

which they sent to this Senate. They said:

We greatly appreciate Congress' attention to America's cities devastated by Hurricane Katrina, and now Hurricane Rita, and to those cities home to hundreds of thousands of evacuees. The leadership of the U.S. Conference of Mayors, convened in Long Beach on September 22-24, resolved that Congress must pass legislation to provide direct fiscal assistance to cities devastated by Hurricanes Katrina and Rita—

All cities, cities that are Republican cities and cities that are Democratic cities, communities that do not vote for Democrats and communities that do not vote for Republicans—all cities.

Most importantly, we urge the Senate to reject language that would for the first time in history remove the possibility that communities' disaster loans be forgivable, if needed, due to the dire situation many of the impacted cities will continue to face in the months and years ahead.

It goes on to say they are going to keep a vigil. I hope somebody keeps the candle burning.

I ask unanimous that the letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE UNITED STATES
CONFERENCE OF MAYORS,
Washington, DC, October 7, 2005.

Hon. BILL FRIST,
Majority Leader, U.S. Senate.

Hon. HARRY REID,
Democratic Leader, U.S. Senate.

DEAR SENATE LEADERS:

FISCAL AID NEEDED NOW FOR HURRICANE
CITIES, WITHOUT NEW STRINGS ATTACHED

We greatly appreciate Congress's attention to America's cities devastated by Hurricane Katrina, and now Hurricane Rita, and to those cities home to hundred of thousands of evacuees. The Leadership of The U.S. Conference of Mayors, convened in Long Beach on September 22-24, resolved that Congress must pass legislation to provide direct fiscal assistance to cities devastated by Hurricanes Katrina and Rita, as we stated to you in our letter of September 29.

Most importantly, we urge the Senate to reject language that would—for the first time in history—remove the possibility that community disaster loans be forgivable, if needed, due to the dire situation many of the impacted cities will continue to face in the months and years ahead.

As we learned during our recent fact-finding mission to Louisiana, Mississippi and Alabama, the mayors of these cities have lost most of their tax base and will soon be without the funds needed to pay first responders, public works employees, and other key local personnel that are leading the recovery effort. These local personnel are truly national assets in the recovery from Hurricanes Katrina and Rita, and these cities must not be allowed to go bankrupt. Without a functioning local government, the private sector will be stymied in efforts to invest in the reconstruction effort, and it will be impossible for volunteer relief efforts to be coordinated and to function.

If you would like to discuss this further, please contact our Chief of Staff Ed Somers at (202) 861-6706 or esomers@usmayors.org.

We look forward to working with you in the coming days, as together we strengthen the intergovernmental partnership needed to

make sure our cities are safe and our nation prospers.

Sincerely,

BEVERLY O'NEILL,
Mayor of Long Beach, President.
TOM COCHRAN,
Executive Director.

Ms. LANDRIEU. Mr. President, I have shown all the pictures I can show for the week. I have done all the talking I can do for today. But I can promise you this. This talking will continue and these meetings will continue and this debate will continue. It is not going away.

The leadership of the House of Representatives needs to be put on notice that this debate is going to go on for a very long time, until we get relief, recovery, respect, and the dignity that we deserve as American citizens from Louisiana to Texas to Alabama to Mississippi and the people whom we represent, Black and White, rich and poor, young and old, small and large businesses alike, and our faith-based community, get the respect it deserves from the floor of this Senate and the Congress of the United States, and gets the help it needs to get through and rebuild.

I assure you that we will rebuild this coast. We will rebuild the gulf coast. It was paid for by a great President, President Jefferson, at 3 cents an acre in 1803 where he borrowed money. He knew what he was borrowing money for. He had a good reason to borrow it, and he bought the Louisiana Purchase. Andrew Jackson came and defended it. His statue never went underwater.

We will rebuild this region all through the gulf coast and into Louisiana—the ports, the energy infrastructure, turn our lights on again, and keep the lights on all over America, to try to keep people's bills as low as we can and keep their heat on this winter, which is approaching. Even if you do not give us one penny, even if you do not lend us money, we have been self-reliant for over 300 or more years. The people here are pretty tough and it takes a lot more than this to beat our spirit.

The bill is gone. It is the best we could do. It is not the best we could have done, but it is what we have. We will live with it, but we will not stop this debate.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NATURAL GAS CRISIS

Mr. DOMENICI. Mr. President, this week, Senator BINGAMAN, Senator AKAKA and I returned from Baton Rouge.

We went down to see and learn firsthand about Hurricanes Katrina and Rita damage to the energy infrastructure. There is a great deal of work to be done, and there is a great deal of courage and confidence that it can be done. We need to find ways to make that recovery go right.

Yesterday, my committee held a hearing where we heard from energy industry witnesses who have been impacted by the hurricanes. The main message of that hearing was we are in troubled energy times, particularly on the natural gas front. The CEO of DOW Chemical Company painted a very bleak picture for American industry.

