

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

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. FRIST. Mr. President, I thank the distinguished Senator from Illinois. Let me ask—because I know the Senator from Kansas is going to want to follow the Senator from Illinois—about how long he will be?

Mr. DURBIN. Ten minutes.

Mr. FRIST. Mr. President, I thank the Senator again.

ENERGY POLICY ACT OF 2005— Continued

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I see the Senator from Kansas waiting patiently. I do not want him to sit here and miss the picnic. I will just speak for a few minutes more.

The point I was trying to make when I yielded to the majority leader is there is dramatic growth in the Chinese economy, and with that growth, there will be an increase in their demand for oil. They will be competing with the United States around the world.

We will find the old laws of supply and demand will not work. Increased demand without increasing supply means higher prices. So we will be in competition for this foreign oil, paying more for it, watching our economy strangled by this dependence on foreign oil.

Obviously, there are some who say that is fine, that is the way life is, get ready for it. We do not see it that way. On the Democratic side of the aisle, the Cantwell amendment sets a goal of reducing this dependence on foreign oil by 40 percent over the next 20 years. It is an achievable goal. People who follow this closely will tell you there are variety of ways to achieve it. The measures that can be used, short of changing CAFE standards, which I support personally—but if you do not want to change CAFE standards, there is market growth in hybrid vehicles, industrial, residential, and aviation efficiency, heavy-duty truck efficiency gains, replacement tires—that sounds like a small thing but it turns out to be a large element in increasing fuel efficiency—transportation choices, such as mass transit and growth in biofuels.

All of these are here. The National Commission on Energy Policy has come up with these recommendations and have given us things we can point to, to reduce our dependence on foreign oil.

Some on the other side of the aisle just do not want to concede this point. They are obviously prepared to accept this indefinitely, that our dependence on foreign oil will grow. But how can that make us stronger as a Nation, how

can that make us more secure? It moves us in the wrong direction.

There may be some who profit from our dependence on foreign oil, but it is not the American economy, and it is certainly not the American taxpayers, nor the sons and daughters who are serving overseas defending America's interests.

Furthermore, unstable governments, in Iraq, in Saudi Arabia also threaten U.S. supply.

Finally, I would like to note that the money that we spend annually in the Middle East to feed our oil thirst, goes directly to the production of hate literature throughout the region. So today, while American men and women are fighting in Iraq, the U.S. continues to send billions of dollars overseas that are funneled off to support operations that completely undermine our service people's efforts there.

In the past few years we have witnessed China's surging economic growth. China's real gross domestic product is growing at a rate of 7 percent a year. In the U.S. News and World Report this week, the cover story is, "The China Challenge, What the awakening giant will mean for America."

China is the world's most populated country with 1.2 billion people.

In 2003, China overtook Japan as the second largest oil consuming nation in the world and projections are that Chinese demand for oil will double by 2025, nearly meeting current U.S. imports. The US News reports notes that China's economy is expected to surpass Japan's by 2020, making it the second largest in the world.

Recent data indicates that the number of automobiles in China has grown 19 percent annually, surpassing Germany with the number of cars they have on their roads. By the year 2010 China is expected to have 90 times more cars than in 1990. Consequently, China could surpass the total number of cars in the U.S. by 2030.

China's oil consumption has grown by 7.5 percent per year reaching a current daily demand of about 6.4 million barrels a day, yet China's oil production is flat at around 3.4 million barrels per day.

Currently, 58 percent of China's oil imports come from the Middle East and it is projected that by 2015, the share of Middle East oil will reach 70 percent.

With projected growth in automobiles, projected oil demand in China could increase to 15 million barrels a day by 2020.

This growth in demand will increase global competition for oil resources, likely to increase, not decrease the price of crude oil.

While China is attempting to diversify its oil interests, like the United States, China recognizes that the world's most substantial oil reserves are in the Middle East.

If we look at this chart, we can clearly see that in 2020, 83 percent of projected global reserves based on current

production rates will be in the Middle East. The United States and China will be in very similar positions with regard to domestic oil reserves.

