

New York City and one of four daughters born to Isaac and Bertha Liberman. She graduated in 1950 from Bennington College and earned a master's degree in education from New York University in 1955.

In 1976, Mrs. Smith became a professor in the School of Education at American University, where she led the master's degree program specializing in learning disabilities.

Tonight, I ask Members of Congress to join me in honoring her life and the gifts that she bestowed upon the world of education. Mrs. Smith's empathy, experience, and creative expression prompted her to create the internationally acclaimed Lab School in Washington, D.C. in 1967.

The Lab School is one of the Nation's premier places for students with learning disabilities and an institution that uses arts as a central component to the school's education process. In fact, the Lab School students spend half of the day in highly specialized, individualized classrooms and offer the other half in the arts.

Inspired by her pursuit to assure that her youngest son received a quality education, Mrs. Smith created a school designed to educate students diagnosed with one or more learning disabilities. Relying on her intuition and creativity, Mrs. Smith developed the "academic method," which serves as the core of the Lab School's curriculum. The academic method is a nontraditional academic approach founded on the belief that a child's future to learn means that the teacher has not yet found a way to help him.

Not only did her academic method lead to her youngest son's academic and professional success, but it has also left behind a gift that has enriched the lives of so many. Her great legacy will continue to live through the success of the current students and adults that attend the Lab School of Washington, D.C., Baltimore, and Philadelphia. In addition, her excellence will live on through her literary works, many of which have earned her recognition.

Mrs. Smith was well accomplished in academia and also accomplished in awards, advisory board appointments, and was even highlighted by NBC's Today Show.

Mr. Speaker, I think it's important that the Members understand that there are many Americans, including myself and including many others, that have been honored by the Lab School of Washington. Those of us that have learning disabilities, auditory processing, dyslexia, what have you, Mrs. Smith gave young people the inspiration and adults the inspiration to pursue beyond their disabilities. Those have been honored by the Lab School because Sally was a part of lifting the hopes and the dreams not only of the students but the parents, people like Magic Johnson, James Earl Jones, and also Danny Glover and Charles Schwab have been honored by the Lab School.

We will miss Mrs. Smith, but we know that her legacy and memory will continue.

The SPEAKER pro tempore (Mr. CUELLAR). Under a previous order of the House, the gentleman from Arizona (Mr. FLAKE) is recognized for 5 minutes.

(Mr. FLAKE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ENERGY INDEPENDENCE FOR AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from New Mexico (Mr. PEARCE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PEARCE. Mr. Speaker, I would like to address the body tonight about what we are facing in this country as we experience higher gasoline prices, higher energy prices. Today there is an article that I will submit for the RECORD today: Dow Chemical announced it is going to cut jobs and close plants in the United States.

DOW CHEMICAL TO CUT JOBS AND CLOSE PLANTS

(By Bob Sechler and Ana Campoy)

DEC. 5.—Dow Chemical Co. plans to cut 1,000 jobs and shutter a number of underperforming plants, saying it will put the savings into higher-growth opportunities.

The job cuts constitute about 2.3% of Dow's estimated 42,500 employees. The chemical company expects to incur a fourth-quarter charge of \$500 million to \$600 million, including costs for severance and asset write-downs.

The effort "reflects our commitment to prune businesses that are not delivering appropriate value and tackle tasks more efficiently across the entire organization," Chief Executive Andrew N. Liveris said in a statement.

Dow Chemical, based in Midland, Mich., has been struggling with higher prices for natural gas and oil, the main feedstock for chemicals, and lower prices for commodity chemicals, or the basic building blocks for more complex chemicals. Basic chemicals account for about 50% of the company's revenue.

To reduce its costs, the company has been actively moving its commodity-chemical production to places like Asia and the Middle East, where raw materials are cheaper. It has also worked with local companies in those regions to reduce the amount of money it has to invest.

The company also is trying to expand its specialty-chemical business, which is more profitable and less exposed to the ups and downs of energy markets. Dow has been widely expected to unveil a major joint venture or acquisition that would reduce its dependence on low-margin commodity chemicals.

The company pegged the annual savings from the moves at \$180 million once complete.

Among the moves announced yesterday, Dow said it will exit the auto-sealers business in North America, Asia Pacific and Latin America, and explore options for the business in Europe. The company will close an agricultural-sciences manufacturing plant in Lauterbourg, France.

