

can and should take action when gasoline markets are going haywire as they have both before and since Hurricane Katrina.

But instead of action, we have excuses. In the past, the FTC often claimed that it was studying the problem or monitoring gasoline markets as an excuse for its inaction on gas pricing.

Recently, the FTC's campaign of inaction has even extended to its studies. The FTC Chairman testified last week that a study of gas price gouging that Congress required the FTC to complete by this month would not be ready until next spring.

Mr. President, the FTC's campaign of inaction is approaching the point of paralysis!

The FTC has continued its program of inaction on behalf of gasoline consumers despite findings by the U.S. Government Accountability Office, GAO, that the FTC's policies are raising prices at the gas pump.

In May 2004, GAO released a major study showing how oil industry mergers the FTC allowed to go through during the 1990's substantially increased concentration in the oil industry and increased gasoline prices for consumers by as much as seven cents per gallon on the West Coast.

Specifically, GAO found that during the 1990's the FTC allowed a wave of oil industry mergers to proceed, that these mergers had substantially increased concentration in the oil industry and that almost all of the largest of the oil industry mega-mergers examined by GAO each had increased gasoline prices by one to two cents per gallon. Essentially, the GAO found that the FTC's oil merger policies during the 1990's had permitted serial price gouging.

Two years ago, when the current FTC Chairman, Deborah Majoras, came before the Senate for confirmation, I asked her to respond to the GAO's report. Despite her promise to do so, I have yet to receive any response from Chairman Majoras.

The GAO is not alone in documenting how FTC regulators have been missing in action when it comes to protecting consumers at the gas pump. Since 2001, oil industry mergers totaling \$19.5 billion have been unchallenged by the FTC, according to an article in Bloomberg News. The article also reported that these unchecked mergers may have contributed to the highest gasoline prices in the past 20 years.

According to the FTC's own records, the agency imposed no conditions on 28 of 33 oil mergers since 2001.

You can see the results of the FTC's inaction at gas stations in Oregon and all across America. Nationwide, the GAO found that between 1994 and 2002, gasoline market concentration increased in all but four states. As a result of FTC merger policies, 46 States' gasoline markets are now moderately or highly concentrated, compared to 27 States in 1994.

The FTC, oil industry officials and consumer groups all agree that in these

concentrated markets, oil companies don't need to collude in order to raise prices. The FTC's former General Counsel William Kovacic has said that "It may be possible in selected markets for individual firms to unilaterally increase prices." In other words, the FTC General Counsel basically admitted that oil companies in these markets can price gouge with impunity. Mr. Kovacic is one of the two nominees for FTC Commissioner who is now before the Senate.

Despite all this evidence that gasoline markets around the country have become more concentrated and, in these concentrated markets, individual firms can raise prices and extract monopoly profits, the FTC has failed to take effective action to check oil industry mergers. In the vast majority of cases, the FTC took no action at all.

In addition to its inaction in merger cases, the FTC has also failed to act against proven areas of anti-competitive activity.

Major oil companies are charging dealers discriminatory "Azone prices" that make it impossible for dealers to compete fairly with company-owned stations or even other dealers in the same geographic area. With zone pricing, one oil company sells the same gasoline to its own brand service stations at different prices. The cost to the oil company of making the gasoline is the same. In many cases, the cost of delivering that gasoline to the service stations is the same, but the price the service stations pay is not the same. And the station that pays the higher price is not able to compete.

Another example of anticompetitive practices now occurring in gasoline markets is a practice known as "redlining." This involves oil companies making certain areas off-limits to independent gasoline distributors known as jobbers who could bring competition to the area.

The Federal Trade Commission's own investigation of west coast gasoline markets found that the practice of redlining was rampant in west coast markets and that it hurt consumers. But the FTC concluded it could only take action to stop this anti-competitive practice if the redlining was the result of out-and-out collusion, a standard that is almost impossible to prove in court.

In my home State of Oregon, one courageous gasoline dealer took on the big oil companies and won a multi-million dollar court judgment in a case that involved redlining. This dealer gave the evidence he used to win his case in court to the Federal Trade Commission. But the Federal Trade Commission the preeminent consumer protection agency in the Federal Government failed to do anything to help this dealer or reign in the anti-competitive practices at issue in his case.

In areas other than energy, the Federal Trade Commission has been a great consumer protection agency. It has not hesitated to move aggressively to act on behalf of consumers.

To give one example, the FTC created a "Do Not Call" program to prevent consumers from being hassled at home by telemarketers. With its "Do Not Call" program, the agency pushed to protect consumers to the limits of its authority and even went beyond what the courts said it had authority to do.

But in the case of energy, the FTC has a regulatory blind spot. And this has been true in both Democratic and Republican administrations. It's been a bipartisan blind spot that keeps the agency from looking out for gasoline consumers.

The FTC won't even speak out on behalf of consumers getting gouged at the gas pump. The agency won't use its bully pulpit to even say that record-high gasoline prices are an issue of concern, that they will be looking at closely.

