

urge my colleagues to join me in supporting commonsense gun storage requirements so that fewer families will have to endure the pain of losing a child or loved one because of a preventable tragedy involving a firearm.

#### THE WINDFALL PROFITS REBATE ACT OF 2005

Mr. DORGAN. Mr. President, yesterday I introduced legislation called the Windfall Profits Rebate Act of 2005 that attempts to address the spiraling cost of oil and gasoline. Let me explain why I introduced this measure.

I come from a State of 642,000 citizens spread out in a landmass 10 times the size of Massachusetts.

As a result of being a large Northern Great Plains State with a small population and being a predominately agricultural State, we use a substantial amount of energy, specifically gasoline.

In fact, North Dakota uses twice as much gasoline per capita than New York does. Though these price spikes hurt all Americans, they are especially devastating to citizens who live in rural States.

Let me say first that the tragedy that we are witnessing on the Gulf Coast is devastating. The effects of Hurricane Katrina will be felt by the people of Louisiana, Mississippi and Alabama for a long time to come and my prayers go out to them in this time of need. The people in the gulf region have lost so much.

It is also the case that the hurricane has affected America's energy supply in the short term. A number of refineries were shut down. A couple of major pipelines were unable to operate and there has been and will be an impact on our energy supply and marketing as a result of this hurricane.

But it important to understand that the price spikes we have seen with the price of oil and gasoline cannot be blamed exclusively on this hurricane.

We were headed down this road long before Hurricane Katrina hit.

In fact, since the beginning of 2004, we have seen the price of oil double from \$35 a barrel to nearly \$70 a barrel and that has resulted in consumers having to pay more than \$3 a gallon for gasoline in many parts of the country.

It is important to point out that at \$35 a barrel, the energy industry was making record profits. Now the oil industry claims that these higher prices are a result of supply-and-demand issues and that they need these additional profits for exploration.

However, I believe that the extra \$30 per barrel that is tacked on to a barrel of oil these days represents a windfall or excess profit to the major integrated oil companies, and I propose that we recapture part of that with an excise tax and rebate it to consumers who are paying these inflated gas prices.

Here are some numbers to remember: We use 21 million barrels of oil a day in this country. Forty percent of that

comes from domestically produced oil. The major integrated oil companies are larger and have more economic clout than they have had previously. They are experiencing the \$30-a-barrel increased price above the \$35 price that existed in January 2004, and that means they are reaping \$7 billion a month in windfall or excess profits. That is \$80 billion a year in excess or windfall profits. That is being paid by consumers who drive up to the service station and now receive the sticker shock of paying an arm and a leg for a tank full of gas.

A friend of mine gassed up his car and his son's car with 15 gallons in each car the other day and paid \$103.00 at the gas pump.

In addition to the windfall profits being gathered by the major integrated oil companies in our country, it is also the case that 60 percent of that which we use comes from off our shore. That has become a type of forced revenue sharing from American consumers to the Saudis, Kuwaitis, and others. There is not much we can do about that in the short term except to implement policies that try to wean us away from the addiction we have to foreign oil.

However, with respect to domestic companies and domestic production and domestic pricing, we can do something.

My legislation calls for a 50-percent excise tax on crude oil profits over \$40 a barrel when those prices are earned by the largest oil companies with the most ability to control the overall price. These are companies that, in many cases, move oil from the ground to gas pumps and control all of the processes in between. The revenue that would be collected from this excise tax would be used to provide a rebate to American consumers to help them offset the burden of higher energy costs that they are now forced to pay.

But my legislation also has a very important exemption. If the oil company is using the revenue from the extra \$30 a barrel they are receiving to increase exploration, or make investments to search for additional sources of energy, or to increase refining capacity, or to pursue investments in other renewable forms of energy, then that money would be exempt from this windfall profits tax.

In other words, these large companies would decide themselves whether they pay this tax. If they are buying back their stock or hoarding cash with which to engage in mergers and acquisitions, then they would be paying the excise tax and the consumers would be receiving the benefit of that excise tax.

I am not trying to hurt the oil companies or put them out of business. I want additional robust domestic exploration that would be exempt from the windfall profits tax.

However, American consumers should not pay these inflated prices just to fatten the corporate treasury of the major integrated oil companies.