Now, it's not that it is cutting those jobs in the United States and simply lowering its production worldwide. What it is doing is cutting jobs in America in order to make more competitive changes to the company and have those jobs overseas.

This is a significant thing that we on the Republican side have been talking about for the last several years. It is time for us as a Nation to fight the economic fight that we are faced with. We cannot continue to ignore what other nations are doing and what our energy costs are or we are going to continue to see headlines like this today with Dow Chemical cutting jobs and closing plants.

Now, we had a precursor to this earlier this year. Dow Chemical announced that it was going to build a plant in Saudi Arabia that cost \$22 billion, an investment that large in Saudi Arabia, and meanwhile they are going to also start in China another plant for approximately \$8 billion, and they knew at that point that they would begin this transfer of jobs.

Now, we have to ask ourselves is it because Dow Chemical is just a bad corporate partner? Maybe they are just after corporate greed. They're going to make profits at the expense of the United States, because that's what we have heard. We have heard on the House floor that corporations are evil, that they don't have the interests of the country at heart.

As we look at it a little bit closer, we recognize that in the United States just today the prices for natural gas are quoted at above the \$8 range. We have at the same point, and natural gas is a very key component of Dow Chemical's products; in other words, about 50 percent of their costs, if I am not mistaken, come from their raw material costs, of which natural gas is the key component. So there is a direct correlation between the price of natural gas and jobs in this country. Now, when we are paying above \$8 for natural gas, what are they paying in Saudi Arabia? In Saudi Arabia the price is today about 75 cents. So almost one tenth, one tenth the cost for 50 percent of their raw materials in Saudi Arabia versus here.

Now, you don't have to be schooled in economics. You simply have to understand that you are not going to Wal-Mart and pay ten times the cost for something you buy when you could go down the street and get it somewhere else. You go to buy and get the best deal. Companies have to have the same incentive. If Dow Chemical stays here and pays ten times more, ultimately they become noncompetitive in the world. Someone else will set up the plant in Saudi Arabia with one tenth the cost of raw materials, and the jobs will come away from Dow Chemical and go to another plant. So all that Dow Chemical is doing is saying we have competitive forces that cause us to consider this move.

We have done nothing in this Congress to dispel those costs, to drive

those costs lower. And, in fact, it is this Congress that is mandating the switch nationwide from coal production, coal-produced energy, to natural gas-produced energy. Now, that's fine except you must realize when we drive that demand up as a regulatory agency, as a government, that we drive the demand up and we say you are going to convert for clean air purposes from coal to natural gas, you have a great increase in demand. It is simply a supply and demand problem. So we have the outcome today. We are seeing Dow Chemical ship jobs overseas.

Now, we have to then look at what the Congress is doing. Speaker PELOSI announced very early on that it was her desire to make this country independent of foreign companies. I will tell you that what we are finding now, we see this particular chart, and this is for the summer of 2007 and moving forward, we see the predictions that we have a 23 percent estimated increase in prices in the northwestern part of the country; in the middle regions about 30 percent increase; 19 percent on the eastern seaboard; in Florida we are seeing 21 percent; Texas, 32 percent; California, 29 percent. Now, when you are seeing increasing prices, you would say that we as consumers are not seeing this energy independence. If we are, it's not a helpful thing to us, that, in fact, it is somewhat hurtful when we see energy prices and our home heating increase by that much. We are told these are the forecasts right now, so we are seeing the effects not only in jobs but also everyday costs.

We have passed two bills, one back in January, H.R. 6, and then we also passed H.R. 3221, and those were to deal with the problem of higher prices, and yet they still have not come back from the Senate. We still don't have an agreement. And I will say that in the early stages, the things that we saw pass off this House floor were actually penalties to energy independence. They tax American companies but they don't tax Hugo Chavez.

Now, we must at some point ask ourselves why we have a policy that would tax American companies and American jobs, would limit the supply so that the cost goes up and we lose jobs. Exactly why are we doing this as a country? Why are we suggesting passing policy off the floor that is causing this particular effect? Those are things that we as Americans should be asking, and we are asking, and yet we don't have a good, clear answer.

