

The assistant legislative clerk called the roll.

Mr. McCONNELL. The following Senators were necessarily absent: the Senator from Montana (Mr. BURNS), the Senator from Minnesota (Mr. COLEMAN), and the Senator from South Dakota (Mr. THUNE).

Further, if present and voting, the Senator from Minnesota (Mr. COLEMAN) would have voted “yea.”

Mr. DURBIN. I announce that the Senator from Wisconsin (Mr. FEINGOLD), the Senator from South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KERRY), the Senator from Wisconsin (Mr. KOHL), and the Senator from Michigan (Mr. LEVIN) are necessarily absent.

The PRESIDING OFFICER (Mr. CORNYN). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 54, nays 38, as follows:

[Rollcall Vote No. 142 Ex.]

YEAS—54

Alexander	Dole	McCain
Allard	Domenici	McConnell
Allen	Ensign	Murkowski
Bennett	Enzi	Nelson (NE)
Bond	Frist	Pryor
Brownback	Graham	Roberts
Bunning	Grassley	Santorum
Burr	Gregg	Sessions
Chafee	Hagel	Shelby
Chambliss	Hatch	Smith
Coburn	Hutchison	Snowe
Cochran	Inhofe	Specter
Collins	Isakson	Stevens
Cornyn	Kyl	Sununu
Craig	Landrieu	Talent
Crapo	Lott	Thomas
DeMint	Lugar	Vitter
DeWine	Martinez	Warner

NAYS—38

Akaka	Dodd	Murray
Baucus	Dorgan	Nelson (FL)
Bayh	Durbin	Obama
Biden	Feinstein	Reed
Bingaman	Harkin	Reid
Boxer	Inouye	Rockefeller
Byrd	Jeffords	Salazar
Cantwell	Kennedy	Sarbanes
Carper	Lautenberg	Schumer
Clinton	Leahy	Stabenow
Conrad	Lieberman	Voinovich
Corzine	Lincoln	Wyden
Dayton	Mikulski	

NOT VOTING—8

Burns	Johnson	Levin
Coleman	Kerry	Thune
Feingold	Kohl	

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 38. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The majority leader.

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LEGISLATIVE SESSION

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

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ENERGY POLICY ACT OF 2005—  
Continued

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, what is the parliamentary situation?

AMENDMENT NO. 799

The PRESIDING OFFICER. The pending amendment is No. 799, the Voinovich amendment.

Mr. NELSON of Florida. Mr. President, is it in order to ask unanimous consent to lay aside the pending amendment for the purpose of speaking on an amendment that will be offered by Senator MARTINEZ?

The PRESIDING OFFICER. The Senator may ask that consent.

Mr. NELSON of Florida. Mr. President, I will certainly be willing to have my colleague from Florida speak. I ask unanimous consent that I speak after the Senator from Florida, Mr. MARTINEZ, who will offer the amendment.

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

The Senator from Florida.

AMENDMENT NO. 783

Mr. MARTINEZ. Mr. President, I call up amendment No. 783.

The PRESIDING OFFICER. Without objection, the amendment is set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. MARTINEZ], for Mr. NELSON of Florida, for himself, Mr. MARTINEZ, Mr. CORZINE, Mrs. BOXER, Mr. LAUTENBERG, Mrs. FEINSTEIN, Mr. KERRY, Mrs. DOLE, and Mr. BURR, proposes an amendment numbered 783.

(Purpose: To strike the section providing for a comprehensive inventory of outer Continental Shelf oil and natural gas resources)

Beginning on page 264, strike line 1 and all that follows through page 265, line 12.

Mr. MARTINEZ, Mr. President, I appreciate the opportunity that the chairman, Senator DOMENICI, the ranking member, Senator BINGAMAN, and other members have given me to work on this important piece of legislation.

I came late to the work of this committee on this bill, having joined the Senate just this year. Much of the work had previously been done.

As the chairman himself has said, this bill will make a real difference in America's energy landscape.

I must tell my colleagues that I want to vote for this bill. I think it contains a lot of what this Nation needs.

I have grave reservations about one particular provision that calls for an inventory of the resources off this Nation's outer continental shelf.

It is for this reason that I rise today to oppose the inventory, offer an amendment to strike the inventory language, and ask for the support of my colleagues. The inventory language is opposed by both Senators from Florida and a number of coastal State Senators because it opens the door to the development of offshore drilling.

In my State of Florida, such an inventory off our coastlines would take place entirely within a Federal moratorium that bans offshore drilling.

I oppose the inventory because it encroaches on an area off of Florida's coast that we expect will remain under that drilling ban in perpetuity.

My colleagues should be aware that this proposed inventory will cost in ex-

cess of a billion dollars and the result will tell us much of what we already know.

I am asking my colleagues to strike the proposed inventory language contained in this bill and protect the rights of States that have no interest in drilling off their shores.

This provision offered by my colleague, Mr. Senator LANDRIEU of Louisiana, proposes to require a “seismic survey inventory” of all outer continental shelf areas, including within sensitive coastal waters long-protected from all such invasive activities by the 24-year bipartisan congressional moratorium.

I opposed this amendment in committee because it contains something we in Florida don't want and it opens the door to a number of problems, environmental problems, economic problems, and unnecessary challenges for our military.

Why would we inventory an area where we are never going to drill?

The inventory is a huge problem for Florida. It tantalizes pro-drilling interests. It basically puts the State at risk.

I have received assurances from my friends on the other side of this issue that States such as Florida, States that do not want drilling on their coast, will not have to do it. Fine. That is Florida's position.

I can clearly state that we do not want drilling now, and I do not see a scenario anywhere on the horizon where we would change that position. So why, given our objection to drilling, would we spend the resources, more than a billion dollars, and damage the environment in the eastern planning zone to do this inventory? I would also say to my colleagues that an inventory is not a benign thing.

Seismic surveys involve extensive acoustic disruption to marine ecosystems and fisheries. Recent scientific studies have documented previously-unknown impacts from the millions of high-intensity airgun impulses used in such inventories. These sudden, repetitive explosions bring about a potential for harm that is simply too great.

Seismic surveys are an invasive procedure, inappropriate for sensitive marine areas and economically important fishing grounds.

And if one looks at the cost of this inventory, the Minerals Management Service reports that using the most up-to-date technology to perform an inventory of this magnitude will cost between \$75 million and \$125 million for each frontier planning area. Nowhere in this legislation can I find a section that suggests how we recoup the cost of such an inventory.

So I ask my colleagues to strike the inventory. Going forward will encroach upon our coastal waters, waters covered by a drilling ban, and would do little more than act as enticement to oil companies that want our drilling moratorium lifted.

Last year, more than 74 million people visited Florida to enjoy its coastline, its wonderful climate, its excellent fishing. Families return year after

year to their favorite vacation spots to relax under our brilliant blue skies, our powdery white beaches, and our crystal-clear emerald waters.

The people of Florida share a love and appreciation of the Atlantic Ocean and the Gulf of Mexico, its coastal habitat and our wetlands, which make a very complex ecosystem, and also a very special place to live.

I share these facts for one reason: The people of Florida are concerned their coastal waters are coming under increased pressure to exploit possible oil and gas resources. The people of Florida do not want that to happen. Floridians are adamantly opposed to oil and gas exploration off our coastal waters. We have very serious concerns that offshore exploration will weaken the protections we have built over these many years. The inventory is but a foot in the door; it seriously threatens marine wildlife and the coastal habitat off the coast of Florida.

