

Because we went through many generations in this country where people's retirement was only about poverty. But because of Social Security, because of Medicare, we have lifted millions and millions of Americans out of poverty to have a decent retirement plan. They have contributed with their personal savings and their employers have contributed with their employee pension plans. Now all of that appears to be at risk.

This Congress must step in and start to deal with this problem because the economic livelihood of millions of American families and individuals is at stake here and the system we have now was designed when few companies went out of business.

Today, these companies understand that you simply take all of your liabilities, you dump them on the taxpayer, and this is what Bethlehem Steel did, you get rid of those liabilities, and then the company continues on. We absorbed billions of dollars in liability from the steelworkers. Mr. Ross got all of the steel companies together, and then he sold them to Mitel, the Indian steel company, and they are off and running as part of one of the largest steel companies in the world. Thank you, American taxpayer, and thank you the steelworkers who lost a big chunk of their pension plans. They subsidized that activity.

Mr. Speaker, that cannot be allowed to continue. I thank the gentleman for joining me here today.

Mr. TIERNEY. Mr. Speaker, there are simple things that we should do just to get started. If we change the default on 401(k) plans so they default into them as opposed to they have to take an affirmative action in order to sign up for them, all of the reports show that would increase savings in this country or at least put a hedge on that.

If we allowed people to bifurcate their tax returns, so instead of one check sent back or put towards next year's taxes, workers could actually have some set aside for a 401(k), reports show it would increase savings.

We cannot get our colleagues on the other side of the aisle to join us in doing a simple first step. This is a serious matter. They talk about the ownership policy of the President. But basically it is every man, woman and child for themselves. They are not going to tax the estates of dead people, not going to tax dividends, but are going to tax every ounce of work that causes sweat on your brow, not have companies live up to their promises with respect to your pensions, let companies take away the health care that they promised when you retire.

Mr. Speaker, as a government, we are about much, much more. This is a country that has always had a mixed economy. This is a country that has always relied on having a free market and that was always invigorated by a rigorous public square, public policy that worked for everybody; and cor-

porations and individuals and government leaders worked together to find solutions.

We are ready to do that. If the other side does not want to do that, then step aside and let us go because this is a serious matter for families across the country. They are rightfully worried about this.

Mr. GEORGE MILLER of California. The fact of the matter is, as pointed out in these articles, people no longer having pensions or people being in for a nasty surprise, the fact of the matter is, for 5 years the Bush administration, the Republican Congress, have simply stood back as the American middle class standard of living for retirees is dismantled, it is threatened, is devastated, however Members want to describe it. That is what they have done.

They have suggested this is okay because you can ask Secretary Chao until the cows come home anything about it, she cannot answer a single question, expresses no concern, could provide no information about the pension bill. The Pension Benefit Guaranty Corporation refused to provide us the information before we voted. After we voted, they said, You made the problem worse. And from the Congressional Budget Office, You made the problem worse.

So I guess that the policy of the Republican Congress and the Bush administration is that millions of Americans will lose their hold on the middle class the moment they retire. The moment they retire, they will lose their hold.

We have tried to encourage a younger generation to save, to provide for their retirement. We cannot get a hearing on things that would dramatically change, if not these retirees' livelihoods, it would certainly change the livelihood for younger workers in this country. It is a sad day that we do not do this.

Tragically, there are going to be millions more cover stories like this as millions of Americans lose access to the retirement they were planning for for the care of themselves, their families, and their children.

#### NATURAL GAS

The SPEAKER pro tempore (Mr. FORTENBERRY). Under the Speaker's announced policy of January 4, 2005, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 60 minutes.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I rise today to talk about what I think is really the issue of the day, and that is energy. Energy runs this country. Energy is what we use to get to work. Energy is what we use to run our homes. Energy is what we use to manufacture and process things.

Yes, it all started 5 miles from where I live many years ago when Drake Well discovered oil. That is about 150 years ago. Energy then became the major component of the industrial revolution in this country and the world, and oil was king. Oil still plays a major role. I am not so sure it is king, but Drake Well was the beginning.

Then we got into the World War I and World War II era, and coal was king. America is probably the Saudi Arabia of coal. We have coal in the West and coal in the East. The eastern part of the country furnished both soft and hard coal that fueled the Industrial Revolution.

In recent years, we have had a shift from coal to natural gas. Now natural gas has always played a role. The major share of American homes are heated with natural gas. The majority of small businesses are heated with natural gas. Natural gas plays a huge role in manufacturing. I think that is the one that is least understood.

This morning we had a hearing held by a group of American employers who employ millions of Americans. It was the American Chemical Association, American Forest and Paper Products Association, the National Association of Manufacturers, and 13 other agencies, Agriculture Energy Alliance, American Plastics Council. It goes on and on, rubber manufacturers, Fertilizer Institute. All of these people today had one message for Congress: Solve the natural gas problem that is forcing us out of business.

The use of natural gas has been skyrocketing. I can show Members a chart that shows it. The red is the growing use of natural gas. We are right about at this point here, and it is only going to get worse because we have expanded the use of natural gas in this country, particularly for the generation of electricity. One-fourth of our natural gas now generates electricity, and that figure continues to grow.

We now have an inadequate supply because as we have simultaneously increased the use of natural gas, we simultaneously locked up the major areas of this country that are rich in natural gas.

We only have about 3 percent of the world's oil at our access, and we import about 60 percent of our oil. That is a path we cannot follow. We need to be veering from the use of oil everywhere we can because it is not that we are buying it from friends at a fair price.