It appears to me, because I am not involved in the conference, the discussions between the House and the Senate, it appears to me that special-interest groups have dominated those discussions and have said we are going to tax those high-profit oil companies because they are making \$100 per barrel of oil, or maybe today it is only \$85, but it seems like there are strong forces out there that say we need to penalize and punish these American companies because, according to some,

they are obviously doing things that are harmful.

I would say that the harmful effects are not to be found. The harmful effects are not there. They're not documented. The oil companies are simply price takers. Exxon cannot set the price of oil worldwide. They simply take the price that's offered to them. They have a large production. They are making quite a bit of money, but they have also got a large investment in the offshore rigs. They have got a large investment in onshore production, large transportation costs. Their costs are about the same as any company worldwide. But we are not taxing worldwide companies in each of the energy bills; we are only taxing American companies. And we have to ask ourselves why. Why are we driving the price of natural gas up, sending jobs overseas, and why are we taxing American companies and not taxing Hugo Chavez?

These are the questions that we are here tonight to talk about as we move very close to a discussion of what might be in the energy bill when we close this week. We were told at the beginning of the week we will have an energy bill this week; yet we have not seen it on our side. We have said that we are going to discuss it. Tomorrow is the last day of business for the week, to my knowledge, and yet we still don't have a printed copy, we on the Republican side, and I don't think many Democrats have seen a written bill. But we do have in front of us what has been done earlier this year.

I am joined tonight by a colleague from Pennsylvania, a classmate of mine, Congressman TIM MURPHY. He has concerns also about the direction that we are taking the energy policy in this country. We are facing worldwide competition, increasing pressure from the large states of China, India, the other competitive nations in the world, and at a time when we should be all looking outward and working, Democrats and Republicans alike, to protect the economic base of this country and understanding that energy is a key piece of the economic base of this country, that jobs are created around the cost of energy. At a time when we should be focused outward together, we instead have a, suggested policies that punish American producers, American oil and gas companies, and they give competitive advantage to other nations and other countries.

I would like to yield to the gentleman from Pennsylvania to talk about the nuclear, the coal, and the natural gas industries. He is from a coal-producing State and has good knowledge on these.

Again, I yield to the gentleman from Pennsylvania.

□ 1845

Mr. TIM MURPHY of Pennsylvania. I thank the gentleman for yielding to me on this critically important issue about energy. As American families look into the next few months about

how they are going to be paying their gas bills as the cold winter sets upon us, as natural gas prices go up, of how they will be paying their automobile costs as gasoline prices go up, as we look at such things as jobs such as chemical industry as was just outlined by my friend from New Mexico, it is extremely important that as Congress looks at facing an energy bill this week that we note not only what is in there but what we expect is not in the bill. And unless we take on a comprehensive energy policy in America, America will be facing more brownouts, more times when the power is not there. And in a world where other countries, such as China, are opening up a new coal-fired power plant every couple of weeks without the scrubbers and environmental controls we have on, they will be able to undercut us even further with our costs of manufacturing. Unless Congress takes sizable action to back up energy legislation that looks to the big picture of diversifying our energy production and help to lower costs for consumers, our problems will only multiply.

Now, I represent a district in Pennsylvania coal country, directly above the Pittsburgh coal seam. It extends throughout western Pennsylvania, Ohio, and West Virginia. Some geologists tell me that the Pittsburgh coal seam has been the most valuable mineral deposit in the world. It was responsible for the growth of the American steel industry, glass, chemical industry, it has some 50,000 jobs in southwestern Pennsylvania dependent on the coal industry, railroads, barges, trucking, so many other industries involved. It allowed for the development of modern railroads, river navigation networks. It remains a valuable resource that will be able to serve us for many years to come, perhaps 250 more years, long after the Mideast is dry in its oil wells.

Closing the mines in Pennsylvania would be like closing the beaches in Florida or closing the harbors in New Orleans. The country can't afford to stop using coal, either. It is a valuable economic resource for our region as other resources available in other parts of the country. So we have to take advantage of every possible resource to meet our energy demands. The messages today are quite simple. We cannot achieve energy independence without coal. We cannot achieve energy security without coal. And our coal must be clean coal, not the other option of no coal at all.

Now, listen to these numbers. They are quite compelling. Over the next 40 years or so, the electricity demand in the United States will double. These are the demands of people in their homes. They are also the demands of increasing jobs in this country. We will conserve, and we will have make great strides in efficiency. But with the growth in the population and improving quality of life, it all dictates that electricity demands will still increase substantially.