Our industries that rely on natural gas both as a fuel and a feedstock have hard choices before them about how and where they will base their operations. In the U.S., natural gas prices are close to \$14. In China, it is less than \$5. In Saudi Arabia, it is about \$1. If we translated gasoline prices to the level of increases faced by natural gas—we would be seeing \$7-a-gallon gasoline at the pump right now.

At DOW's St. Charles petrochemical complex that I saw in Baton Rouge, I learned that every \$1 increase in the cost of natural gas means an additional \$35 million a year in fuel costs for that single facility. Our manufacturers have to compete in global markets. At those prices, they can't.

The energy bill we just passed took some good steps forward to address these challenges but did not secure more natural gas supply that we have available right here at home.

In the area on the Outer Continental Shelf known as the nonleased portions of Lease Sale 181 which is not under moratorium, but which we are not allowing leasing, there is approximately 7.2 trillion cubic feet of gas. In the areas more than 100 miles from any state coastline, 2 resources are estimated to be approximately 6 trillion cubic feet of gas.

This area can be leased administratively, without any legislative action. At our committee hearing and during yesterday's press conference I urged the administration to reconsider this policy in light of our Nation's natural gas crisis, which has seen a 121-percent price increase in just 1 year.

I will continue to work to cure more domestic energy supplies, but in the short term all the witnesses the committee heard from yesterday said conservation is the most effective tool we can use to deal with the present crisis.

If every American turns down their thermostat just 2 degrees this winter, it could free up 3 billion cubic feet of gas per day.

According to the DOW witness yesterday, that kind of conservation would be equal to having 3 LNG terminals. In addition, we need to focus our efforts on organizing the recovery on the energy infrastructure, our witnesses all stressed the need to give priority to restoration of natural gas processing plants.

The Congress and the administration must provide the leadership to make this recovery move quickly and smartly.

Our witnesses all emphasized that we are in an energy crisis.

Mr. President and fellow Senators, the country is facing an enormous problem. I might even say, without reluctance, that it is a crisis. People might say: Well, Senator, you are talking about Katrina, Rita. No. Katrina and Rita have pointed out to us a crisis well beyond those two hurricanes, and that is that we have a very significant shortfall in the natural gas that is needed to run our businesses and to use for our people during this ensuing winter. If something is not done, it might be for a very long period of time.

Now, it sounds almost impossible, if not incredible, that I would be here on the floor saying this when just 4 or 5 years ago, those who were in the business of producing natural gas and those who knew about America's energy situation were saying: There is plenty of natural gas. Don't worry about that marvelous product.

So what we have done in the last 15 years is to say, since we don't know how to clean up coal sufficient to meet our standards and because we worry about global warming, we will not build any new coal-burning powerplants.

We have not built a nuclear powerplant in over 20 years. So for the last 15 years, at least 13 years, every new powerplant—that is these big monster powerplants that generate electricity, 500 megawatts, 1,000 megawatts—is fueled by natural gas. Then the people of our country have found this is a marvelous fuel for our kitchens, for houses, so more and more people are using natural gas for our way of life, our great standard of living. But what isn't understood is that natural gas is such a great product that when you change its chemical makeup, you use it for a lot of things. The entire fertilizer industry of America is based upon natural gas as one of the components. People don't know the entire chemical and plastic industry is built around and predicated and dependent upon natural gas. That means not only is it imperative that we have it, but I am here today to suggest it is also imperative that it not be so high priced that it puts our businesses out of business.

I had the luxury, as a Senator, to go down and see the aftermath of Katrina and Rita with my colleagues Senator BINGAMAN and Senator AKAKA of Hawaii. We looked at the damage and the energy infrastructure of all types that were destroyed or put out of business. They are going to have an immediate impact because supply has been interrupted, both in the generation of electricity and in putting natural gas into pipelines to deliver it to the United States and to deliver it to our numerous petrochemical plants, plastics plants, and other things. Also the feedstock, you convert things from natural

gas, you convert it into the basic things that are used as feedstock for these industries. We are going to be in short supply in the short term because supply has been interrupted and the capacity to deliver has been interrupted. Those are going to get fixed in due course, but in the meantime, we have dramatically used down our reserves, because they are there to pick up when we don't have natural supply coming. The offshore wells aren't producing, so you have reserves to take their place. But the reserves are being depleted, so we are going to have much less reserve capacity which means we may have interim difficulties.

But what has happened is, all of this has pushed the price of natural gas up. Believe it or not, at the beginning of this week, the bid price was \$14, where just a few years ago it was \$2, and 10 days ago it was \$7. Understand that it doesn't sound like much if you are talking about 2 cents or 7 cents. There isn't much difference between that 14 cents. That is just a little change.