Just a few years ago, natural gas was less than \$2 a thousand and oil was \$10 a barrel. That went on for decades and that prevented other types of energy from competing because those prices were so cheap that we just became complacent as a country, not realizing that somewhere down the road, the price of these energy fuels could really be harmful to this country. Well, we are there today.

We recently passed an energy bill that does a lot of things for the future. It does a lot of things for wind and solar and biomass and ethanol and the list goes on and on, hydrogen fuel cells, but they are all long term. There are incentives in that bill for promoting it.

□ 1700

But it did little to promote natural gas. There were a couple of incentives for deep drilling, but in my view, natural gas is the crisis of the day.

We have heard an awful lot on television about gasoline prices. Every newscast for weeks talked about the highest gasoline prices in history, and at one point after Katrina we were over \$3, \$3.25, unheard-of prices, and they have settled down now about a buck now. They are \$2-something or \$2.30 or \$2.25, depending on where one lives, but they had come back down.

At one point gasoline prices had doubled over a 5-year period, and that was all the news. But at the same time natural gas prices had increased 700 percent. That is seven times, and there was just little discussion of that.

There has been little warning for the American public that heating their homes was going to be so expensive this year. There was little warning to our businesses who use natural gas as heat, who use it to melt, smelt, bend products, use it as an ingredient to making products.

I think one of the things that was pointed out today was that 96 percent of things produced in some way use natural gas as an ingredient or as a heat to make them. So it is entwined in our whole manufacturing and production base that it really is the fuel that depends on where America goes. And the tragedy of natural gas prices when they have increased 700 percent is, we are the only country where that has happened.

We are in a competitive world. We compete with the whole world in this global economy. And when we paid \$65 and almost \$70 for oil, all our competitors, all of the rest of the world, paid that high price. So it was painful, but it was equally painful to our competitors.

Now, in natural gas, that is not the case. In natural gas, while we were paying \$14.50, now about \$11.50 or \$12, but when we were paying \$14.50, we were the only country in the world paying that. Canada was less. In Europe it is about half of what we pay for natural gas. And our big competitors like China, Japan, Taiwan, who manufacture a lot of products we buy in our stores, they are buying natural gas for a third of what we do. The rest of the world it is less than \$2, and countries like North Africa and Russia are less than \$1.

So there is a huge cost differential for manufacturers and processors and people heating their homes in this country than the rest of the world, and that puts us at a huge disadvantage. And currently our schools and our hospitals and our YMCAs and YWCAs and our churches and colleges and universities and small businesses are buying gas at twice the price they paid last year, and most of them are purchasing on contract because they saved money on a contract basis in years in the past, but now it is costing them.

And big producers, industries that are threatened, are the ones that met here today and talked to Congress saying, please do something to open up the supply of natural gas because the only

thing that will make a difference on price is supply. So the steel companies and the aluminum countries and the brass makers and the petrochemical and the polymers and the plastics and the fertilizers, they all were pleading with Congress today in their hearing to open up supply, give us the chance to get fair prices for natural gas so we can compete.

Mr. Speaker, this is an issue that we must deal with. If Congress does not step up to the plate and open up supply of natural gas, we will say good-bye to a million or more of the best manufacturing and processing jobs left in America.

We have lost a lot of jobs in America to cheap labor and for lack of modern technology. But this is a crisis caused by government, caused by Congress, caused by the last three administrations who had Presidential moratoriums on natural gas production on the Outer Continental Shelf, and locked up millions of acres in the West also that are rich areas for natural gas and, at the same time, urged those who were producing electricity from coal to switch to natural gas.

Florida is one of the States that have switched, and now 75 to 80 percent of their electricity is produced by natural gas. California is another big coastal State that is a huge consumer of natural gas. And yet both of those States have been fighting tooth and nail that we must not open up the Outer Continental Shelf for production. They claim that it will destroy their beaches, it will destroy their tourism.

Mr. Speaker, there is no evidence to prove that. There just absolutely is no evidence. I have asked at every forum for months, Show me a natural gas production well that has polluted a beach.

Now, I believe that we should do it offshore far enough that it is not visible, so it is not something that people have to look at. And I love to go to the beaches. I love the beaches as much as anybody, and I want them to be clean and pristine and nice and full of fish. And the proof is that in the parts of the ocean where we produce both gas and oil, fishing is very good. It has not been a detriment to aquatic life. In fact, the least imprint by those who know this issue best, and I am not speaking about big companies, I am speaking about scientists who know this issue best, the least imprint for energy production is when they get 20 miles offshore. Nobody sees it. Nobody knows it is there. The distribution lines are all underground.

One might say, how can I prove that? Well, it is interesting. Canada is known as a very green, sensitive country. They produce offshore on both coasts. Great Britain, Denmark, New Zealand, Australia, Norway, Sweden, all environmentally sensitive countries who produce huge amounts of natural gas and oil on their Outer Continental Shelves.

What is the Outer Continental Shelf? The Outer Continental Shelf is the first

200 miles offshore. The first 3 miles are controlled by the States under current law, and the next 197 miles are controlled by the Federal Government.

Some years ago, the Congress, about 25 years ago, started passing language in every Interior bill that said the Department of Interior could not spend dollars to lease land for oil and gas on the Outer Continental Shelf. So that has effectively locked it up. And then we have had three Presidents in a row who have a Presidential moratorium that we could not lease out land for production on the Outer Continental Shelf.

So here where, in the land of plenty with natural gas to spare, we currently produce 84 percent of our natural gas, we import 14 percent from Canada, and we import 2 percent in liquefied natural gas, which can come from anywhere in the world. It is a very difficult process. We have to have the largest ships known to man. We have to have very controversial ports where we bring it and turn it back into gas after we have liquefied it.