Coal accounts for about 50 percent of our electricity, and nonhydro renewables like solar and wind account for about 2 percent. We have already built as much hydroelectric as possible, and it is doubtful that people will want to see more large super dams built around the country. But even if we triple the share of renewable electricity, we will still need coal for close to half of our electricity in 2050. This means we will still have approximately to double the available coal capacity by 2050 just to meet demand.

Right now there are about 400 coal plants in the United States. Many of them are old and inefficient, outdated. Most or all of them will need to be replaced over the next 40 years. So just to maintain our current level, we are going to need to build about 400 plants to replace those. And then to meet the new electrical demands over the next 40 years, we are going to have to build an additional 400. That is 800 new coal-fired power plants between now and 2050. This is twice as many plants as have been built since the start of the Industrial Revolution. This translates to about one coal plant every 2 to 3 weeks, even if we start in 2010, just to maintain the current capacity. It is a huge demand. And we can do that in a way that has clean coal technology, zero emissions, if we will choose to make the investments. MIT said about \$8 billion or so will be needed to meet those investments in real dollars. That seems a lot cheaper than it took us back in the 1960s to put someone on the Moon. In the meantime, China is adding about one or two coal plants a week and they are going to continue. They put cheap power in the plants without scrubbers. In the U.S., renewable technologies such as solar and wind are expanding rapidly and will continue to do so. But they simply cannot match coal in terms of delivered power.

Here are some examples. This past August, power from West Virginia's largest wind farm was available only about 10 percent of the time that it was actually needed. That is, the wind doesn't blow consistently every day. At 10 percent availability and 3 megawatts capacity, about 3,000 windmills would be needed to equal the useful output of just one coal plant. To completely replace coal with wind, we would need to build 1.2 million windmills by 2050. This assumes the utilities will actually be allowed to build all the new miles of transmission lines they will need. And will people want all those wind towers up?

Another area, the largest solar panel array in the United States is under construction at Nellis Air Force Base in Nevada. It is going to cover 140 acres of desert with 70,000 solar panels, but will produce only about 2 percent of the output of a modern coal-fired power plant. At that rate, we would have to destroy 11 square miles of beautiful southwestern Pennsylvania forest or consume this much valuable

land from our farmers just to avoid building one coal plant.

The truth is, we need to increase the supply of all energy, coal, natural gas, nuclear and renewables. We can't afford to ignore any of them unless we are willing to put up with a series of brownouts and blackouts during times when the sun doesn't shine and the wind doesn't blow. So the key to solving this problem includes developing clean coal technologies with zero emissions and zero greenhouse gases.

Another option is to switch to natural gas, and what we are hearing in the energy bill is there will be more push for doing that, as was outlined by my friend from New Mexico. As natural gas prices continue to soar, that is more jobs out of America that use chemical plants and more families' gas bills going up. Natural gas provides about 19 percent of our current electricity demand, and its use will also have to double by 2050 to maintain its current market share. About 90 percent of the electric generating capacity installed since the year 2000 has been natural gas-based, and natural gas is about three times more expensive than coal per kilowatt of electricity generated. This has increased the demand for natural gas and raised the price of both gas and electricity. The increased use of natural gas for electricity combined with our policies that place off-limits much of our domestic gas resources has caused us to become a gas-importing nation when we could be a gas-exporting nation.

Congress has repeatedly made vast areas of our coastlines off-limits, thus embargoing our own resources from ourselves, boycotting our own resources, and all the while countries like Cuba drill closer to our shore than we are allowed to.

We used to be self-sufficient in natural gas, but not anymore. Most of our imported gas still comes from Canada, but this is declining. Imports of liquid natural gas, or LNG, are increasing rapidly. Not only does this move us farther away from independence, but it is unsustainable because demand for liquefied natural gas throughout the world, especially in Europe, is also increasing rapidly. Chemical companies which use natural gas as their primary feedstock to make such chemicals and fertilizers and other products and other industries that depend heavily on natural gas are going to move their operations overseas where gas is cheaper. When natural gas costs in Middle East or Russia are \$1 per unit or less compared to \$6 to \$12 at a fluctuating cost line in the United States, it is easy to see why the decisions are being made.