One other area of concern that perhaps has not been highlighted enough and I know my colleague from Florida shares my view, is that it has a tremendous impact on military uses of waters off Florida to conduct extensive training and testing. For whatever time it would take to conduct an inventory off our coastline, it would be the exact amount of time our military will be put at a disadvantage.

We must afford our military the most and best training possible for battle preparedness. Vieques used to give our men and women that capability. Now that Vieques is closed, Florida's Panhandle plays an increasingly significant role. Oil and gas exploration would have the potential to halt that important work for an indefinite period of time.

Here are just some of the current missions using our section of the Gulf: F-15 combat crew training; F-22 combat crew training; Navy cruise missile exercises; special forces training; carrier battle group training; composite and joint force training exercises; air-to-surface weapons testing; surface-to-air weapons testing; and mine warfare testing.

Any military mind knows that it takes months to schedule training opportunities when joint operations are involved. If we were to continue on this path of mandating an inventory in Florida's waters, we could bring a halt to a number of important exercises.

In fact, one of the main reasons the military uses this area so extensively is due to the protections currently in place. Here is what MG Michael Kostelnik, the base commander of Eglin Air Force Base, said in May of 2000:

We continue to place the most severe restrictions in the eastern portion of the proposed sale area where oil and gas operations would be incompatible with military training and testing operations.

If we allow exploration there now, the military will suffer a setback in their training and preparedness.

As many of my colleagues know, Senator NELSON and I are working together to engage a coalition of Senators to help beat back any efforts to encroach upon our coastal waters. I am proud to say in doing so I follow in the footsteps of our predecessors, former Senators Connie Mack and Bob Graham, and a bipartisan Florida delegation, in our firm opposition to drilling off our coasts.

Let me again take a moment to praise Chairman DOMENICI and Ranking Member BINGAMAN for putting together a comprehensive, bipartisan, and significant energy policy that is forward looking, forward thinking, and a road map of where we as a Nation need to go in order to address the challenges that confront us today.

The problem is that this inventory language is a bad provision in a good bill. I cannot emphasize enough how damaging this will be to Florida, other coastal States, and our military training and testing operations in the Gulf. The inventory will have a chilling effect on all of these interests.

The amendment I offer here tonight is simple in that it strikes the language requiring a "seismic survey inventory" of all outer continental shelf areas. I believe striking this language makes the overall bill stronger and I ask for my colleagues to support such an amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, I rise to join my colleague from Florida, as we have introduced this amendment to strike the portion of the Energy bill that would set up an inventory on the Outer Continental Shelf.

I want to show how extensive this inventory is going to be. The Outer Continental Shelf is all of the west coast of the United States, the Pacific coast, the area in yellow off the coast of Washington, Oregon, and California. All of that area would be subject to the inventory. All of this area in the Gulf of Mexico is presently covered by the moratorium about which Senator MARTINEZ and I fought very hard last week to get an agreement from the two leaders and managers of the bill that they would not come in and support any amendments that would offer drilling in the Gulf of Mexico off Florida.

But look at the Outer Continental Shelf. It extends from Maine all the way down to Florida. We are talking about a huge area that would be inventoried. That sounds innocent enough, but let me tell you why I oppose it. I oppose it because it is unnecessary unless you are preparing to drill in areas off our coast that are currently subject to this moratorium; otherwise, why would we want to take an inventory if all of this Outer Continental Shelf is now under a moratorium so you cannot drill for oil and gas?

I oppose it also because it is harmful to marine life and commercial fish, and the Minerals Management Service al-

ready conducts inventories of the economically recoverable oil and gas reserves on the Outer Continental Shelf, including moratoria areas, every 5 years. In fact, the MMS will complete its next inventory this summer. Its last inventory came out in the year 2000. If that is the case, why do we need another inventory? How is the inventory in this bill different from the one that is already in effect? Two words: seismic exploration.

What is seismic exploration—in other words, what they call survey? It is an expensive, invasive, and harmful practice used by oil and gas companies to determine where to drill. Why doesn't MMS use seismic exploration currently to complete their inventory? Because it is too costly and it is considered a precursor to drilling.

If you are not going to drill, you should not be spending hundreds of millions of dollars to tell you where to put the drill. MMS estimates that these surveys would cost between \$75 million and \$125 million for each of the planning areas. Remember, in the Outer Continental Shelf, there are nine planning areas. At \$75 million to \$125 million apiece for seismic exploration, that means we would be having MMS spend \$675 million to \$1 billion to survey our moratorium areas, areas on our coastline that are under a moratorium until the year 2012, pursuant to a Presidential directive.

Let me tell you a little bit about what seismic exploration and surveying is. Oil and gas companies use seismic air guns. They are long, submersible cannons that are towed behind boats in arrays, firing shots of compressed air into the water every 10 seconds. Interestingly, these air guns have replaced dynamite as the industry's primary method of exploration. But they create sound rivaling that of dynamite. A large seismic array can produce peak pressures of sound that are higher than virtually any other manmade source, save for explosives like dynamite—over 250 decibels.

The oil and gas industry typically conducts several seismic surveys over the life of their offshore leases. They use these seismic surveys to determine the best placement of oil rigs and pipelines and to track fluid flows within the reservoirs. Seismic surveys are massive, covering vast areas of the ocean, with thousands of blasts going off every few seconds, in some cases over the course of days, weeks, months. The arrays towed by boats consist of 12 to 48 individual air guns, synchronized to create a simultaneous pulse of sound outputting a total of 3,000 to 8,000 cubic inches of air per shot. The sounds are so powerful because the array is attempting to generate echoes from each of several geologic boundary layers at the bottom of the ocean. Echoes produced by these seismic impulses are recorded, and they are analyzed by oil and gas companies to provide information on the subsurface geological features.

The noise pollution from these tests can literally be heard across oceans. If the sea floor is hard and rocky, the noise might be heard for thousands of miles. And the sound can mask the calls of whales and other animals that rely on the acoustic environment to breed and survive. Scientists are documenting more and more problems associated with the seismic surveys. Whales, dolphins, fish, sea turtles, and squid have all been impacted adversely by the seismic activity. I sure would not want to be a scuba diver in the water with one of these seismic blasts going off.

The 2004 International Whaling Commission's Scientific Committee, one of the most well-respected bodies of whale biologists in the world, concluded that increased sound from seismic surveys was a "cause for concern" because there is a growing body of evidence that seismic pulses kill, injure, and disturb marine life.

The impacts range from strandings to temporary or permanent hearing loss, to abandonment of habitat and disruption of vital behaviors such as mating and feeding.

Studies have also shown substantial impacts on commercial species of fish. Fishermen, beware. One series of studies demonstrated that air guns caused extensive and apparently irreversible damage to the inner ears of snapper, and the snapper were several kilometers from the seismic surveys.

The scientific community is not the one that is raising the alarm bells. Courts and governments are starting to realize the dangers posed by seismic exploration. In 2002, a California Federal court stopped a geologic research project in the Sea of Cortez, when two beaked whales were found dead with an undeniable link to the seismic activity.

The Canadian Government slowed a geologic project off its west coast and is looking closely at an oil and gas seismic survey off Cape Breton as a result of dangers posed by the surveys.

The Australian Government refused to issue permits for a survey near a marine park because the proponents of the survey could not prove it would not harm the marine park.

And the Bermuda Government refused to issue a permit for seismic geographic surveys off its coast, citing concerns for impacts on marine mammals.

Air gun activity associated with seismic surveys must be considered an invasive procedure, inappropriate for sensitive marine areas and economically important commercial fishing grounds.

We have to continue to remember that the United States has 3 percent of the world's oil reserves.