And I am not saying that is inappropriate, but it is not the answer to the looming shortage of natural gas that is going to be around for the next 15 to 20 years because every projection I have looked at shows the need for natural gas growing much faster than the ability to produce it.

We are actually drilling twice as many oil wells today as we historically did, and yet we are not producing a lot more natural gas. And the reason for that is, for the bulk of it, we are producing most of those wells in old, tired fields that we have been producing out of for decades and the bloom is off. The flush wells are gone, and the wells we drill do not last as long and have not held up. So as we continue to add and add wells to production, we are just not gaining. We are just not closing the gap. We are increasing the shortfall. And we realize that just in the short span of time we went from gas that was less than \$2 to just a couple of weeks ago we had gas at \$14.50, prices the industry never dreamed possible.

We had had the highest gas prices this summer. They were running \$6.50 and \$7 and then \$7 and \$8 and were edging up towards \$9, and everybody was just stunned because last year the average price in the summer was \$5.30. The year before that was about \$4.50. The year before that they were about 3-something.

This was summer prices when gas was the cheapest, and that is when we normally put about 20 percent of our gas underground in storage caverns so that we have enough supply in the winter when it gets very cold and we use huge amounts of natural gas, one, to run our industries, and, two, to heat our homes and our churches and our businesses.

Well, the summer prices have shown us a tremendous increase, from less than \$2 to 3-something, to 4-something to 5-something, and then this year we

were running at \$7, \$8, and sometimes more than \$8 when Katrina hit. And then we went up to \$14; we doubled. It shows us the sensitivity.

A lot of people ask, how do we bring prices down? We increase supply. When we increase supply, the market comes down. But we cannot increase supply if we do not open up drilling. And it is interesting that some people just have a real problem with the "drill" word, but a gas well is not something to fear. It is a 6-inch hole in the ground with a steel pipe. They cement the bottom. They cement the top, and they let gas out. Gas comes out under its own pressure into a collection system where it is cleaned and impurities are taken out; and then it comes to our homes, and we just turn on our gas burner and cook our meals. We turn on the gas burner and heat our homes. Industry uses it in so many ways.

I vividly remember in the late 1970s and early 1980s, I was a retail supermarket operator, and we had high gas prices then, high oil prices then, and we had three extremely cold winters, the coldest we had had on record for a long time. And during that period of time, in the retail supermarket, it was always difficult to make a profit in January and February and sometimes March. Then when warm weather came and winter costs left, we then came back to where we made a profit.

Well, I remember those years because people spent so much money to travel because of oil prices being high and spent so much to heat their homes because of gas prices that by spring they had backed up and owed their gas company and owed energy bills, and they were clear into April, May, and almost June before they had those paid off to where they were shopping normally.

And 60-some percent of the economy in this country is people shopping. About 60 percent of Americans spend every dollar they make from payday to payday, and when they spend a huge amount more for travel, like they have this year, and this winter they will spend a lot more than usual, in some places double, for heating their homes, there is going to be a lot less spendable income.

The poorest among us, the young couples and the seniors among us who are trying to stay in their homes are going to be the ones who pay the severe price. The upper middle class will feel pain, but they will not be endangered.

I believe, with the energy prices this year, we are going to see seniors who cannot adequately heat their homes. I already hear of churches who are talking of not using the sanctuary, only meeting in the basement. That is not the kind of society I think we want, and it is not one we should have.

The current prices of natural gas are only abnormally high because Congress has failed to act. The Presidents have failed to lift the moratoriums on the Outer Continental Shelf. Eighty-five percent of our coastline, we get 40 percent of our energy in this country from

just a small portion of the gulf under the States of Texas, Louisiana, Mississippi, and a little bit of Alabama. That is the only place we produce on the OCS in great quantities. There are a few places on the West Coast, but not many, that we produce a little bit of energy, that were there existing.

But the moratoriums have locked up everything. And like I said earlier, we are the only country who has done that, and it makes no sense.

Natural gas production is not a threat to our coastlines. It is not a threat to tourism. In fact, I think States like Florida and California who receive most of their electricity that has been produced by natural gas, when those long-term contracts end, they are going to have huge increases in electric costs because they make their electricity from natural gas.

And many of those big companies have long-term contracts. The long-term contracts in my district that have been coming due, people are switching from \$6 gas to \$14 gas. I have had companies that even had to purchase \$16 gas. Those are unheard-of prices, unthought-of prices.

Monday I was at a celebration of a new lime kiln plant that is in my district, for a company, Graymont, a good company that spent \$60 million to bring in a new kiln to make lime. I said to them right away, "What energy do you use to make the lime?" Because they have to heat it to 2,400 degrees. That is hot.

They said, "We use coal here. We are fortunate." But they said, "We have lime kiln plants that use natural gas."

I said, "What are you are doing there?"

They said, "They are shut down."

We are going to find that people who make bricks, people who dry products, people who cook products, there are going to be companies that curtail production. Some are going to stop production.

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Why? Because they cannot pay the current natural gas prices and sell those products in a marketplace where they are competing with people in other countries where natural gas prices are a fraction of what they are here.

We have to realize we are not an island to ourselves. Unfortunately, there have been a lot of reasons besides cheap labor that companies have chosen to produce overseas in other countries. Some are the legal issues because of the multitude of lawsuits in this country that we have inadequately curtailed, and we are the most lawsuit-happy country in the world, and multi-million-dollar lawsuits that cause companies to lose their profitability and go out of business and leave this country have been one of the reasons we have lost a lot of jobs overseas.