The substantial rise in the price of oil and gas has produced both pain and

gain. The pain is for American consumers and the gain has been for the major integrated oil companies and OPEC countries, and I think Congress ought to weigh in on behalf of American consumers. That is what my bill attempts to do.

And with its exemption for investment in exploration, it does not attempt to help consumers by punishing oil companies.

I hope Congress will immediately consider adopting this measure and provide some help to American consumers at a time when gasoline prices are providing sticker shock every single day.

#### INQUIRY ON GASOLINE PRICES

Mr. NELSON of Nebraska. Mr. President, I appreciate this opportunity to speak about S. 1610, a bill requiring the Federal Trade Commission to conduct an inquiry into the retail price of gasoline. I thank my colleagues, Senators FRIST and HARRY REID, for their leadership and Senators LANDRIEU and VITTER and so many others for their efforts in working through this time of unprecedented destruction and human suffering.

I am here today to lend my support for giving U.S. gasoline consumers a more thorough understanding of the pricing mechanisms that are at play at the pump. The legislation I propose calls for the Federal Trade Commission to conduct an immediate study into whether rising gas prices are the result of a struggling market or whether market manipulation or a form of gouging is taking place during this time of tragedy.

Even before Hurricane Katrina, the Consumer Federation of America cited several reasons for the dramatic increase in gasoline prices, including tight crude oil inventories, inadequate oil refinery capacity, lack of competition and the oil industry's increasing market power. These are all plausible reasons for price spikes, but they are not enough to stop the questions of people concerned with their tighter budgets.

Between Nebraska and Iowa, more than 500 complaints have been made to State officials about high prices. Officials in both States indicate they have seen no evidence of market manipulation by retailers. Retailers are not singled out as the focus of this bill.

My bill calls for a 2-week study on the root of rising gasoline prices, including both regular gasoline and ethanol-blended gasoline. The report would then be forwarded to Congress for further action. If the report determines no market manipulation is occurring, the FTC would notify the U.S. Secretary of Energy, who would use the information to determine whether the Federal petroleum reserve would need to be tapped for additional oil.

But if manipulation is found, we will have the opportunity to act quickly.

The FTC would work with the attorneys general of various affected States to take appropriate action.

I am aware that inquiries as these have been conducted in the past, particularly around this time of year. Price surges around the time of the Labor Day holiday are common. As the prices fall, interest in determining why they reached record level diminishes. I hope this can be different. Even if prices begin to fall, which it appears they may, we still need to know what happened and why it happened.

Oil, as we all know, is the most widely used source of energy in the world. Facts indicate that world production of oil will start to decline. However, demand will not. At what point the production of oil will fall below demand cannot be accurately determined, but I believe that recent events that have disrupted normal supply and demand behavior is an illustration of what consumers can expect once that day arrives.

This is why, after years of delay, it was so important that we were able to pass an energy bill, allowing for the development of more energy sources. I am hopeful that these energy sources, particularly renewable fuels made from farm commodities, will be developed quickly enough to prevent price surges at times the oil supply or refinery capacity is disrupted.

According to the American Petroleum Institute, Nebraska has the distinct honor of being the only State west of Arkansas to see prices jump more than 50 cents per gallon since August 30. Why Nebraska? Let's find out.

In many cases, we saw pump price increases of 20, 30, 40 cents and even higher in a single day. Why such a dramatic increase? Let's find out.

We know there exists a very healthy competition between gasoline retailers, yet the price range for the same grade of gasoline yesterday was \$3.19 in Lincoln, Nebraska and \$2.99 in nearby Fremont. Why the difference? Let's find out.

What role do speculators play in establishing price? Let's find out.

These questions, and others, are important. Every part of our Nation's economy is impacted by these increases.

For example, the extraordinary prices of gasoline, diesel fuel, natural gas and petroleum derived input products such as fertilizer, chemicals and propane add another economic burden, particularly in rural areas and for farmers and ranchers who count on a ready and accessible energy supply for the production and harvest of their crops and livestock.

We need stable and reasonable gasoline, diesel, and natural gas prices to operate farm machinery, dry grain, and transport commodities to market, especially during the coming harvest season. The extreme volatility of world crude oil and petroleum product prices, according to USDA, has already impacted net farm income by over \$2 billion.