Yet the United States uses four times more oil than any other nation, according to the report from the National Commission on Energy Policy. According to Alan Greenspan in a speech he gave in April of this year, the 200 million personal vehicles currently on the U.S. highways consume 11 percent of

the total world oil production. We cannot drill our way to energy independence.

Spending hundreds of millions of dollars on harmful exploration in areas whose economic livelihood depends on their fishing industry and their marine ecosystem could have devastating effects.

For these reasons, I must oppose this invasive, duplicative, and harmful exploration on the moratoria areas on the Outer Continental Shelf.

The bottom line is, if you have the Outer Continental Shelf under moratoria, why do we need to try to inventory all of that if you are not supposed to have any drilling under Presidential directive at least until the year 2012? Why go in with the risk to Mother Nature with this kind of seismic exploration?

I yield to my colleague from Florida.

The PRESIDING OFFICER (Mr. DEMINT). The Senator from Florida.

Mr. MARTINEZ. If the Senator will yield, I wonder if in any part of this bill the Senator noticed any area that would denote how the \$1 billion, the cost of exploration, would be paid for?

Mr. NELSON of Florida. That is an excellent question. If you are going to do the seismic exploration which this bill would allow in the nine areas under the moratoria, it is going to cost between \$650 million and \$1 billion. In a Congress that is so concerned about budget deficits to the tune of almost half a trillion a year, where are we going to get that kind of money?

The Senator's point is well taken. I thank my colleague from Florida for making that point.

Mr. MARTINEZ. A further question: It seems to me, when we have a moratorium, drilling is prohibited right now. To do this inventory in that particular area, it certainly seems to me to be a waste of taxpayer dollars since there is no prospect of drilling with the congressional and Presidential moratoriums in place.

Mr. NELSON of Florida. The Senator is correct. Since a President of the United States established this moratorium on the Outer Continental Shelf and it is to run to 2012, why do we need to be spending money on seismic surveying on an area that is off limits to drilling, which the moratorium has in place until the year 2012?

I thank the Senator for joining to offer this amendment. I ask the Senate to consider helping continue to preserve the moratorium.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, we are on the eve of a turning point in the energy future of our country. As we move closer to voting on a comprehensive energy bill, we have a truly historic opportunity to transform the way we think about energy. We have an opportunity to make a decisive step away from dependence on foreign imports and fossil fuels and toward an inde-

pendent future based on the abundant natural human and technological resources found right here within our borders.

As we wean ourselves from the oil fields of the unstable Middle East and other parts of the world and rely increasingly on field crops and fuel cells produced in America's heartland, we will build an energy future that will make us more secure and a future of which we can be proud.

This is the bottom line. When we talk about moving toward energy independence in this country, we are talking primarily about reducing America's dependence on imported oil. Petroleum accounts for more than 85 percent of our energy imports. As everyone is acutely aware, much of the 85 percent comes from some of the world's most unstable and, in some cases, openly hostile countries.

Today, rising global demand for petroleum is driving prices for gasoline and home heating oil to record levels. This year, China passed Japan as the world's second largest consumer of energy. China's use of oil is expected to grow exponentially over the next few years. So the focus of any national energy strategy must be to reduce our dependence on foreign oil in a sustainable way and as rapidly as possible.

By far, the largest use of petroleum in this country is in the transportation sector, and 97 percent of today's transportation fuel comes from petroleum. Thankfully, we know the solution. It is technologically feasible. We need to build vehicles that use less gasoline or no gasoline, and we need to make an aggressive transition to clean, renewable domestic fuels such as ethanol, biodiesel, and fuel cells.

The goal is a future of vehicles powered by fuel cells. The hydrogen is used to create the electricity to turn the motors that turn the wheels. The power from the fuel cell comes from hydrogen that will be made by renewable resources such as wind, photovoltaic, and other forms of renewable energy.

The biggest single step right now that we can take is to improve vehicle fuel economy. This bill takes a modest step in this direction, for example, by offering tax incentives for hybrid gas-electric vehicles, but we need improvements across the board, including raising the corporate average economy standard for vehicles.

Another commonsense way to reduce reliance on fossil fuels is to make greater use of clean and homegrown fuels. This bill has several provisions that take us in the right direction on this front, starting with the robust 8-billion-plus renewable fuel standard first proposed by Senator LUGAR and I and overwhelmingly approved by this Senate last week.

It is very disturbing that even with the price of ethanol well below that of gasoline, fuel blenders are still turning their backs on this cleaner, cheaper, homegrown alternative and turning instead to imports of refined gasoline.

This chart illustrates that. Right now, going back to 5 years ago, there has been a steady increase in the imports of gasoline. This is weekly total gasoline imports—thousands of barrels per day. From April 28 of 2000 until March of this year, gasoline imports increased 66 percent. This is not oil, this is gasoline. This is oil that has been refined in some foreign country, put on a tanker, and shipped to this country. So right now, we are up to just about a million barrels a day. Think about that, that is just gasoline. Not too many people know that. Most people think we are just importing oil. We are importing about a million barrels a day of refined gasoline into this country. That is at the expense of American dollars and jobs. This is taking us in the wrong direction.

A recent report by the Consumer Federation of America found consumers would be saving up to 8 cents a gallon at the pump if refiners were instead adding it to the gasoline at just 10-percent blends.

My consumers in Iowa, right now, are saving as much as 10 cents per gallon on ethanol-blended fuels, for an average savings of at least \$100 a year for a typical family.

I believe Americans all across the country deserve the cost and clean air benefits that ethanol-blended fuels provide. It is imperative we insist on our strong 8-billion-gallon renewable fuels standard when this Energy bill goes to conference with the House.

In addition to the renewable fuels standard, this bill in front of us includes tax incentives for alternative motor vehicles and fuels. This is very important. But we need to act more aggressively. For example, I believe we need to mandate that gasoline vehicles sold in this country be flexible-fuel vehicles that can run on E-85; that is, 85 percent ethanol or some other biofuel.

Now, flexible-fuel vehicles only cost maybe, right now, between \$100 and \$200 per vehicle. That is with just a small amount that are being made. If every vehicle was a flexible-fuel vehicle, the cost per vehicle would drop way below \$100 per vehicle. The savings a consumer would get on that few dollars extra added to the sticker price of a car would be more than made up for, probably within the first year or so of buying flexible fuels.

So I am saying, right now we do not have that many flexible-fuel vehicles. We need to mandate that cars sold in America—not made here, sold in America—be a flexible-fuel vehicle. You might say: Is that possible? Well, Brazil is planning on having all of its new cars flexible-fuel ready by 2008. I want to ask the question: If the Brazilians can do it, why can't we? If the Brazilians can do it, of course we can do it.

Now, of course, consumers need access to the renewable fuels. So I am glad the bill in front of us includes incentives for the installation of flexible-fuel pumps at fueling stations. So now

the bill has in it, as I said, incentives for installing flexible-fuel pumps at fuel stations. But we do not have a mandate to build flexible-fuel cars.

Right now, there is a fuel savings credit that auto manufacturers get for making E-85 vehicles. It is called the CAFE credits. But it is on the assumption that these vehicles will run on E-85 at least half the time. In other words, an auto manufacturer gets the credits for building a flexible-fuel vehicle on the assumption the vehicle will use E-85 half the time.

But the truth is, most people who own flexible-fuel vehicles do not even know it. So E-85 does not get used at all for that reason, and for the reason there are not many pumps out there. So we call this the dual-fuel loophole because carmakers get the credit for alternative fuels even if no alternative fuel is used. We should close that loophole now by tying CAFE credits to the amount of flexible fuel that is actually used, or by simply letting the credit expire.