Cheap labor. I have always said companies who use the newest, most modern technology can compete; but, un-

fortunately, we have a lot of companies who did not modernize their technology and are still very labor intensive, and they got to where they could not compete, and so they went overseas. But there is no reason that this country should lose one job, let alone a million jobs, and we could lose a million jobs, because of energy prices, because we have huge reserves on our Outer Continental Shelf. We have huge reserves in the Midwest; not as easily accessible to our coastlines where our populations are, but the Outer Continental Shelf is very accessible.

I guess the tragedy is there is a piece in the gulf called Tract 181. It was not under moratorium, as the rest of our Outer Continental Shelf was; it just was not leased. It was there, ready to be leased. The Clinton administration had it listed to be leased. It was delisted for some reason. It is not in the current 5-year plan. There is movement to move it into the 5-year plan. I support that, but that is not enough. But that tract alone is the most quickly available to American consumers, because it is right next to where we produce gas and oil today; and the wells, as they would be produced, would be immediately hooked into the system that is there. The timely thing would be the process of leasing, and then all the paperwork and red tape companies have to go through to get those leases enacted and get the permits to drill the wells and located; and that would take maybe a year or a year and a half. But within 18 months, we could be producing out of that portion of the gulf that is called Tract 181, and I have yet to hear that anybody has a good reason why we have not opened up that tract.

We know we have had protests from Florida. It is not their land. They should not have anything to say about it, in my view, except right at the top where it is close to the panhandle. They are currently talking about slicing that corner off and leasing about 70 percent of it, but we have to pass legislation to do that. Congress has to act. We have not acted. But, in my view, that is not enough. We have to open up the Outer Continental Shelf.

Now, I have a bill that is cosponsored with Mr. ABERCROMBIE from Hawaii, and he has helped me champion this bill. It would open up the Outer Continental Shelf all around this country, the 85 percent that is locked up. It would increase the States rights area from 3 miles to 20 miles. Now, that guarantees that no one would ever see a rig, no one would ever see the production platforms because, after 12 miles, even on a clear day, you cannot see them. They are out of sight. They are just not visible.

Also, I am still waiting for someone to show me a natural gas-producing well that has caused pollution. Natural gas is a gas. In fact, the famous triangle down in the gulf had eruptions of natural gas that actually took planes out of the air. It was actually a crack

that opened up a fissure in the ocean floor that allowed huge amounts of natural gas to escape into the atmosphere in a way that anybody who was in that area was endangered, and the ocean would just bubble because natural gas was coming up.

Natural gas is everywhere underground. It is in lakes, in ponds, in our ocean floor. Natural gas normally seeps up and comes up as bubbles in the water, not harmful to our atmosphere, not harmful to our environment. Natural gas is the clean fuel. It is the one with no  $\text{NO}_x$ , no  $\text{SO}_x$ . If you are worried about  $\text{CO}_2$ , only one-fourth of the  $\text{CO}_2$  comes from natural gas of all the other fossil fuels. It is almost the perfect fuel.

I think the thing that many of us do not realize that was stated today in the news conference by all the production companies, and I have a picture here of everything from tires to cars to plastic objects, to paint, to makeup, face creams, skin softeners, shampoos, all are made from products developed out of natural gas. It is just a wonderful product that God has given us to use, and it is readily available.

This country has no shortage of natural gas. We have a shortage because government has chosen not to allow us to harvest the rich bounty that is out there. We should be using natural gas as the bridge to the future. My vision is that if natural gas were more affordable, we could do like a college in my district that is now paying a premium that is using natural gas to power their bus fleet. All the buses there, many buses in cities in California use natural gas. Here in Washington, D.C. some of the buses use natural gas.

Now, today, that is costing them more than if they were burning diesel; but we all know that diesel does not burn clean like natural gas; and for our cities, it would be environmentally advantageous to have all of our buses, all of our school buses, our transit systems, all of our taxi cabs, all of our short-haul vehicles, short delivery trucks, our air-conditioning and all the repair people that are out on the road and go home every night, they could all be powered with natural gas with a very inexpensive changeover.

A gasoline engine can be altered to burn natural gas. The only problem with natural gas is storing enough of it so that you can do long-distance hauls. So all of our short-haul vehicles, all of our construction vehicles, all of our little engines that are running around in our airports, they could all be on natural gas; and we would benefit by clean air, we would save money if the prices were right. We could lessen our need for oil, foreign oil, from unstable parts of the world at prices set by cartels, groups who want to control us.

There is no reason, there is no good argument why natural gas today, the price of it has become a barrier, but it should be the bridge. The first hydrogen vehicles have been run with natural gas as the fuel to make the hydro-

gen. Later that will change, but that is currently the easiest way to make hydrogen. So natural gas just feeds into our lives in so many ways, and it is so readily available in this country.

The tragedy is that this country could lose a million or two jobs, because if we do not do something soon to open up supply, one fact that I can give you today is that there are 120 chemical plants, and these chemical plants are very capital intensive. That is one of the reasons they have not moved as quickly as they might have, because there are 120 plants at a cost of \$1 billion each that are under construction in the world today. Mr. Speaker, 119 of them are in other countries.

That shows us that the chemical plants of the future, and we are the leader today in making chemicals. We will not be the leader down the road. With these natural gas prices, we are forcing chemical plants to leave. We have already lost over 40 percent of our fertilizer industry because nitrogen fertilizer, between 70 and 80 percent of the cost of making it is natural gas, polymers and plastics; and we use plastics and polymers in every part of our lives. We cannot buy anything that does not have plastic on it, in it, or a part of it. Again, they use an ingredient of natural gas and they use natural gas to melt it and bend it and shape it.