A story last week's Washington Post reported that nationally, daily production of oil and natural gas liquids dropped last year to an average of 7.2 million barrels a day, a 36 percent decrease since peaking in 1970. And at Prudhoe Bay, average daily production last year was about 450,000 barrels a day, a 72 percent drop from its peak, and production is expected to continue to drop.

What does this mean for the U.S.? Our increasing decline in domestic production and growing global demand on Middle East oil supply could have serious implications on foreign policy. A report by the U.S.-China Security Review Commission, a group created by Congress, warned:

A key driver in China's relations with terrorist-sponsoring governments is its dependence on foreign oil to fuel its economic development. This dependency is expected to increase over the coming decade.

China is already competing with us for world supply, and this competition is—not may—is going to increase.

It is very clear from China's economic growth, with India emerging as well, that the United States, if it continues on the current course, feeding its thirst for energy using foreign oil, will face increasing pressures caused by increasing demand and tightening supply.

Inevitably the production decisions of foreign nations and organizations like OPEC, will determine the price of our energy, and in turn control of our economy and America's national security.

Earlier this year, in April, the price of a barrel of oil rose above \$55, today it is hovering around \$53. With the increase in crude prices in the spring, gas prices jumped too, increasing 40 or more cents per gallon in many parts of the country since that time last year. While we have witnessed a slow drop in gas prices, they still remain over \$2 per gallon in much of the country.

An AP report noted yesterday that oil prices rose yesterday on news that OPEC may increase production quotas, and that oil prices will remain high well into 2006, even if the production ceiling is raised.

In this same report, a group of finance ministers from the Group of Eight industrialized nations, over the weekend, called for greater investment in increased energy efficiency and alternative sources of energy. They noted that sustained high energy prices "are of significant concern since they hamper global economic growth."

Not only do high oil prices hamper global economic growth, they hamper America's economic growth.

Back when oil was \$43 per barrel, the International Air Transport Association estimated that the airlines would lose \$5.5 billion. Yesterday's oil price, however was \$10 higher than this, \$53.47

per barrel, pushing this overall figure even higher. Fuel costs are the second biggest cost for our nation's airlines.

The chief of the IATA said that each dollar rise in the cost of oil boosts the industry's total fuel costs by about a billion dollars annually.

Airlines, many on the verge of bankruptcy like United Airlines in my State, cannot afford this. Workers and retirees are impacted with wage and benefits cuts. United Airlines reported that their fuel costs soared \$200 million in just the first quarter of 2005.

And in this industry, where fuel makes up such a large portion on the companies operating budget, fuel efficiency is leading purchase decisions.

For instance, the next Boeing jetliner, the 787, is projected to be 20 percent more fuel efficient than its predecessors, key factor being cited by airlines like Air Canada and others who have placed orders for the new model.

The economic toll that rising energy costs has on the industrial sector is also large. For instance a \$1 increase in the price of oil costs U.S. companies and consumers about \$828 million in trucking costs each year.

And families are impacted too, making hard decisions as the money gasoline they pump into their gas tanks eats at a bigger portion of their paycheck.

I raise these issues because I think we can help move America in a direction whereby reducing demand will help to insulate our economy, our jobs and our national security from oil prices spikes brought on by either production quotas, infrastructure delivery implications or instability in foreign countries.

There is potential job growth if America embraces a new vision. For instance, a report completed by the Renewable Fuels Association estimated that doubling the production of ethanol could create 234,840 new jobs in all sectors of the U.S. economy—help communities grow and rejuvenate cities.

Advancing technological innovation can encourage our traditionally robust manufacturing sectors provide new parts and products that we will need to meet our goals. Cynics point to what we know, increasing fuel economy standards, visionaries embrace new ideas, advancing engineering design, alternative fuels, hybrids, hydrogen—and who knows what next.

Building new infrastructure or retooling factories are jobs that will be in America—not overseas. These jobs will provide stronger markets for goods and labor—reinvigorating some cities across the U.S.

Yesterday, Mr. Woolsey noted in our press conference that the U.S. borrows \$4 billion annually to buy foreign oil. If each billion spent abroad were spent in the United States, we could create 10,000–20,000 American jobs, many in rural communities.