So what I am saying is we need a three-pronged approach. We have the incentives in the bill to add flexible-fuel pumps at fueling stations. Secondly, we need to provide these credits will go only—only—on the amount of flexible fuel that is actually used. Third, what I am saying is we actually need a mandate that cars sold in America be flexible fueled.

Now, another important provision of the Energy bill extends the income tax credit for the production of biodiesel, another excellent renewable fuel. Biodiesel offers tremendous energy savings by providing 3.5 times more energy than is used to produce it, and by offering improved air quality over traditional diesel.

In addition to investment in today's biofuels, we also need a strong investment in the future of bio-based fuels and products of all kinds. New technology is making it possible to produce biofuels and a host of industrial and commercial products out of biomass; that is, agricultural material such as corn stalks and wheat straw and switchgrass and wood pulp and things like that—dedicated energy crops that together are expected to produce 10 times the current volume of ethanol at prices equal to or less than that of gasoline, and, again, with tremendous benefits to our environment and our rural economy.

A recent study found that farmers can expect to earn an additional \$35 per acre just by selling the excess biomass—the stalks and the straw—from traditional corn and wheat operations.

Now, ethanol made from this residual biomass is expected to have near zero or even negative net carbon dioxide emissions. How can that be? If you are using it, you are burning it, burning the fuel in a car, you put carbon dioxide into the atmosphere. That is true. But as these plants grow, they take carbon dioxide out of the atmosphere more than what is burned in the auto-

mobile. So biomass is a vital part of combating climate change.

Now, the biorefineries that produce this ethanol will also give us bio-based products to supplement or replace everyday products now made from petroleum. I have a couple of posters that indicate that. Shipping materials, building construction materials, roofing materials, elastomeric-type roofing materials, paints, hand sanitizers, and even carpets are made from renewable resources, biodegradable resources. For home and automotive use, just think of all the plastic cups, all these containers made out of petroleum now. And there are lubricants, soy oil. Even rubber tires are made out of renewable resources which are biodegradable. All of these things can be made from the biorefineries that will be producing the ethanol and the biodiesel that we will use in transportation. Many of these products are on the market, not in the future but today.

Tripling the use of bio-based products could add \$20 billion in economic benefits just by the year 2010—5 years from now. Replacing the Nation's petrochemicals with bio-based equivalents would save some 700 million barrels of petroleum a year. Just replacing plastics with bio-based counterparts would save another 100 million barrels or more. So there is great potential here. We need to get serious about supporting these bio-based products, and the Federal Government needs to take the lead.

Now, I know we are talking about the Energy bill, and that is what I have been talking about. But I am just going to digress for a minute and talk about a provision that was in the farm bill that was passed in 2002 because it has a lot to do with this Energy bill. Keep in mind what I have been saying is, by getting the biorefineries going and making more ethanol and biodiesel, we have byproducts that can also be made. As I mentioned, they are the plastic containers and the building materials and things like that. There is an important provision in the farm bill, section 9002, that we worked very hard to get in the farm bill, passed and signed by the President 3 years ago this month. Section 9002 requires all Government Departments and Agencies to give a purchasing preference to bio-based products. Now, here is the exact wording. This is section 9002. This is law. It has been the law for 3 years:

Each Federal agency . . . shall—

It does not say "may"—shall, in making procurement decisions, give preference to such items composed of the highest percentage of bio-based products practicable . . . unless such items (A) are not reasonably available; (B) fail to meet performance standards; or (C) are available only at an unreasonable price.

So price, performance, and availability—as long as it meets those three criteria, each Federal agency shall buy them. That is what it says, period.

Think of all the plastic cups and forks used every day in the Senate cafeteria alone.

Think of the Department of Defense, think about all of the plastic materials they use in serving the troops every day. Think of the millions of gallons of metal-working fluids, lubricants, and paint used by the Department of Defense. Yet 3 years after the passage of the farm bill, we still do not have a bio-based procurement program in place in the Federal Government. That has been there. It has been the law. And we are still not doing it. McDonald's can go buy plastic cups made out of renewable resources. Good for them. Why can't the Department of Defense? Why can't the Department of Interior that operates in our national parks? Why aren't they using more biodegradable materials? The law says they are supposed to, but they are not doing it because USDA has yet to issue the rules.

Again, I bring that up because this is part and parcel of the Energy bill. This saves us energy because right now all this material is made from imported oil, or most of it. It could be made by homegrown products here in America. We need to have the Federal Government setting an example and leading the way in reducing dependence on products made from foreign oil. I am sorry to say that 3 years later we still are not doing it.

We also need to invest in research and commercialization of bio-based fuels and products. That is why a few weeks ago, I, along with Senators LUGAR, OBAMA, and COLEMAN, introduced the National Security and Bio-energy Investment Act of 2005. Our bill promotes targeted biomass research and development in order to expand the cost-effective use of bio-based fuels, products, and power. It provides incentives for the production of the first 1 billion gallons of biofuels from cellulosic biomass; that is, crop residues like corn stocks and wheat straw, or wood chips from lumber mills. It provides bioeconomy development grants to small bio-based businesses. It creates a new Assistant Secretary position at the Department of Agriculture to carry out energy and bio-based initiatives.

It requires the Capitol complex to lead by example by procuring bio-based products. This bill has the support of a broad coalition of agricultural producers, clean energy and environment groups, and national security experts. I have a number of letters from these organizations supporting the bill.

I ask unanimous consent that the letters be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. HARKIN. Mr. President, I am excited about this new bill. I hope my colleagues will get behind it. In fact, we may be offering an amendment to the Energy bill that would take a small part of that and add it to the Energy bill. I hope we can get that done this week.

America's dangerous dependence on fossil fuels extends beyond oil. Natural gas prices have skyrocketed, hurting everyone who uses gas to heat their home or fuel their appliances or to make fertilizer for our farmers. Americans now pay two to three times what Europeans pay for natural gas due to our ever-growing demand and limited availability. Farmers are hit hard. Our farmers rely on natural gas not only to heat homes and run much of their equipment but also for fertilizer in the fields. These impacts on farmers are severe and getting worse. We need an energy bill that looks for sensible ways to lower natural gas costs for all Americans. We need to look for environmentally sensitive ways to increase our supply.

That is why I keep saying, the House put in a bill to drill for oil in the Arctic National Wildlife Refuge, but we all know that oil doesn't amount to anything. Most of that oil—I could be corrected—I believe all of that oil is going to go to Japan. It is a drop in the bucket compared to what we use. But what else they have in Alaska is a lot of natural gas, and we need to pipe that natural gas from Alaska down to the lower 48. That has been on the drawing boards in the past to get that natural gas down here. And for various and sundry reasons that I don't need to go into here, it has been held up.

I call upon the Governor of Alaska to move expeditiously to reach the agreements that are necessary to get the natural gas pipeline constructed and built to deliver the natural gas down to the lower 48. They have been talking a lot about how they would pipe it down—they would liquefy it and then send it down to the west coast, or maybe to the Gulf States. That costs a lot of money when you liquefy natural gas, when we could build a pipeline that could be environmentally safe and bring that gas right down to the Midwest where it is needed, not only for the Midwest but for the upper part, the northern part of the United States. So we need to move ahead aggressively on that, and we are not doing it.

We need to look for all environmentally sensitive ways to increase supply, and we need to look for solar and biomass and wind. I am glad so many colleagues from both sides of the aisle joined together in approving the amendment offered by Senator BINGAMAN requiring 10 percent of this country's electricity to come from renewable resources by 2020. Wind power in particular has tremendous potential to provide clean, abundant energy in many parts of the country. Wind power generation can provide thousands of dollars in additional revenue to our farmers and ranchers and people in rural areas, while continuing to allow for crop production and grazing. Valuable incentives for wind power production exist in the section 45 wind production tax credit. However, development of this vital industry has been tied up by Congress's refusal to provide a long-term extension of this incentive.