The problem is, as I said earlier, the parts of the world that we compete with, such as Europe, half our price. Dow Chemical a few years ago moved 200 jobs to Germany, not a cheap labor market, a very sophisticated workforce there, a very capable country with technology; Japan, Taiwan and China, a third of our price. And then the rest of the world, under \$2 in countries like Africa, and Russia, less than \$1.

Mr. Speaker, it is imperative that this country step up to the plate. If we do not wait any longer, if we do not wait months and years, if we let the employers of this country, we let the producers of this country, the manufacturers of this country know that this Congress is serious about increasing the supply of natural gas, the price will come down. The capital investment is huge. They do not want to build new plants if they do not have to; they do not want to move if they do not have to.

But if we continue to not open up the Outer Continental Shelf, it is my prediction that we will lose a million or more jobs in just a few years ahead. To prevent that, we have to open up some in the Midwest. We have to open up the Outer Continental Shelf, and we have to follow the lead of environmentally sensitive countries like Canada, the United Kingdom, Belgium, Norway, Sweden, Denmark, New Zealand, Australia who produce out there every, every day.

Now, why have we not done this? Well, there is really a couple of States and a couple of Governors who have been steadfast opponents, California

and Florida. They have argued vociferously that we must not do this. For some reason, they have been convinced that their beautiful coastlines will be ruined and that their tourism business, which is huge, will be ruined. Folks, there are no facts to prove that. There is no evidence to prove that. Those are just outrageous, outlandish statements that continue to be made and believed by many, but not true.

I have asked repeatedly, come and debate me on how we will destroy our shorelines, how we will destroy our beaches by the production of natural gas offshore in the Outer Continental Shelf. That first 200 miles, from 20 miles to 200, that is 180 miles of the Outer Continental Shelf that we would open up. The Peterson-Abercrombie plan, as I mentioned earlier, we will remove the moratorium on all of our shorelines for natural gas only, giving the States 20 miles to protect, and then from 20 to 200, we will produce. Then we will allow States to opt out for oil if they choose to, and they would also be rewarded for a portion of the royalty.

This is on behalf of homeowners, businesses, employers, churches, schools that we need to do this. Florida, for one State, utilizes 233 percent more natural gas than they produce, and they are surrounded by the richest natural gas reserves anywhere in America. I think that is unfair. I think as a State, they need to step up on the plate. They need to produce their fair share. Or they need to curtail their use.

I remember just a few years ago when they were producing most of their electricity from coal. They have recently shifted, at the suggestion of the Federal Government, to natural gas production. Now their electricity is produced by natural gas, and I think, if you are going to be the biggest utilizers per capita of natural gas, and you sit in one of the richest areas of the world, you have to come in and help solve this problem.

Because, Mr. Speaker, Florida and California are rich in tourism. Many of us love to go there and enjoy their beautiful beaches and enjoy their warm weather in the wintertime. But most of the people that I meet there are pretty successful. And as we lose the success in the northern parts of this country, as we lose the ability to manufacture and make products, as we lose those wonderful jobs that people can afford, nice homes, educate their children, have a nice vehicle, have a pension, those are the jobs that are produced by all of these industries that are being challenged by natural gas prices.

And as we lose those, the number of customers, the number of people, I was a retailer for 26 years and I always speak of customers, those who will come to warm places like Florida and California to spend their vacation dollars will not have the money to do that. So they will lose in the end, and the cost of electricity there will sky-

rocket when new contracts come in if these gas prices persist. They will pay horrendous prices.

In fact, it is interesting. I have a letter here from the association, though the governments of Florida and California protest vociferously, the Associated Industries of Florida, and some said to minimize that that this was just a small organization. Well, it has 10,000 members of all kinds of businesses and industry, from mom and pops to large companies in Florida.

□ 1730

And it says we appreciate the reviewing of all the current OCS areas, including the areas that have, until now, been off limits due to the moratorium, which included the Atlantic, Pacific and eastern Gulf of Mexico region. Research documents that these areas hold substantial undiscovered, but technically recoverable energy resources that will be absolutely critical to America's national security and to the continued growth of our economy and to securing jobs for virtually every sector of our economy.

If America does not look to expanding exploration, this is Florida businesses speaking, drilling in those OCS areas, then America will unnecessarily pay a high price and incur a heavy burden.

The U.S. Energy Information Administration forecasts that by 2025 petroleum demand will increase by 39 percent and natural gas demand, by 34 percent. Higher energy prices have exacted a toll on our economy by slowing our growth already. Natural gas costs for the chemical industry in America have increased by \$10 billion since 2003.

Of 120 chemical plants being built around the world with price tags of \$1 billion or more each, only one is being built in the United States. As a result, Associated Industries of Florida recommends to the MNS, Mineral Management Agency, that expanded leases and sales are important to our country, to our citizens and to our way of life.

To not utilize our available energy resources when it can be accomplished in an environmentally sensitive way would be a disservice to our country. We need to ensure that we have a brighter future by adopting the OCS leasing program.

Now tomorrow I will be a part of a natural gas hearing that will be held by the Interior Committee and the Energy and Water Committee of Appropriations, and in those hearings we will bring in the users of natural gas and we will hear from them; and here is some testimony that I think will probably be there from the Illinois Farm Bureau.

“Whether it is gasoline, diesel, electricity or natural gas, farmers and ranchers must have access to reliable and affordable energy inputs. Unfortunately, our country's existing energy policies make it increasingly difficult for all of us to produce food and fiber for the United States and the world while providing for our own families.

Based on USDA data, the American Farm Bureau estimates that increased energy input prices during the 2003 and 2004 growing season cost U.S. agriculture \$6 billion in added expenses.”