The FTC's approach on gas prices has got to change. I'm not going to support the business as usual approach on energy we've seen for too long at the FTC. So, I have asked the Senate leadership for additional time to study the views of the two nominees to the Federal Trade Commission, Mr. William Kovacic and Mr. THOMAS Rousch. I just received detailed letters and other documents from each of them.

I have asked the leadership for time for consultation on these two nominations, as it is not my intent at this time to lodge a formal objection to a unanimous consent request to consider them. I will use the time between now and when the Senate returns in December to examine their records more carefully and reach a decision as to whether these individuals are committed to and will in fact work aggressively toward changing the culture of inaction at the FTC regarding consumer protection in the energy field.

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#### TRIBUTE TO EARL LEE MONHOLLAND

Mr. GRASSLEY. Mr. President, I rise today to mark the loss of one of my staff members and to make a statement for *THE CONGRESSIONAL RECORD* about the good work of this individual for the people of Iowa. Earl Lee Monholland died at home on October 31, 2005, due to heart illness, at the age of 37. Earl worked on my staff for 12 years as a constituent services specialist in Davenport, Cedar Rapids, and Washington, DC. He was a dedicated public servant who thoroughly enjoyed helping Iowans. He was committed to providing assistance in a responsive and timely manner and to making sure that whatever could be done got done behalf of a constituent having problems with the Federal bureaucracy. Earl also was an outstanding colleague to his fellow staff members, going out of his way to make things work for the entire team, especially with the computer systems. I greatly appreciate the fine work that Earl did during the last 12 years and the unassuming way he

got the job done. There is no doubt that Earl Monholland will be missed by his friends and colleagues on the Grass-tenure staff.

#### 100TH ANNIVERSARY OF THE BIRTH OF J. WILLIAM FULBRIGHT

Mr. LEAHY. Mr. President, Dr. Allan Goodman, President of the Institute for International Education, recently passed along a speech that Senator DICK LUGAR gave at Pembroke College in Oxford, England commemorating the 100th Anniversary of the Birth of J. William Fulbright.

Senator LUGAR is one of the finest statesmen in the Senate, and I have enjoyed working closely with him on a number of issues. His speech at Pembroke College highlights his leadership and insight on U.S. foreign policy.

I ask unanimous consent that his statement be printed in the CONGRESSIONAL RECORD so that all Senators can see these thoughtful remarks.

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

#### THE 100TH ANNIVERSARY OF THE BIRTH OF J. WILLIAM FULBRIGHT

My Lords, Ladies, and Gentlemen, it is an honor to have the opportunity to deliver this address as we commemorate the 100th anniversary of Senator J. William Fulbright's birth and celebrate the achievements of a visionary statesman, humanitarian, and son of Pembroke College. It is particularly moving to be here in a place that meant so much to Senator Fulbright and means so much to me.

Last year, I joined 25 of my classmates for the 50th reunion of the entering Class of 1954 at Pembroke College, and we have continued that reunion through our correspondence. I was the only American in the College in 1954, but was elected President of the JCR the following year in a most generous spirit of Trans-Atlantic cooperation. The election provided a spur to my vivid imagination of what might happen in years to come.

#### THE EXAMPLE OF SENATOR FULBRIGHT

Soon after I arrived at Pembroke, my tutor in politics, Master R.B. McCallum, told me about his tutorial work with Senator William Fulbright of Arkansas. I did not have the pleasure of serving with Senator Fulbright in the Senate. He left office in 1974, two years before I was elected to represent Indiana. But his influence on my career and development was profound and permanent.

Senator Fulbright and I shared a remarkable number of common experiences, though generally these occurred decades apart. Both Senator Fulbright and I won Rhodes Scholarships after earning our bachelor's degrees. Both of us chose to study at Pembroke College. Both of us focused much attention on government and economics while at Oxford. And both of us were blessed with the same tutor, R. B. McCallum. Senator Fulbright studied under the Master near the beginning of his career, while I was tutored much later.

Both of us were elected to the Senate from our home states—Arkansas in his case, and Indiana in mine. Both of these states are in the interior of the United States and neither was typically associated with international interests a half-century ago. But both of us sought a seat on the Senate Foreign Relations Committee, which has oversight of U.S. foreign policy and diplomacy. Both of us, as-

cended to the chairmanship of this Committee. Senator Fulbright, in fact, holds the record as the longest serving chairman of the Foreign Relations Committee, a remarkable tenure from 1959 to 1974.

Since the beginning of the United States Senate, there have been only 1884 Senators. Of these, only 48 have served five complete six-year terms. Senator Fulbright is a member of this exclusive club, having served from 1945 through 1974. At the end of next year, I would join this group of Senators who have served at least 30 years in the Senate.

Like Senator Fulbright, I discovered the extraordinary challenges and opportunities of international education at Pembroke College—my first trip outside of the United States. The parameters of my imagination expanded enormously during this time, as I gained a sense of how large the world was, how many talented people there were, and how many opportunities one could embrace.