Here is the problem: We had a hearing in the Energy and Natural Resources Committee. I must say, as chairman of that committee, it lasted 2½ hours. It was probably as informative a hearing as I have ever presided over. Eight Senators participated. They stayed there and listened to five people talk about the crisis America has with reference to natural gas, not only because of the aftermath of Katrina and Rita, but because we are using so much natural gas and we don't have enough production to meet the need.

We can't sit around and listen to people who say: We don't need any more supply. That is these old industry companies that want to scare us, and they don't need more supply.

We need more supply. It is imperative that we find more natural gas some way. I will quickly tell you the little bit we can do in that regard. I will acknowledge this hearing was attended by witnesses representing the entire industry of oil and gas, a leading environmentalist, three other people who know the problems of Katrina very well, and they were in harmony that we must conserve. So I don't want anybody to think conservation isn't a very important part of this problem I am telling you about, this pending crisis of the rising cost of natural gas and the shortages that might occur. Every chance I get and by every means available, I am going to try to remind the Senate and anybody who will listen that we must understand this fantastic commodity called natural gas is not abundant in the United States. The price is going to go through the roof if something isn't done.

I don't have an answer right now. I am working at it, but I don't have an answer. I want everybody to know, so they are not surprised, that we understand anything that can be done should be done because the crisis is imminent. If the price stays at \$14, the crisis is imminent.

Let me tell you how important it is. One of the largest employers in America of high-paying, skilled, professionally trained jobs is the petrochemical industry, the chemical industry, Dow Chemical, a huge plant down there in the middle of Katrina. We went to see it. I won't talk today about the heroics of trying to bring it back and save it and save their people. That is another story. But yesterday the president and chief operating officer of that great company came to our committee. He is reported in the morning's Washington Post in the business section with a detailed story about this crisis I am talking about. This gentleman, Andrew Liveris, is a terrific executive. He gave us a very simple example which I want everybody to listen to. At this plant are 3,500 professionally trained, skilled Americans with terrific jobs. How good? The average is \$70,000 plus great benefits for each and every person there. They produce huge things. They gave us a little box of them. They produce all kinds of plastics, things you could never imagine that they produce and sell. The principal ingredient in making their product is natural gas.

Without natural gas, all those workers can go home. They can go home and say goodbye because they can't operate, not only without natural gas, but if natural gas gets too high, petrochemical plants can be located anywhere. They are not inherent to a piece of geography in the United States. They are being sought after by everyone in the world. That CEO told us on the record: When I leave you, tomorrow I am going to China. You can't tell him: Don't go to China. China wants to build a petrochemical industry. They think the greatest in the world is this one. Do you think he is going over there to have a birthday party? He is going over there to talk business.

This is not a question of cheap labor. It is a question of natural gas prices. You understand, there may be natural gas in China for \$1. He is now going to have to pay, if this price stays where it was bid Monday, \$14. Do you think he will stay here? He can't stay here, not only because he wants to go somewhere, he will go out of business here. These are the numbers. Already 100,000 American jobs are gone, because 100,000 jobs were for their export business. They can't export because they are totally out of competition. The price is too high because of natural gas. So that part of American employment is gone. But now there are almost 800,000 additional Americans. How many jobs can we lose and say it doesn't matter?

It was suggested by this gentleman, who had a terrific analytical ability—he told us how all this works—if the price of natural gas continues as we are talking about, 800,000-plus jobs will go. They will not be able to stay open.

Add to that the fact that everybody must understand you don't see natural gas on a gasoline pump. You don't see day by day the price going up. When

you see gasoline go from \$2 to \$2.50, \$2.80, \$3, you say: Something is going wrong. The increase in natural gas price from where it was a year ago to where it was Monday of this week, if you transfer that into gasoline prices, gasoline would be priced at \$7 a gallon. Think of what would happen to the American economy and to everyday people if gasoline were \$7. Everybody who uses natural gas, in particular the industries that use it, are suffering from that kind of an increase. Two years ago gasoline was at \$1.69. What if it went to 7? That is what has happened to natural gas.

I am going to include in the RECORD a statement that gives further details about this problem. But I suggest that we must come to grips with the conservation. We are going to put some ideas together.

Let me say, if the American people this winter were to reduce their thermostats by 2 degrees, do you think it would be hard on everybody? I mean just imagine, unless somebody is sick and the doctor prescribes it, it would be an enormous savings of natural gas for the United States and for this pipeline to deliver natural gas. Do you know the pipelines that come out of Louisiana down there in that gulf, these two giant pipelines go all the way from Louisiana up into the United States, with legs off in Ohio, all the way to New York, delivering natural gas from that area so loaded with hydrocarbons? They put them in these pipes and have generating pusher stations all the way up into America and deliver it.