In 2004, when extension of the production tax credit was delayed, more than \$2 billion in wind power investment was put on hold. I am pleased a 3-year extension of the production tax credit for wind has been included in this bill. We could do more, much more. It should be extended longer than that, but at least this minimal amount should provide developers the certainty they need to move ahead with wind power projects.

We also need to make sure farmers and farmer co-ops can be full participants in wind power projects. The farm bill's energy title, section 906, is providing grants and loans to farmers and rural small businesses to install wind and other renewable energy systems on their property. It also supports energy-efficient improvements to farm and small business operations. This program has been a real success over the past several years. We expect it to grow substantially in the years ahead.

I have also introduced a bill, S. 715, to help more farmers and other rural citizens become active investors in wind energy by removing restrictions that are in the production tax credit. This bill I am sponsoring includes a pass through of the wind production tax credit to cooperative members, just like the small ethanol producer credit pass through right now. This will provide another needed boost to rural America's wind power development. Right now, if a co-op builds an ethanol plant, they can get the production tax credits passed through to their members. If a co-op wants to build windmills, however, they can't pass it through to their members. Hopefully, we can lift this restriction, and we can do it on this Energy bill before us.

Finally, we need to look to the longer term future, and we need to do it now by laying the groundwork. To deliver truly sustainable energy that will not add to climate change and global warming, that will not pollute the environment, we must invest in clean technologies. What I am talking about is hydrogen. It offers real potential for a clean, domestic, sustainable energy future. But only if it is produced from renewable resources. That is why we need to support research and demonstration of technologies to produce hydrogen from ethanol and other renewable resources. My bill, S. 373, the Renewable Hydrogen Transportation Act, would do just that, by funding the installation of an ethanol-to-hydrogen reformer, as well as the operation of hybrid electric vehicles converted to run on renewable hydrogen instead of gasoline.

Making hydrogen from ethanol and other renewable fuels makes a lot of sense for transportation—one, because we can use the existing ethanol production and distribution network; two, because it could well be the least expensive renewable hydrogen option available. I appreciate the willingness of the chairman and the ranking member to work with me to put this modest, but meaningful, initiative in the bill.

Again, to get to that sustainable future, we have to think about making hydrogen from renewable resources. You use the wind power. When the wind blows at night and you don't need all that electricity and you cannot store it, what do you do with it? You waste it. It is gone. But if you can use that wind at night to turn a turbine that makes electricity, and you can use that electricity to hydrolyze water—remember the old chemistry experiment where you put positive and negative in water, and off of one comes oxygen and off of the other comes hydrogen. There are two atoms for oxygen for every atom of hydrogen. As long as those turbines are turning, we can make hydrogen. You can store hydrogen. You can save it. You can compress it. You can pipe it. So, therefore, at times when you don't need a lot of electrical power and the wind is blowing, you can make hydrogen. You can store it and take the hydrogen and put it through a fuel cell to make the electricity when you need it. The beauty of doing that is you only get one product—H<sub>2</sub>O, water. Nothing else. It doesn't pollute, doesn't add to global warming or anything. So that is the cycle that we need. Use the Sun, use the wind, hydropower, whatever is renewable, take that and make hydrogen, store it, compress it, put it through a fuel cell, and make the electricity, and the cycle starts all over again. I know a lot of this is some years down the pike. We cannot do it tomorrow. But we can start now by building assistance that will enable us to move to a renewable hydrogen-based economy in this country.

Mr. President, let me close by thanking Senator DOMENICI and Senator BINGAMAN for the extraordinary job they have done during the past months and during floor consideration of the bill. The bipartisan cooperation we are seeing is due largely to their example and impressive leadership, and the entire Senate owes them a debt of gratitude for a job well done.

Of course, we are not done yet. Hurdles remain. We are headed, though, toward concluding a strong, bipartisan bill that leads America decisively into the new world of clean, renewable, home-grown energy. When the time comes, we need to stand firm for the Senate provisions when we go to conference.

Mr. President, I yield the floor.

#### EXHIBIT 1

JUNE 9, 2005.

Re The National Security and Bioenergy Investment Act of 2005.  
 Hon. TOM HARKIN,  
*U.S. Senate,  
 Washington, DC.*  
 Hon. RICHARD LUGAR,  
*U.S. Senate,  
 Washington, DC.*

DEAR SENATORS HARKIN AND LUGAR: The National Corn Growers Association (NCGA), the American Soybean Association (ASA), and the Renewable Fuels Association are writing to express our support for the National Security and Bioenergy Investment Act of 2005. In particular, we strongly sup-

port the increased procurement of biobased products by Federal agencies and all Federal government contractors. Biobased products represent a large potential growth market for corn and soybean growers in areas such as plastics, solvents, packaging and other consumer goods to provide markets for U.S.-grown crops. The biobased product industry has already started to grow, bringing new products to consumers, new markets to growers and new investments to our communities.

The procurement of biobased products promotes energy and environmental security. Products made from corn and soybeans could replace a variety of items currently produced from petroleum, and aid in reducing dependence on imported oil. Already the production of ethanol and biodiesel reduces imports by more than 140 million barrels of oil. The production of biobased products generates less greenhouse gas than traditional petroleum-based items. There are also tremendous opportunities for grower-owned processing facilities and rural America and agriculture as a whole. New jobs and investments will be brought into rural communities, as new processing and manufacturing facilities move into those communities to be near renewable feedstocks.

NCGA, ASA and RFA applaud your continued efforts to promote the use of biobased products that will encourage the development of new markets for corn and soybeans and ultimately help to revitalize rural economies and the agriculture industry as a whole. We have been avid supporters of the biobased products industry, and we look forward to working with you as you continue to provide vision and direction for this emerging industry.

Sincerely,

LEON CORZINE,  
*President, National  
 Corn Growers Asso-  
 ciation.*  
 NEAL BREDEHOEFT,  
*President, American  
 Soybean Associa-  
 tion.*  
 BOB DINNEEN,  
*President, Renewable  
 Fuels Association.*

GOVERNORS' ETHANOL COALITION,  
 June 9, 2005.

Hon. TOM HARKIN,  
*Hart Senate Office Building,  
 Washington DC.*  
 Hon. BARACK OBAMA,  
*Hart Senate Office Building,  
 Washington DC.*  
 Hon. RICHARD LUGAR,  
*Hart Senate Office Building,  
 Washington DC.*  
 Hon. NORM COLEMAN,  
*Hart Senate Office Building,  
 Washington DC.*

DEAR SENATORS: On behalf of the thirty members of the Governors' Ethanol Coalition, we strongly support and endorse the National Security and Bioenergy Investment Act of 2005, as well as your efforts to expand development of other biofuels and co-products. The Governors' Ethanol Coalition is pleased that this bill embodies the recommendations developed by the Coalition in *Ethanol From Biomass: America's 21st Century Transportation Fuel*. When signed into law, this act will catalyze needed research, production, and use of biofuels and bio-based products, thereby enhancing our economic, environmental, and national security.

The Coalition believes that the nation's dependency on imported oil presents a huge risk to this country's future. The combination of political tensions in major oil-pro-

ducing nations with growing oil demand from China and India is seriously threatening our national security. Moreover, as we import greater amounts of oil each year, we are draining more and more of the wealth from our states.