In my first year of residence at Pembroke College, emboldened by Master McCallum's Fulbright stories, I decided to write to Senator Fulbright. He was in the midst of an embattled relationship with Senator Joseph McCarthy of Wisconsin, and he shared with me his thoughts about the McCarthy era in a series of letters as our correspondence expanded. I was deeply moved that he took the time to write to me and even more astonished to learn, years later, that he had kept my letters.

He was especially generous to me when I became chairman of the Foreign Relations Committee in 1985 for the first time. He wrote: "It is an unusual coincidence that two Rhodes men from Pembroke should be Chairmen of the Committee. I think Cecil Rhodes would be as pleased as the two Masters of Pembroke would be." He continued to offer encouragement during visits that we enjoyed at Senate receptions and reunions. In September 1986, I had the great pleasure to join Senator Fulbright at the University of Arkansas, where he had served as President, for a celebration of the Fulbright Scholarship Program.

#### THE FULBRIGHT PROGRAM AT WORK

Senator Fulbright is known throughout the world for the educational exchange program that bears his name. Each year, approximately 2,600 international students receive scholarships to study in the United States through the Fulbright program. Simultaneously, it provides about 1,200 American students the opportunity to study overseas. In addition, 1,000 American scholars and 700 international scholars teach and perform research each year under Fulbright grants. Since Senator Fulbright's legislation passed in 1946, the program has provided more than 290,000 participants the chance to study, teach, and conduct research in a foreign country. As Master McCallum declared in 1963, "Fulbright is responsible for the greatest movement of scholars across the face of the earth since the fall of Constantinople in 1453."

Fulbright students and scholars are selected according to academic achievement and leadership potential. Alumni of the program have received 35 Nobel Prizes, 65 Pulitzer Prizes, 22 MacArthur Foundation "genius" awards, and 15 U.S. Presidential Medals of Freedom.

The Fulbright Program's remarkable contributions to the development of the 290,000 participants provide ample justification for the program. But Senator Fulbright expected much more. He always was unabashed in his advocacy of the program as a foreign policy tool. For him, the Fulbright Program was not intended merely to benefit individual scholars, or more generally to advance human knowledge—though those goals

have been fulfilled beyond his original expectations. The program was meant to expand ties between nations, improve international commerce, encourage cooperative solutions to global problems, and prevent war. In his book, *The Price of Empire*, he wrote: "Educational exchange is not merely one of those nice but marginal activities in which we engage in international affairs, but rather, from the standpoint of future world peace and order, probably the most important and potentially rewarding of our foreign policy activities." He called the Fulbright Scholarship Program, "a modest program with an immodest aim—the achievement in international affairs of a regime more civilized, rational, and humane than the empty system of power of the past."

For Senator Fulbright, the program also was intended to give participants a chance to develop a sense of global service and responsibility. Alumni of the program are among the most visible leaders in their respective countries. Over the decades, they have explained to their fellow citizens why diplomacy and international cooperation are important. They have been advocates of international engagement within governments, corporations, schools, and communities that do not always recognize the urgency of solving global problems.

In August of this year, I traveled to Morocco, a key U.S. ally and a lynchpin in the development of democracy and liberalism in the Arab world. I was there following a humanitarian mission to finalize the release of the last 404 Moroccan POWs held by the Polisario Front since the Algerian-Moroccan conflict over the Western Sahara. While in Morocco, I asked our Embassy in Rabat to set up a meeting with Moroccan opinion leaders to discuss bilateral ties and regional issues. It has been my experience that in most nations, such groups of opinion leaders will contain Fulbright alumni. Sure enough, two of the seven guests had benefited from study in the United States through the Fulbright program—a college President who had done research at Princeton University and a law professor who had done research at George Washington University.

In my judgment, the impact of the Fulbright program as a foreign policy tool has extended well beyond the accomplishments and understanding of its own participants. It has been the most influential large-scale model for promoting the concept of international education, and it has been the primary validation of the American university system to the rest of the world.

In the United States, we have critiqued and even lamented some aspects of our public diplomacy since the end of the Cold War. But hosting foreign students has been an unqualified public diplomacy success. In numerous hearings and discussions on public diplomacy, the Foreign Relations Committee has heard reports of the impact of foreign exchanges. Of the 12.8 million students enrolled in higher education in the United States during the last academic year, almost 600,000—some 4.6 percent—were foreign undergraduate and graduate students. My home state of Indiana currently is the temporary home of about 13,500 foreign students. The success of American universities with foreign students would not have been as profound without the stimulation of foreign interest in American higher education provided by the Fulbright program.

Last year, I traveled to Georgia and met with its new president, Mikhail Saakashvili. President Saakashvili received his law degree from Columbia University, where he studied under the Muskie Fellowship program. In fact, almost every member of his cabinet had attended an American college or university during their academic careers.