Technological change and advancement has always been a recipe for success for America. From the Wright

brother's flier to the creation of the personal computer, we have created ways to advance and provide jobs for Americans while doing so.

But America needs to agree that we have to move in this direction. The Cantwell "40 in 20" Amendment establishes the goal that moves the U.S. forward.

Earlier on the floor today, I heard one of my colleagues say that it is not possible to reach the goal established by this amendment. First, how do we know if we do not try. Second, I challenge American's to do so—because it is our Nation's best interest.

The AP story yesterday noted that an energy analyst cautioned that, what is the so-called "global depletion midpoint"—the point at which roughly half of oil reserves have been tapped and production can no longer be increased—could come by the end of the decade.

For me, I believe that we have no choice but to turn around before it's too late.

In May 1961, President John F. Kennedy set the goal of landing an American on the moon. He did not prescribe to scientists how to get an American to the Moon; he set the goal, and provided the resources to meet that goal. Only nine years later, Neil Armstrong and Edwin Aldrin made the first human steps on the Moon. I know there were skeptics at the time—I wasn't one of them, but there were—thinking a man couldn't walk on the Moon. But we did, and we've done so much more since.

When American's are challenged they have proven that they can and will rise to the occasion.

I encourage each one of my colleagues to think long and hard about this amendment and what vision they have for America.

If you want an America whose economy is strapped to the whims of foreign governments and supply shocks of foreign oil, then vote no on this amendment.

If you believe that America's great thinkers, innovators, scientists and businesses cannot create the solutions that we need to reach this goal then you should vote no on this amendment.

If you believe that we cannot create more jobs by increasing domestically produced fuels, then you should vote no on this amendment.

But if you want a different America, one where your children or grandchildren can don a lab-coat instead of a flack-jacket; where energy solutions can create jobs, protect the environment and safeguard public health and believe that America's economic prosperity and national security are our highest priority, I encourage you to vote yes on the Cantwell energy security amendment.

In keeping with the bipartisan nature of this bill to date, I encourage all my colleagues to pass this amendment and move America toward an energy independent future.

The Cantwell amendment moves us in the right direction, reducing our de-

pendence on foreign oil and reducing our dependence on the nations that supply that oil.

Critics have come to the Senate floor and said: Well, she does not spell out how to do it. This bill spells out many ways that we could move toward less dependence on foreign oil, and because it is a good bipartisan bill, I am looking forward to supporting it.

These things which I have noted are already existing technology that can be used to move us toward this goal. For those of us who have a positive, optimistic view of the creativity and freedom in America, the Cantwell amendment sets us on a goal that America should achieve on a bipartisan basis.

I urge my colleagues on both sides of the aisle to join me in supporting the amendment.

I yield the floor.

Mr. CRAPO. Mr. President, during Senate vote No. 139, pertaining to amendment No. 779, I was necessarily absent. Had I been present, I intended to vote "yes." I ask that the RECORD reflect this.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Mr. President, I ask unanimous consent that I may proceed as if in morning business.

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

JOHN BOLTON NOMINATION

Mr. ROBERTS. Mr. President, I rise today in an attempt once again to resolve an intelligence-related issue with regard to the nomination of Under Secretary John Bolton to be the U.S. Representative to the United Nations. As my colleagues are probably aware, for some time I have been engaged in an effort to assist my colleagues on the Senate Foreign Relations Committee with some concerns they have with regard to Mr. Bolton and his request for U.S. person identities that are contained in certain intelligence reports.

The last time I came to the floor of the Senate, I spoke at length about Mr. Bolton's requests. After reviewing the actual reports and examining the process whereby he was provided the information that he sought, it was apparent to me that Mr. Bolton's requests were not only appropriate but very routine. As far as I was concerned, that was the end of the matter, and I so indicated in my response to the chairman of the Foreign Relations Committee, Senator LUGAR, in a letter.

Based on statements by some of my colleagues, concerns about Mr. Bolton's requests for identities have apparently expanded to include whether the Under Secretary sought these identities to exert some form of retribution against certain Government officials. Although the Foreign Relations Committee's minority views and statements made by minority members seem to indicate that the universe of these officials, or their concerns about