The key provisions contained in your bill bring focus and resources to biomass-derived ethanol research and commercialization efforts. The result, over time, will be the replacement of significant amounts of imported oil with domestically produced fuels—improving our rural economies, cleaning our air, and contributing to our national security. Of particular importance is the bill's aim to broaden ethanol production to include all regions of the nation so that many more states will reap the benefits of biofuels.

Again, thank you for inclusion of the Coalition's recommendations in this landmark legislation. Please let us know how the Coalition can help with the passage of this very important legislation. The continued expansion of ethanol production and use, particularly biomass-derived fuels, and the accompanying economic growth and environmental benefits for our states is essential to the nation's long-term economic vitality and national security.

Sincerely,

TIM PAWLENTEY,  
*Chair, Governor of  
 Minnesota.*  
 KATHLEEN SEBELIUS,  
*Vice Chair, Governor  
 of Kansas.*

#### NATURAL RESOURCES DEFENSE COUNCIL,

Washington, DC, June 7, 2005.

DEAR SENATORS HARKIN AND LUGAR: The Natural Resources Defense Council strongly supports the National Security and Bioenergy Investment Act of 2005, which you introduced today. This important bill would expand and refine research, development, demonstration and deployment efforts for the production of energy from crops grown by farmers here in America. The bill would also expand and improve the Department of Agriculture's efforts to promote a biobased economy, federal bio-energy and bioproduct purchasing requirements, and federal educational efforts.

The Research and Development (R&D) title of this bill continues your tradition of leadership in this area by updating the Biomass Research and Development Act of 2000, which you also crafted. This title will not only extend the provisions of the original bill and greatly increase the funding for these provisions, it will also refine the direction of this funding. Taken together, these changes maximize the impacts of R&D on the greatest challenges facing cellulosic biofuels today.

Your bill also creates extremely important production incentives for the first one billion gallons of cellulosic biofuels. The production incentives approach taken by the bill a combination of fixed incentives per gallon at first, switching over to a reverse auction will maximize the development of cellulosic biofuels production while minimizing the cost to taxpayers.

In addition, the bill creates an Assistant Secretary of Agriculture for Energy and Biobased Products. Coupled with the bill's development grants, tax incentives, biobased product procurement provisions, and educational program, the bill would make a huge contribution to developing a sustainable biobased economy, reducing our oil dependence and improving our national security.

The technologies advanced by this bill will undoubtedly make important contributions to reducing our global warming pollution and the air and water pollution that comes

from our dependence on fossil fuels. We are concerned, however, that the eligibility provisions for forest biomass do not exclude sensitive areas that need protecting, including roadless areas, old growth forests, and other endangered forests, and do not restrict eligibility to renewable sources or prohibit possible conversion of native forests to plantations. We know that you do not want to see this admirable legislation applied in ways that exploit these features, and will be happy to work with you in the future to take any steps needed if abuses arise.

Sincerely,

KAREN WAYLAND,  
Legislative Director.

ENERGY FUTURE COALITION,  
Washington, DC, June 8, 2005.

Hon. TOM HARKIN,  
Hon. RICHARD G. LUGAR,  
U.S. Senate,  
Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: On behalf of the Energy Future Coalition, I am writing to commend your leadership and vision in drafting the National Security and Bioenergy Investment Act of 2005.

In our judgment, America's growing dependence on foreign oil endangers our national and economic security. We believe the Federal government should undertake a major new initiative to curtail U.S. oil consumption through improved efficiency and the rapid development and deployment of advanced biomass, alcohol and other available petroleum fuel alternatives.

With such a push, we believe domestic biofuels can cut the nation's oil use by 25 percent by 2025, and substantial further reductions are possible through efficiency gains from advanced technologies. That is an ambitious goal, but it is also an extraordinary opportunity for American leadership, innovation, job creation, and economic growth.

You took an important step forward by introducing S. 650, the Fuels Security Act, incorporated into the Senate energy bill during Committee markup. This legislation is another important step, authorizing the additional research and development and federal incentives needed to accelerate the adoption of biobased fuels and coproducts. We are pleased to support it.

Sincerely,

REID DETCHON,  
Executive Director.

NATIONAL FARMERS UNION,  
Washington, DC, June 9, 2005.

Hon. RICHARD LUGAR,  
Hart Senate Office Building,  
U.S. Senate, Washington, DC.  
Hon. TOM HARKIN,  
Hart Senate Office Building,  
U.S. Senate, Washington, DC.

DEAR SENATORS LUGAR AND HARKIN: On behalf of the family farming and ranching members of the National Farmers Union, we are writing to express our strong support for your bipartisan, National Security and Bioenergy Investment Act of 2005 legislation. The provisions within this act contain crucial measures that will benefit not only rural, but all of America.

Importantly, your legislation would create an Assistant Secretary for Energy and Biobased Products position at USDA, which we feel would complement and reinforce initiatives created by the energy section of the 2002 Farm Bill.

We also applaud your proposals for promoting the usage of biobased products within the U.S. government, which will expand future development of these technologies. These products, and their use, are an asset to the rural producers of the commodities used

in the production of these commonly used items. Also, the more we increase the use of these items, the better it will be environmentally for future generations.

We wholeheartedly support your legislation and look forward to working with you to promote the expansion of biobased products.

Sincerely,

DAVID J. FREDERICKSON,  
President.

BIOTECHNOLOGY  
INDUSTRY ORGANIZATION,  
Washington, DC, June 8, 2005.

Senator TOM HARKIN,  
Ranking Democratic Member,  
Senator RICHARD LUGAR,  
Member, Committee on Agriculture, Nutrition  
and Forestry, U.S. Senate, Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: The Biotechnology Industry Organization (BIO) Industrial and Environmental Section fully supports the National Security and Bioenergy Investment Act of 2005. We greatly appreciate your vision and initiative to expand the Biomass Research and Development Act and to create new incentives to produce biofuels and biobased products.

America's growing dependence on foreign energy is eroding our national security. We must take steps to drastically increase production of domestic energy. As an active participant in the Energy Future Coalition, BIO believes this country needs a major new initiative to more aggressively research, develop and deploy advanced biofuels technologies. With sufficient government support, we can meet up to 25% of our transportation fuel needs by converting farm crops and crop residues to transportation fuel.

The National Security and Bioenergy Investment Act of 2005 will boost the use of industrial biotechnology to produce fuels and biobased products from renewable agricultural feedstocks. With the use of new biotech tools, we can now utilize millions of tons of crop residues, such as corn stover and wheat straw, to produce sugars that can then be converted to ethanol, chemicals and bio-based plastics. These biotech tools can only be rapidly deployed if federal policy makers take steps to help our innovative companies get over the initial hurdles they face during the commercialization phase of bioenergy production, and your bill will help get that job done.

We are pleased to endorse this visionary legislation.

Sincerely,

BRENT ERICKSON,  
Executive Vice President.

ENVIRONMENTAL LAW & POLICY CENTER,  
Chicago, IL, June 8, 2005.

Hon. TOM HARKIN,  
Hon. RICHARD G. LUGAR,  
U.S. Senate,  
Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: The Environmental Law and Policy Center ("ELPC") is pleased to support the National Security and Bioenergy Investment Act of 2005, and we commend you for your leadership and vision in introducing this legislation. This bill would accelerate research, development, demonstration and production efforts for energy from farm crops in the United States, especially cellulosic ethanol. It also will expand and prioritize the United States Department of Agriculture's leadership responsibilities to promote clean and sustainable energy development, and it will increase procurement of biobased products.