That comes right out of the farmers' profits. And we know farmers do not get rich. Farmers work hard to produce the milk and the grain and the food that we feed our families. Based on USDA data, “the 2005 growing season has been especially dismal from a business cost perspective for agriculture. Higher energy costs, and specifically natural gas costs, have come at a time when commodity prices are extremely depressed.”

So on top of high energy prices they have had low commodity prices, so they have not gotten a good price for their products.

Natural gas is critically important to agriculture, because it is used both directly and indirectly in nearly every aspect of farm operations.”

Here we go, natural gas used again and again.

“Natural gas is used to produce nitrogen fertilizers and farm chemicals as well as electricity for lighting and irrigation. Natural gas and LP gas are also used in agriculture to dry grain as well as heat barns and confined facilities of livestock and poultry operations. Needless to say, it is vitally important that U.S. agriculture and associated industries have access to affordable supplies of natural gas.”

Then they go on to say, “There are several reasons why the price of natural gas has skyrocketed. First, our national energy policy has discouraged domestic exploration.” It is actually prohibited, not just discouraged; it is prohibited, recovery of oil and natural gas, which has made us more dependent on foreign energy sources. “Second, many power plants have been forced to use natural gas for generating electricity in order to comply with environmental regulation, even though we have huge reserves of coal and the technology for its safe, clean use. The Energy Information Administration estimates demand for natural gas will increase 54 percent by 2025, with electric power generation accounting for 33 percent of that consumption.”

In closing, this is what the farm community said:

“The ‘perfect storm,’ the combination of significantly higher energy and fertilizer cost, coupled with falling grain prices, spells serious trouble for rural America. For this reason, it is our hope Congress will act soon to further address the energy needs of our Nation and find solutions for this natural gas problem we face.”

It was interesting, my staff was contacted by a Florida paper recently that said, Why is your boss so persistent on this issue? Why does he not just say his piece and go away? They said, We checked it out, and he is not highly financially supported by the oil industry or the natural gas industry, and so why is he doing this? And I guess I was a lit-

tle disappointed in that, that we would only do something because somebody supported us.

And my answer to that newspaper is, I am speaking on behalf of the citizens in my district and all of rural America and all of America for affordable energy prices to heat our homes, for affordable energy prices to conduct our businesses and our churches and our Ys and our hospitals because that is what makes it tick.

And these energy prices are going to put a kink in every budget in America, from homeowners to hospitals to retailers to education; they are all going to pay a significantly higher price. And our service agencies that are out there helping people, volunteering for people, their heating bills are going to be doubling this year, and that is going to take money away from the ability to help people.

An interesting thing, going back to chemicals, which people just do not realize. Chemicals and plastics are used in 96 percent of all U.S. manufactured goods including computers, cars, clothing and more. Since 1998, the chemical industry has warned repeatedly that the U.S. is facing a natural gas crisis. And what have we done about it?

I have been talking to the chemical companies for 5 years. They came to my office. They do not reside near me; they are not in my district. And I said to them, Why did you come to me? This was 3, 4 years ago. And they said, Well, someone said you were interested in the natural gas issue and you were stating that you saw natural gas as a problem.

And I did many years ago. I attended breakfasts put on by the Edison Institute for Electricity. They kept showing this huge amount of natural gas that was going to be consumed for a 12-to-15-year period to make electricity until something else could take its place.

And then I went to a breakfast briefing in the Senate and the speaker was Daniel Yergin, who wrote the book “The Prize” on oil, and he stated that this huge use and commitment of natural gas for electric generation, if it was not coupled with the opening up of reserves in this country in places we have not been allowed to drill, it would cause an escalation of prices. It would take a few years. And folks were here.

I did not expect gas to be \$14.50 this year. Many of us on the committee were talking that, you know, as it was \$7, \$8 and bumping around \$9, approaching the fall that we would probably see \$10 or \$11 gas this winter. Well, when Katrina came and shut off some supply, we were clear up to \$14.50, an unheard-of price, from \$2 to \$14.50.

If milk was that kind of an increase, we would have \$28-a-gallon milk. Would we not be dealing with that? I think we would.

As I said earlier here, since 1998, the chemical industry has warned repeatedly that the U.S. is facing a natural gas crisis. Now the impact is being felt by all Americans. With winter fast approaching, the government warns that

home owners who rely on natural gas for heat, about 52 percent of the Nation's households can expect at a minimum a 48 percent increase, and in some parts of the country, a 70 to 80 percent increase.

We, in industry, have been feeling the pressure of high-priced natural gas for years and have done everything we could to remain globally competitive. For example, Dow has improved its own energy efficiency by 42 percent in the last 15 years. Since 2002, we have raised product prices more than 50 percent, shut down 23 inefficient plants in North America and shifted some production overseas to regions of the world where energy prices are lower. So there is no doubt that our company and our industry will continue to grow and thrive. It is simply a question of where.

Now, I do not know how clear they have to say it before this Congress decides to do something about it. We have been warned by industry after industry after industry that these current natural gas prices will prohibit them from being profitable and competitive in this country; and if that is not a clear message, I do not know what it is.

I urge my colleagues, I urge this administration, I urge the States of Florida and California to become a part of the solution to get away from the old rhetoric that natural gas is a dirty commodity. Natural gas is the clean fuel. Natural gas is the fuel that can bring us clean air attainment in our cities if we use it in transportation. It is the bridge that will get us to where \$60 oil is going to change a lot.

A lot of things are going to be competitive. A lot of things are going to work. You are going to see increases in all kinds of alternatives, but it is going to be slow and gradual. There is no quick fix. There is no silver bullet.

So I am urging the Members of this Congress, I am urging this administration, I am urging the governments of California and Florida prospectively, because they have been the opponents; they are the ones who speak out and say, We must stop this.

