranchers. So the technical folks said clearly we ought to take action against them. But he noted that many in the administration decided we can't do that; that would be an "in your face" action with respect to the Chinese.

Right after this official made these candid remarks, the administration disavowed those comments saying: No, no, he was not speaking for the administration. Of course he was. He made a very big mistake. He told the truth. He was candid.

My colleague from South Dakota asked the question: Why will they not stand up for the interests of farmers and ranchers? These are the bedrock entrepreneurs of our country who live on the land and try to do a good job and make a decent living. They expect their government to stand for them, to be on their side, to help them.

When they are confronted with an unfairness—and the example here is with respect to the Chinese who are mistreating our farmers and ranchers in international trade—they expect their government to stand for them. This administration, this trade ambassador, this trade policy from this administration fails to do so. It is a shame.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from North Dakota.

Mr. CONRAD. Madam President, in this discussion of farm policy and policy toward the rural parts of the country, I looked at the President's Web site for his campaign. It says, "President Bush understands that America's farmers are the heart and soul of this country. That is why he has worked so hard to help protect the rural way of life. He has proven his commitment to rural America time and time again. He pushed for and signed the 2002 farm bill."

I was one of the negotiators of the farm bill representing the Senate in

the conference committee with the House. We spent well over 100 hours in negotiation. To say the President's assertion that he "pushed for" the farm bill is within hailing distance of the truth is to totally rewrite history.

Those who were involved in writing the farm bill have quite a different recollection of the history of that period than the President now portrays it. Let's go back to the time when we were negotiating the farm bill and see what the administration said then and see if it stacks up to the claim he is making now that he pushed for the new farm bill.

When the House of Representatives was working on the farm bill, on October 3, 2001, the President put out this Statement of Administration Policy:

[T]he Administration does not support H.R. 2646 and urges the House of Representatives to defer action on the bill.

Does that sound like pushing for the bill? Or is that pushing for delay of the bill?

Then the statement of administration policy said:

[N]ow is not the appropriate time for consideration of this bill.

And

More time is needed for the fiscal picture to clear.

Then the administration said:

The Administration believes that acting now on the significant fiscal and policy commitments of H.R. 2646 would be premature.

Does that sound like they were pushing for the farm bill, or were they pushing for delay of the farm bill?

Then when the Senate turned to the farm bill, the administration put out another Statement of Administration Policy. This is what they said:

The Administration believes it is unwise, in this time of uncertain and changing federal resources and priorities, to enact policies that create unknown and potentially huge future demands on taxpayers.

Was that pushing for the farm bill? Or was that pushing for delay of the farm bill?

The President now claims he was pushing for the farm bill. The truth is, he was pushing for delay. He was pushing for deferment. He was pushing to wait.

What would have happened had we followed that advice? What would have happened?

First, the money that had been set aside in the budget for the farm bill would have run out. Then with the deteriorating fiscal condition of the Federal Government, resources for a new farm bill would have evaporated. In addition, a new estimate was about to come out about the cost of a farm bill that would have increased the cost and made it impossible to write the farm bill that was written.

For those who are concerned about taxpayers, they should understand, the farm bill that was written has thus far cost significantly less than projected. That almost never happens around here. The farm bill was projected to

cost \$18 billion this year alone. Instead, it will cost \$14 billion, dramatically less than forecast.

But it is not just that savings. The even larger savings is to compare the current policy with the previous policy. If we make that comparison, we find the savings under this farm bill are even more dramatic, a huge reduction in expenditure, and yet this is a much more favorable piece of farm legislation for which the President now says he pushed. But at the time what he was pushing, he was pushing for delay. The fact is, delay would have killed the farm bill.

I remember working feverishly to convince my colleagues to move ahead, telling them that from my position on the Budget Committee I could see where this was all headed. If we had followed the Secretary of Agriculture's advice in this administration, we would have waited and waited and waited and the opportunity would have been lost.

The PRESIDING OFFICER. The Senator from Washington.

ENERGY RELIABILITY

Ms. CANTWELL. Madam President, I rise this morning to talk about our legislative priorities, and something I think this body needs to address before we adjourn next week. It is the issue of the reliability standards for our electricity grid and the fact that I think we are still putting the grid in jeopardy by not adopting reliability standards.

Even Enron activities in California, by its own admissions, jeopardized the reliability of the western electricity grid. That is certainly unacceptable. We need to have in place rules that explicitly ban market manipulation and rules that make reliability standards mandatory and enforceable.

In the documentation that has now been acquired through the Enron task force, federal agencies and organizations such as the Snohomish County Public Utility District, which is trying to get out of lawsuits and manipulated contracts that Enron is pursuing against it, it became clear that Enron continued to manipulate the market until its bankruptcy. Even in one scheme, called Get Shorty, Enron discussed in detail, and I quote from their comments and documents:

This [Get Shorty] is obviously a sensitive issue because of reliability concerns. It would be difficult to justify our position if the lights go out because ancillary services were not available. The reason these services were not available is because we were selling them without actually having them in the first place.

In the Enron documentation and memos shared among various employees in the company about ways to scheme and make more money, they very well knew they were manipulating the market. They did not have these services, but sold them anyway at a higher cost, and thereby jeopardizing reliability.

Another summer is upon us and we have yet to take action on legislation that would move us forward in ensuring the integrity of the electricity grid by protecting consumers from these market manipulation schemes and putting regulatory standards in place for reliability.

Next month, in fact, will mark the first anniversary of the blackout in the Northeast and the Midwest that caused basically 50 million consumers and businesses in the Northeast and Midwest to lose power. In some cases that power was lost up to 4 days.

That blackout could have been avoided. When you think about not just the inconvenience to consumers but the fact it cost our economy \$4 to \$10 billion as a loss of economic activity, it is outrageous we are not stepping up and passing electricity reliability standards legislation as a stand-alone bill before we recess for the summer.

We know why the blackout occurred. A few months ago, in April, the U.S.-Canadian power system outage task force issued a report and the Department of Energy, together with the Canadian counterpart, convened a panel of experts that concluded this was something we could avoid if we put reliability standards in place. In fact, the No. 1 recommendation of that task force, which was reported to various Members of Congress and various committees, is to "make reliability standards mandatory and enforceable, with penalties for non-compliance."

That was the No. 1 recommendation out of that task force that investigated what happened in the Northeast and what happened in the Midwest.

So the question is, Why are we not passing reliability legislation before we adjourn, to make sure there are mandatory enforceable rules in place? After the task force's 7-month investigation was complete, Congress has been given an opportunity, many times on the floor, to pass reliability standards. Yet we have not done that. I think some of my colleagues are trying to get a larger energy bill passed first. There are many aspects of the comprehensive Energy bill this Senator would support and many I would not. But I guarantee you this, when this electricity reliability standards bill comes to the floor and is voted on, it will have unanimous support.

So the question is, why are we not peeling off something as important as reliability standards as we approach the summer's hottest months, to make sure businesses and utilities know they will have electricity supply and blackouts will not occur. What if the lights go out again this summer? What if they go out in August? God forbid they go out in September as many of my colleagues will be in New York doing their business and having meetings.

We know various Western States now, such as in Arizona, are putting in place programs to reduce demand because they have concerns. In a BusinessWeek article, FERC Chairman