By significantly expanding the development and production of clean energy "cash crops," this legislation will improve our environmental quality, stimulate significant

rural economic development, and strengthen our national energy security. ELPC also appreciates that this legislation reflects your longstanding support for farm-based sustainable energy programs. ELPC strongly supported your successful efforts to create the new Energy Title in the 2002 Farm Bill, which established groundbreaking new federal incentives for renewable energy and energy efficiency, while renewing existing programs such as the Biomass Research and Development Act of 2000.

The National Security and Bioenergy Investment Act of 2005 is a natural complement to the 2002 Farm Bill Energy Title programs, and it will help to strengthen support for the right bioenergy production programs in the 2007 Farm Bill. Accordingly, ELPC is pleased to support this legislation.

Very truly yours,

HOWARD A. LEARNER,  
Executive Director.

INSTITUTE FOR LOCAL SELF-RELIANCE,  
June 6, 2005.

Senator TOM HARKIN,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR TOM HARKIN: Congratulations on your bill, National Security and Bioenergy Investment Act of 2005. It is a breakthrough piece of legislation. Your well-conceived bill, combining needed executive branch changes, welcome increases in research and development funding and innovative commercialization techniques, can move the use of plants as a fuel and industrial material from the margins of the economy to the mainstream. I urge everyone with an interest in our environmental, agricultural and economic future to support this bill.

Sincerely,

DAVID MORRIS,  
Vice President.

The PRESIDING OFFICER. The Senator from New York is recognized.

AMENDMENT NO. 805

Mr. SCHUMER. Mr. President, first, I thank my colleague from Iowa for his being always thoughtful. We even want to produce ethanol plants and wind in New York. We just don't want to transport it over to Iowa. I am not from Iowa. In any case, I am not here to talk about that.

Mr. President, I ask unanimous consent that the pending amendment be laid aside, and I send an amendment to the desk.

Mr. DOMENICI. Reserving the right to object.

Mr. SCHUMER. This is the sense of the Senate amendment on the Strategic Petroleum Reserve.

Mr. DOMENICI. We will temporarily set it aside, and then we will return to where we were. I have no objection.

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

Mr. SCHUMER. Mr. President, I believe the amendment is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. SCHUMER] proposes an amendment numbered 805.

Mr. SCHUMER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To express the sense of the Senate regarding management of the Strategic Petroleum Reserve to lower the burden of gasoline prices on the economy of the United States and circumvent the efforts of OPEC to reap windfall profits)

On page 208, after line 24, add the following:

**SEC. 303. SENSE OF THE SENATE REGARDING MANAGEMENT OF SPR.**

(a) FINDINGS.—Congress finds that—

(1) the prices of gasoline and crude oil have a direct and substantial impact on the financial well-being of families of the United States, the potential for national economic recovery, and the economic security of the United States;

(2) on June 13, 2005, crude oil prices closed at the exceedingly high level of \$55.62 per barrel, the price of crude oil has remained above \$50 per barrel since May 25, 2005, and the price of crude oil has exceeded \$50 per barrel for approximately 1/2 of calendar year 2005;

(3) on June 6, 2005, the Energy Information Administration announced that the national price of gasoline, at \$2.12 per gallon, could reach even higher levels in the near future;

(4) despite the severely high, sustained price of crude oil—

(A) the Organization of Petroleum Exporting Countries (referred to in this section as “OPEC”) has refused to adequately increase production to calm global oil markets and officially abandoned its \$22–\$28 price target; and

(B) officials of OPEC member nations have publicly indicated support for maintaining oil prices of \$40–\$50 per barrel;

(5) the Strategic Petroleum Reserve (referred to in this section as “SPR”) was created to enhance the physical and economic security of the United States;

(6) the law allows the SPR to be used to provide relief when oil and gasoline supply shortages cause economic hardship;

(7) the proper management of the resources of the SPR could provide gasoline price relief to families of the United States and provide the United States with a tool to counterbalance OPEC supply management policies;

(8) the Administration’s policy of filling the SPR despite the fact that the SPR is nearly full has exacerbated the rising price of crude oil and record high retail price of gasoline;

(9) in order to combat high gasoline prices during the summer and fall of 2005, President Clinton released 30,000,000 barrels of oil from the SPR, stabilizing the retail price of gasoline;

(10) increasing vertical integration has allowed—

(A) the 5 largest oil companies in the United States to control almost as much crude oil production as the Middle Eastern members of OPEC, over 1/2 of domestic refinery capacity, and over 60 percent of the retail gasoline market; and

(B) Exxon/Mobil, BP, Royal Dutch Shell Group, Conoco/Philips, and Chevron/Texaco to increase first quarter profits of 2005 over first quarter profits of 2004 by 36 percent, for total first quarter profits of over \$25,000,000,000;

(11) the Administration has failed to manage the SPR in a manner that would provide gasoline price relief to working families; and

(12) the Administration has failed to adequately demand that OPEC immediately increase oil production in order to lower crude oil prices and safeguard the world economy.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should—

(1) directly confront OPEC and challenge OPEC to immediately increase oil production; and

(2) direct the Federal Trade Commission and Attorney General to exercise vigorous oversight over the oil markets to protect the people of the United States from price gouging and unfair practices at the gasoline pump.

(c) RELEASE OF OIL FROM SPR.—

(1) IN GENERAL.—For the period beginning on the date of enactment of this Act and ending on the date that is 30 days after the date of enactment of this Act, 1,000,000 barrels of oil per day shall be released from the SPR.

(2) ADDITIONAL RELEASE.—If necessary to lower the burden of gasoline prices on the economy of the United States and to circumvent the efforts of OPEC to reap windfall crude oil profits, 1,000,000 barrels of oil per day shall be released from the Strategic Petroleum Reserve for an additional 30 days.

Mr. SCHUMER. Mr. President, I thank my friend from New Mexico for his grace, as usual. I will be brief as I make a statement on the amendment.

I rise to offer this amendment, which will express the sense of the Senate that the Federal Government should take long, overdue action to curb the record-high gasoline prices that are plaguing American consumers at the pump. As my colleagues are well aware, for weeks, oil and gasoline prices have been placing an immense burden on working families and threatening our fragile economic recovery, and it is time that this body took action to protect our Nation’s economic security from the sky-high oil prices and the whims of the OPEC cartel.

This amendment would urge the administration to provide the American consumer with relief by releasing oil from the Strategic Petroleum Reserve through a swap program in order to increase the supply, quell the markets, and bring down prices at the pump. Of course, the other side of the swap is that we would buy back the oil when the price was lower and put it back in the Strategic Petroleum Reserve, which is now just about full.

Mr. President, what we are faced with here is simple market economics of supply and demand. If demand goes up, price goes up. If supply goes up, price goes down. At a time facing record-breaking gasoline prices, it is hard to believe that the Federal Government would be taking oil off the market and exacerbate the high energy costs to working families.

The price of crude oil has remained at near record highs for over one-third of 2005, with oil having traded at over \$50 a barrel since May 25. Just today, we saw the biggest jump yet, with oil closing at almost \$60 a barrel. OPEC used to claim it was interested in helping to keep prices under \$30 a barrel. That is when it went from a \$22 to \$28 rate. It may be fun to double down in Las Vegas but not in the oil market, and certainly not at the gas pump.

These prices have already burdened Americans in New York and in the rest of the Northeast. We get a double whammy because we have high home heating oil prices, as well as high gasoline prices because we depend on heating oil more than most parts of the

country. Other parts are warmer or use more natural gas. I know these families were hoping for a quick spring so they could enjoy a brief respite from the high energy prices.