A natural gas producing well on our outer continental coast is not an environmental hazard. It is the future of America. It is what will make us competitive. It will make our farmers profitable again. It will make our chemical companies want to stay here and grow here.

They are going to grow. They just stated that. They are going to grow. They are going to prosper somewhere. But will our chemicals in our hardware stores and our supermarkets be American-made? They are today. But will they be in the future?

Will our farmers be using fertilizer from foreign countries? Some of them are today. In a very short period of time, they will all be using fertilizer from foreign countries because the gas prices of today just do not make it affordable to produce fertilizer, chemi-

cals, polymers, plastic, steel, aluminum in this country.

I have been joined by the gentleman from Iowa (Mr. KING) who requested this hour, who had other duties take him away, and I would like to welcome him to join me.

Mr. KING of Iowa. I appreciate the gentleman picking up this responsibility that actually was mine. And as you know, even though the scheduling around this city does not reflect that you cannot be in two places at one time, in fact, we can only be in one place at a time.

One would think that with all the work that you have done on the natural gas situation here, the need all across this country, that sometimes you are in two places at one time with the media that we have today. And it takes that kind of a voice.

I want to lend my voice in support of the work that you have done, and I am glad that you stepped up to take the lead. I know it takes a lot of commitment and it takes a lot of research. It takes a lot of background and it costs a little sleep from time to time and a lot of energy.

So that is what we are after here is energy in this country, and I want to see if I can add a little bit different perspective to this energy issue.

Of course, we talked about fertilizer costs and we talked about the cost for manufacturing, the cost of heating homes and the list goes on and on. But I want to emphasize that Pennsylvania and Iowa run across about the same latitude. You can draw a line of latitude that will intersect both States, and we are tied together for a lot of other reasons. You are kind of the eastern end of the corn belt and we are kind of the heart of the corn belt where I am.

But anybody that raises a crop uses nitrogen fertilizer. And if you are raising corn you are probably going to use more nitrogen fertilizer than any other crop. And 90 percent of the cost of that nitrogen fertilizer is the cost of natural gas. And we have seen in the last few years the price of natural gas go up 400 percent here in the United States. That means the cost of your nitrogen fertilizer goes up 90 percent of 400 percent. And that would be 360 percent increase in nitrogen fertilizer cost, just to do the quick math.

Now it is not just the cost of that. And of course we are seeing our grain prices are not showing an increase. And so the overhead goes up and up, and the margin gets narrower and narrower, and the producers, I will say our corn producers, have to figure out a way to increase their yields to compensate for this.

They do that. Of course, the landlord then sees that and raises the rent. It is a vicious circle that we are all involved in. It is free enterprise, I know. But a nation has to have a solid and sound natural gas and energy policy, and you cannot just wake up some morning and say, Gee, I wish I would have done this

different 30 years ago, throw a switch and fix it. This is a long-term, down-range plan that we have to have; and we are paying a price for not acting for years and years. In fact, for a generation we have not been nearly aggressive enough in opening up the energy supplies here in the United States.

And we can go down on this argument, this argument that says, Well, gee, if we would just conserve more energy, if we would drive cars that get 30 miles to the gallon instead of 26 miles to the gallon or even 40 miles to the gallon, if we would use alternative energy sources and renewable energy sources, we can do that and we should do many of those things. I will not subscribe to all of those things. In fact, I will tell you that I support the expanded use of nuclear for electrical power. It is the safest and cleanest and the cheapest that we can produce. And the record in this country establishes that.

But that is one part of it, and we are not likely to be able to build more hydroelectric so that we can generate more electricity with just the gravity of water flowing through there. Because of environmental barriers people want to take out dams rather than let us build them.

And so coal is another difficulty. We had a little problem with air quality. We have done pretty well with that. But you cannot do everything with coal. And by the way, it takes, you have got to haul coal sometimes a long way. And I know that there is coal that is trained from Wyoming on down to my area in western Iowa. That is a long way to haul the coal.

Now, but we need gas for a lot of reasons. We need to heat our houses, we need it for our businesses and we need it for our fertilizer. And by the way, you take a fall. Now this is a good fall, and there was not a lot of grain dried. If you have a wet fall, you will dry a lot of grain. And we will use not really exactly natural gas, but we will use LP. And the difference is this, that the LP comes out sometimes from often the same hole as the natural gas and you use a gas separator in there. The natural gas is the methane, and the LP is mostly propane, but it also can have butane in it, so you use the gas separator.

Seventy-eight percent of the LP that we use to dry our grain comes right out of the natural gas well; 22 percent then is stripped out in the crude oil processing and the refinement process when you are making gas and diesel fuel and oil you get the balance of that LP out of there, merge that together, pipeline that up on LP to the Midwest and we put that in to dry our grain in the fall and to heat our houses outside and out in the countryside where we are we do not have natural gas connected to us.

All those things are tied together. It comes out of the same hole. The cost of LP is linked to the cost of natural gas. Energy is all part of the whole equation, but there is a difference in natural gas energy because it is not a

portable energy that is easy to put on a ship and bring it here, because by the time you compress it and liquify it, bring it here and convert it back to gas it costs money and costs time to do that, and we have got limited capacity.

We are looking to build a couple more liquefied natural gas plants refining plants to convert from liquid into gas again. It takes time to do that. But we have a tremendous supply of natural gas on the Outer Continental Shelf in the United States. And God bless Ronald Reagan for drawing that dotted line out there at 200 miles offshore in the United States. I believe that was in about 1983. When he did that he opened up a tremendous amount for energy resources for the United States, not just natural gas, other minerals out there too that we have not even found yet, plus a lot of crude oil in the same areas where you will find natural gas in many cases. But that 200-mile limit that Reagan defined for us is a limit that lets us have an almost unlimited supply of natural gas.