When we take a hard look at the facts, we will better understand the forces affecting prices at the pump. We'll understand why in Nebraska we pay prices that range from \$2.89 to \$3.61 and higher. We'll understand reports of \$6.00 gasoline in Atlanta and even higher prices at home and abroad. This legislation is nothing but beneficial for American gasoline consumers.

Now, I ask my colleagues to join me in promoting legislation that will provide valuable information on our Nation and the world's transportation fuels.

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#### NATIONAL ASSISTED LIVING WEEK

Mr. WYDEN. Mr. President, today I want to draw attention to the 11th annual National Assisted Living Week, which begins on September 11 and continues through September 17. Created in 1995 by the National Center for Assisted Living, and being celebrated for the second time in conjunction with the American Association of Homes and Services for the Aging and Assisted Living Federation of America, National Assisted Living Week emphasizes the importance of assisted living services to the more than 1 million seniors and persons with disabilities who rely on them every day.

The theme for this week is "A Fair to Remember." The theme encourages assisted living facilities to create their own "Fair" environment for the residents, families, staff, volunteers and local community and to celebrate their time together and share the fun with family and friends.

Assisted living continues to grow in importance as our society's demographics change and as we live longer. Seniors and their families want a homelike setting and are seeking alternatives to nursing homes. Because assisted living has been able to develop to meet community needs, it can be very different in different States. However, the goal is the same: to provide quality care for those who need some help in caring for themselves but are not in need of the care provided by a nursing home.

My home State of Oregon pioneered the concept of assisted living, and I am proud of my State's ability to continue to evolve the concept so that it meets the changing needs of seniors. All of us want to be in a safe environment and as independent as possible for as long as possible. Assisted living provides care while maintaining the dignity of the individuals they serve. Our Nation must continue to support those long-term care options that allow consumers the care setting that is appropriate for their needs.

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#### IN HONOR OF LIEUTENANT COMMANDER LUKE CLYBURN

Mr. LEVIN. Mr. President, it is with great pride that I pay tribute to an exceptional educator and steward of the

Great Lakes, LCDR Luke Clyburn. Commander Clyburn is captain of the ship "Pride of Michigan" and president of the Noble Odyssey Foundation. He is an innovative, committed leader who has worked for more than 32 years to educate young people about the importance of the Great Lakes and other fresh water lakes through the Naval Sea Cadets training program. We are grateful for his long and distinguished service.

The U.S. Naval Sea Cadet Corps was incorporated by an act of Congress in 1962, and a Great Lakes Division was added in 1973. The mission of the Corps is to "encourage and aid American youth to develop, train them in seagoing skills, and to teach them patriotism, courage, self-reliance and kindred virtues." For more than 32 years, Commander Clyburn has accepted that charge.

Under Commander Clyburn's able leadership, the Sea Cadet program acquired a retired naval vessel, the "Noble Odyssey," in 1977. On it, Sea Cadets from Michigan learned to man a ship from bow to stern, and they took part in invigorating scientific missions. With the cadets as crew, Commander Clyburn put together a series of Great Lakes research projects with professional scientists.

In 1989, it was my honor to help Commander Clyburn replace the "Noble Odyssey" with a larger ship, another retired naval vessel, the "Pride of Michigan." On the "Pride of Michigan," Luke has continued the same great work with the same great results. The scientific work has included significant research on invasive zebra mussels, which are harming the Great Lakes, and an investigation of an ancient drowned forest 2 miles off of Lexington, MI. These projects have been filmed and produced into documentaries, including the educational videos "Fresh Water Invaders," "Angels of the Sea," "Emperor," "The Underwater Forest," and "The Norwood Project."

In 2002, the Noble Odyssey Foundation was established as a nonprofit organization to raise money for the Sea Cadet Corps. With Luke as its president, the foundation has ensured the future of the Naval Sea Cadet Program, Great Lakes Division.

Commander Clyburn has dedicated himself to teaching young people about the importance of fresh water and how to protect these resources for future generations. He has been an inspiration and a gift to so many youth, and, along the way, he has made great contributions to scientific discovery. I know that my colleagues join me in thanking and praising Commander Clyburn for his distinguished service to our country.

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#### ADDITIONAL STATEMENTS

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##### HONORING JON KRAHULIK

● Mr. BAYH. Mr. President, I rise today with a heavy heart to honor the