Unfortunately, that hasn’t been the case, as the increased burden of oil costs has just moved from the home to the highway. As Americans are beginning to plan for their road trips and summer vacations, the national price of gasoline has seemingly reached a new record high every week. Last week, the Energy Information Administration reported that prices had increased for the second straight week, to \$2.13 for regular self-service. That is an increase of almost 49 cents from last year. Unfortunately, it could give way to even higher prices in the future.

We know who is being hurt by these oil prices, and we know who is benefiting—OPEC. Last year, OPEC made \$300 billion in oil revenue. They stand to gain much, much more if the price of oil stays as high as it is—stratospheric levels. In order to institutionalize the profits from these spikes, OPEC agreed to abandon their long-standing price target of \$22 to \$28 a barrel, as I mentioned before, and some of its members say they could be comfortable with oil remaining at \$40 to \$50 permanently. I know who will not be comfortable—American families who depend on affordable oil to commute to work, heat their homes, and provide for their energy needs.

Some of my colleagues may be asking: Didn’t OPEC agree to increase production in March by 500,000 barrels a day?

The reality is that OPEC’s pledge to increase production on paper has not reduced prices at the pump. OPEC, after having cut production by 1 million barrels in the face of rising oil prices—it is not that amazing—claimed that they would increase production by half the previous cut. While this would seem like a step in the right direction, the reality is they were already producing 700,000 barrels over their quota, so as a result this paper increase added no oil to U.S. markets.

These are exactly the type of shell games that the OPEC cartel uses to take money out of Americans’ pockets to put toward OPEC profits.

We have to act to stop it. Once again, OPEC is talking about another 500,000-barrel increase. We will see if they actually follow through.

Instead of standing up to OPEC, what has this administration done? It has continued, incredibly enough, taking oil off the market and placing it in the SPR. This policy, which further tightens oil markets by taking much needed supplies out of commerce, is slated to take an average of almost 85,000 barrels per day off the market during the height of the driving season, between April and the end of August, despite the fact that the SPR is almost completely full.

I understand that some of my colleagues think the SPR should never be

touched, even to safeguard our economic security. I would argue that concerns to this degree do not properly balance America's physical security needs against its economic security needs. With the SPR almost full, we can easily reduce 30 million barrels through a swap and still have an effective safeguard against a physical supply disruption.

Initiating a swap of oil from the SPR to increase the supply of oil is a proven way to reduce the price of gasoline and heating oil. In the fall of 2000, the Clinton administration announced a swap of 30 million barrels over 30 days, causing crude oil prices to quickly fall by over \$6 a barrel and wholesale prices to fall 14 cents a gallon. Under a swap, the Federal Government could decide on a set quantity of oil to release from the SPR and accept bids from private companies for the rights to that oil. The companies would then bid on how much oil they would be willing to return, in addition to the oil they would receive under the swap, to the SPR at a later date.

The administration has had these tools in its hands and could have acted more quickly, earlier, to stand up for the American consumer, but it has not. Instead, despite repeated urgings from Members of this body, among others, it has steadfastly refused to intervene and to allow oil prices to soar. It has been good for oil companies, it has been good for OPEC and bad for the American consumer.

This amendment says enough is enough and gives this body an opportunity to do what others have refused by hitting the breaks to stop runaway gasoline prices.

An oil swap would result in a win-win situation where gasoline prices are lowered and long-term contributions to the SPR are augmented at no additional cost to the taxpayers. The SPR is intended to provide relief at times when American families are struggling to make ends meet. The time is now. The summer driving months are just beginning.

I urge my colleagues to join me in protecting the pocketbooks of working families from OPEC profiteering by supporting this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, we will not argue our case against the case of the Senator from New York yet. We will do that tomorrow. Suffice it to say we are talking about a reserve. It is there as a safety valve in the event something were to happen, and we will talk about the perils of that and why the amendment should not be adopted.

For now, it looks as if we are lining up a number of amendments for tomorrow, including some amendments that should be in place with reference to global warming and some agreements and understanding regarding them. Later on, an amendment about the inventory of offshore assets, resources,

will be discussed and when that amendment to strike will be taken up. So we might have some understanding by morning on a series of votes.

For now, I do not think we are going to do anything else other than wrap up business, and we will take care of that in due course.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant 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.

#### MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak for up to 10 minutes each.

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

#### CORPORATION FOR PUBLIC BROADCASTING

Mr. DORGAN. Mr. President, I want to speak about the Corporation for Public Broadcasting. My understanding is their board of directors is meeting today. I don't know whether they are going to select a new president for the corporation, but I know that was at least announced as the intention today of the Corporation for Public Broadcasting. Let me go all the way back to Big Bird. Everyone who grows up watching Sesame Street and Children's Television Workshop understands that Cookie Monster, Big Bird, and all of those things represent learning devices and the wonderful characters on Sesame Street. The Corporation for Public Broadcasting was created a long while ago as a part of an approach to do something unique.

The Corporation for Public Broadcasting, Public Television, and National Public Radio have been pretty remarkable. Every week 94 million Americans watch public television or some portion of public television and 46 million people listen to public radio. That is a remarkable statistic. Public radio and public television are available to over 90 percent of American homes. We have come a long way since President Johnson signed the Public Broadcasting Act of 1967.

It is the case that public broadcasting will tackle issues that other broadcasters don't tackle. I admit you won't see Fear Factor on public television. You won't tune in and see someone sitting in front of a bowl of maggots to see whether they can eat an entire bowl in 15 or 30 seconds. That is not the kind of television I watch. But occasionally when you are browsing through the television routine, you tune in to programs that have that kind of approach. You wonder what has

become of good television. Or you might tune in to another program where you see a couple of women or men engaged in a fist fight over some romance that turned sour, where on that program day after day they hold this imperfection up to the light and say: Isn't this ugly? Let's entertain ourselves with everyone else's dysfunctional behavior.

You won't find that on public broadcasting. They sink their teeth into some pretty interesting things. I mentioned Big Bird. I suppose could you say Big Bird isn't quite so serious, but a lot of children grow up with Sesame Street watching Big Bird and the lessons therein. Frankly, it is wonderful television—more than television for children, I will give you an example of the kinds of things public broadcasting tackles that others will not.

Do you think ABC, CBS, NBC or FOX is going to tackle the question of concentration in broadcasting? There are no more than five or six companies and people that control what we see, hear, and read. Because we see all of these concentrations of television stations and radio stations, the Federal Communications Commission decided in their ruling, which the court subsequently stayed, that it is OK to open this up. And the Federal Communications Commission said: We believe that in one major American city, one company ought to be able to own eight radio stations, three television stations, the cable company, and the dominant newspaper. We think that is fine.

It is not fine with me. It is limiting what people can see and read and hear. The controversy surrounding public television, public radio, the Corporation for Public Broadcasting saddens me. My hope is that perhaps actions taken in the next couple of days might resolve that.

There is apparently a board meeting this afternoon and apparently another meeting of some type tomorrow where they will choose a new president. This all is with the backdrop of the chairman of the Corporation for Public Broadcasting, who has consistently and publicly said that public broadcasting, public television, public radio has a liberal bias. There have been all of those allegations over some long period of time. A liberal bias, it is easy to say. It doesn't have a liberal bias. It is just independent television which most people appreciate.

Let me talk for a moment about my concern about where we are heading. Press accounts from last week noted that the House Appropriations Committee approved a spending bill on Thursday that would slash spending for public television and radio by nearly half. That includes a 25-percent cut in financing for the Corporation for Public Broadcasting and a total of \$112 million in additional cuts for programs that provide continuing children's programming.

Just the news coming out of the Appropriations Committee in the House is