Now, I will give you some examples here on how that works. The North Slope of Alaska, where we went up there in 1972 to open that area up and drill for oil on the North Slope of Alaska, where we had to build the pipeline from up there down to Valdez in order to put that oil on tankers to get it down here to the lower 48 States so we could market it.

But the provision was not in place at that time to build a natural gas pipeline because why would you pipe natural gas down to Valdez to compress it into liquid, put it on a ship, send it down to California, turn it back into a gas when you had a countryside that had all this natural gas in it, natural gas that was probably less than 2 bucks back there in 1972.

So we did not develop the natural gas, but it is there. The wells are drilled. It is available. There is 38 trillion cubic feet of natural gas on the North Slope of Alaska sitting up there right now. It needs a pipeline down to the Lower 48. It is over 4,700 miles from Prudhoe Bay, mile post zero on the Alaska pipeline on down to Kansas City if you want to pick a place in the middle of the country, over 4,700 miles.

If you go the other way and go south, where is there a lot of gas south? Well, we know offshore in Louisiana, offshore on the entire gulf coast.

Go a little farther. Venezuela, there is gas that we are paying \$14.50 for is \$1.60 there. You know that is only 2,700 miles from the coast of Venezuela up to Kansas City and it is 4,700 miles from Kansas City to Prudhoe Bay and the North Slope of Alaska.

But it is not just a measure of a pipeline from Alaska to Kansas City which, I do support that because I want more energy into the Lower 48 States for a lot of different ways. But it is not the measure then of 4,700 miles from Alaska to Kansas City versus Kansas City to Venezuela.

It is because there is another measure, and that is the measure of 406

cubic feet of natural gas that is on the Outer Continental Shelf that is right there next to already processing plants, pipelines, drill rigs. We have the network all there. All we need to do is expand that drilling.

This country needs it. And these Americans deserve it. We need to drive this \$14.50 price down. We have got to cut it by half at least. We can do it if we can open 406 trillion cubic feet of natural gas.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I guess I want to conclude with the following, that there is no one who has a good argument that we do not need to open a supply of natural gas. There are those who think there are other ways to do it, that LNG is the big answer. I do not think that is the big answer. It can be a help. But we what we really need to do, the natural gas supply that is the most readily available to population centers of this country is the Outer Continental Shelf.

All leading nations produce there, and they have clean beaches. They have great tourism. It does not have to be a detriment. And I urge those from Florida and California who keep decrying that this is going to be the demise of their beaches and their tourism to show me the facts. Do not give me rhetoric. Do not make brash statements. Give me the facts of where a natural gas producing well has polluted a beach.

I am asking Florida and California, who are huge consumers of natural gas, to join with us and be a part of the solution. This is a problem facing America. We cannot afford to have two States holding up the energy policy of this country who are the largest consumers of natural gas in enormous amounts per capita compared to other States, who use most of their electricity that is made with natural gas. And I urge them to come to the table as part of the solution. Show me where natural gas wells have polluted the beach, and I will be there.

I have had no one take me up on that offer. Natural gas wells or natural gas flowing out of steel pipe into a collection system into our homes, into our factories. Natural gas will depend on whether America remains a competitive nation. It is so entwined in our economy and our lives that we cannot continue to have government curtail the production and expand the use.

#### REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3146

Mr. PRICE of Georgia. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 3146.

The SPEAKER pro tempore (Mr. WESTMORELAND). Is there objection to the request of the gentleman from Georgia?

There was no objection.

□ 1745

#### NEWS YOU WILL NOT HEAR ABOUT

(Mr. PRICE of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE of Georgia. Mr. Speaker, while watching the nightly news last night, I was shocked by the stories being reported or, more accurately, by those stories that were not being reported.

What, you say. Well, during the month of October we added over 50,000 jobs to our economy. Hurricanes Katrina, Rita, and Wilma wreaked havoc in cities across our gulf coast, displacing hundreds of thousands of people from their homes and jobs.

During this time, our economy was still able to continue to grow in the face of these tragic events. Our Republican policies worked to stimulate the economy. Job creation averaged 194,000 per month for the year prior to Hurricane Katrina. Third quarter GDP increased by 3.8 percent, capping 10 quarters of growth in a row. Yet you would not know it unless you searched deep past the front pages of your local papers. There have been increases in new and existing home sales, declines in unemployment, and increases in business investment. All good news.

Mr. Speaker, an examination of the facts makes it quite clear. Republicans have a plan to reform the Federal Government and increase savings for all the American people.

#### 30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Mr. WESTMORELAND). Under the Speaker's announced policy of January 4, 2005, the gentleman from Florida (Mr. MEEK) is recognized for 60 minutes.

Mr. MEEK of Florida. Mr. Speaker, it is an honor to address the House once again, and we would like to thank the Democratic leadership for allowing us to have one more hour on the 30-something Working Group tonight. We have been coming to the floor daily and mainly speaking recently about the budget and what effects it is going to have on the American people throughout this country.

We have asked our colleagues within the working group to come to the floor, share some of their concerns, talk about our Democratic alternative, which failed in committee, not because it was not an alternative of merit and of commitment and making sure that we place ourselves in heading in the direction towards the balanced budget by 2012, but it failed because we were in the minority. One Republican on the opposite side of the aisle did vote against the proposal that will be coming to the floor in the coming days, seeing it in a way that fiscal responsibility is important but making sure that we do not leave Americans behind who sent us up here to represent them. I am honored tonight to be joined by the gentlewoman from Florida (Ms.