If we conserve the way I have described and other ways, which we are coming to grips with, it will make a big impact on how much those pipelines have to deliver to meet the demand. We have to find a way to do the best we can by American industry or they are going to close. And while we have some natural gas to heat our houses, we will be without jobs for the people who live in those houses.

The one thing they all suggested, when they were sitting around that table talking to us, was: There is one major source of natural gas that is American that we ought to get. I must say to those States who are coastal States, they must understand they are Americans first and coastal States second. The largest supply of American natural gas is off the coasts of our country. No doubt about it. The United States cannot sit by with the technology we have developed—we can go way offshore so that you cannot even see them. So those States that are worried about their visibility, if they are worried about oil spills, there are no oil spills from those platforms that drill.

Do you know that during the time we had this crisis not one major oilspill occurred. Those giant platforms with 20 wells drilled underground, with drilling that goes parallel and with one that was turned upside down, the oil

did not come out. So nobody has to worry about that. We can handle that. That is where the natural gas is.

I close by saying that we have been told by the experts that the best way to reduce this crisis would be to have an immediate supply of natural gas. That is not possible. We are going to have to open a substantial number of liquefied natural gas platforms or ports around our country. And where they are being delayed, we have tried to solve that in our Energy bill. We are going to push those local governments to quit the delay for delay sake and get on with letting us put some of those in so natural gas can come from foreign countries, which I hate to say, but at least we can look at it and expect it.

In the meantime, it is said that if we were to say to those who pay for natural gas that we are opening parts of the Outer Continental Shelf, just the section 181 off the coast of Florida and Alabama, which I say now to the President of the United States, Mr. President, you ought to sit down and figure out a way through your Executive order, through your pen, to open section 181, or portions of it, off the coast of Alabama and Florida. Do it, Mr. President. It might take a couple years to produce. It is ready, so it will be very quick.

We are told that the mere fact that the market understands that is ready, that huge entrance of natural gas into the areas for delivery, the pipeline system, that it will reduce the pressure on the cost of natural gas. I think the occupant of the Chair can understand that. The marketplace will say: Oh, it is not going to continue in this crisis state because here comes this huge natural gas that is now released and is ready to come. We must do that. Until it is done, at least this Senator—I have to worry about my State, but I am also a Senator for America, and I am not going to let up until that is done.

Secondly, the States in this country that refuse to recognize that we can drill off their shores on land that is owned by the Federal Government—it is not their land; they only have a few miles, and then it belongs to Americans—you can drill way out there, do no harm, and bring gas into this country to get us through the next 10 or 12 years while other sources of energy that are clean, such as nuclear and very clean coal, come on to keep America alive.

The next thing we are going to do is to find out how we can pass legislation to get those other coastal States in the position where they are either willing to accommodate this in exchange for us giving them substantially more royalties, or we are just going to have to bite the bullet.

It is going to come down here, and the people are going to have to say no, or filibuster, but they are going to have to know what they are doing. They are adding to the crisis status of our country and job market and to one of the few major industries that is left

in this country that we are great at. We are not going to be there very long. China is going to catch up, and then it is not going to be cheap labor. It is going to be high technology and national gas. India is doing the same.

I was at an event last night. We used to say how powerful we were. We know where it is; it is in India. Reliance Energy has the largest refinery of crude oil to refine into gasoline-related products. We sit here thinking we are the leaders of the world in everything. We have been sitting somewhere for a long time. I hate to say on what. But we surely have not been doing anything. If anything, we have been going backwards. There have been no new refineries in the United States for more than two decades. That is almost incredible.

I thank the Senate for listening. I will say again, this is probably the most significant event confronting us. I regret to say there are no easy answers. If there were, we would have done it, but we finally have come to the understanding that it is major, it is big, it is serious.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. DODD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The Senate is in morning business.

Mr. DODD. I thank the Chair.

HOMELAND SECURITY APPROPRIATIONS CONFERENCE REPORT

Mr. DODD. Mr. President, I rise this afternoon to discuss the fiscal year 2006 Homeland Security appropriations conference report. The Senate passed this measure earlier today by a voice vote. Frankly, I would have liked to have had a recorded vote on this measure. If a recorded vote had been ordered, I would have expressed my opposition to this conference report.

Nevertheless, I would like to begin by recognizing that the authors of this conference report, Senator GREGG and Senator BYRD, do a tremendous job each year. I have served in the Senate long enough to know how hard it is to pull these types of appropriations bills together. I also acknowledge the chairman of the Appropriations Committee, Senator COCHRAN. It is no easy task to write and manage a bill that provides for our domestic security needs. I further commend all of our colleagues and their staffs on the Homeland Security Appropriations Subcommittee for the hard work they have put into this legislation.

However, I feel compelled, notwithstanding these efforts, to express my disappointment over the adoption of this conference report. I have very deep