Already we have lost 3.2 million manufacturing jobs, almost 20 percent of the total since the year 2000. Chemical companies consistently say that natural gas costs are far more important than labor costs when making their decision to move overseas. Worse yet, if greenhouse gas legislation becomes reality in its current form, natural gas

will become by default the fuel of choice for electric utilities. The trends we have already seen will only become worse. Prices will soar.

In the mix of which energy source is the cheapest, hydro is probably the cheapest, but as we said before, we doubt if people will want to build several more dams and dam up beautiful valleys across America. Next cheapest is nuclear power followed by coal, wind, natural gas and solar.

But let me briefly talk about nuclear. We need to decide whether nuclear power can pick up the required electricity supply. Nuclear plants currently provide about 19 percent of our electricity, about 30 percent in Pennsylvania. There are about 100 nuclear power plants in operation in the United States today, but we can't just keep relicensing them forever. They are also getting old and worn and will need to be replaced. By 2050, we will have to replace just about all of the existing nuclear fleet. They are long past their prime and will need to close. This means that by 2050, we will have to build about 200 new nuclear power plants. That is 100 replacements and 100 new to meet the expected demands of 2050. The trouble is we haven't built a single nuclear power plant in the last 30 years, given all the delays and costs associated with nuclear construction. It is going to be difficult, if not impossible, to build plants in the U.S. at the rate needed. That is about five per year, about one every 2½ months starting in 2010. Although the operating costs for nuclear plants are about the same or slightly cheaper than coal, the capital costs are much higher and the lead times for construction and permitting are much longer. The nuclear operating costs also do not include the long-term costs of nuclear waste disposal or storage.

As with natural gas, the enactment of greenhouse gas legislation in what we are understanding is the current form, without working to help the nuclear is going to increase the demand for nuclear power and place further strain on resources and increase costs. So there we are, two of our biggest resources for producing electricity, coal and nuclear, are areas that Congress has got to deal with seriously.

We have 250, perhaps 300 years' worth of coal in the ground. Scientists are working on ways of making sure we have zero emissions coal, zero greenhouse gases, massively reduce that. Right now I know in Pennsylvania about 40 percent of our coal-fired power plants have no scrubbers, or inadequate scrubbers. Unfortunately, the way new source review works is if a company says let's work to improve efficiency, let's put in new turbines or other things that improve efficiency by a few percent, at that point, the government comes in and says, no, we now have to review everything you do, and if you don't take care of everything with all the scrubbers, you can't do it at all. The companies say, well, we were

thinking of spending 20, or 50 or \$150 million on some upgrades but we don't have four or \$500 million to take care of this one plant. So they hold off. That is not cleaning the air. That is not taking care of our needs.

What we have to do is look at ways of promoting the new technology, helping private business make those investments in new technology, but above all, meet our current and our future needs by addressing the issues of America's abundant supplies of coal and expanding the use of nuclear power which is clean. It is one of those areas we have to deal with seriously.

I thank the gentleman from New Mexico for yielding me this time and his leadership on working in these areas which is so important for America's energy security.

Mr. PEARCE. I thank the gentleman for his comments and recognize that we have a 15-year lead time before we build the first nuclear power plant. China is right now currently hiring our nuclear technology capability. They are hiring our people so that we first of all don't have young people going into the nuclear industry, those who are retiring are going to China because they have a commitment to build nuclear power plants. And as the gentleman said, we face a severe shortage of energy in the future. We are already giving up jobs. And we are doing nothing about it.

Now, I would like to show a difference in viewpoints. Up above the Speaker's dais is a quote by Daniel Webster. If I were to read that quote, it says, "Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests and see whether we also in our day and generation may not perform something worthy to be remembered." It begins, "Let us develop the resources of our land." Daniel Webster.

Can we do something great that our generation might be remembered for? Now, I would go also to a quote from earlier this year from the chairman of our Resources Committee. Now, keep in mind Daniel Webster said, "Let's develop our resources," but the chairman of our Resources Committee this year says, "I see no reason, no reason whatsoever why good public land law should be linked to the gross national product." I'm sorry, the gross national product is our capability to generate jobs. And contrasting with Daniel Webster who says, Let's do everything we can to build a great country. Let's build this dream of American exceptionalism and let's fight to have the hope and opportunity that we as a country have and let's use our resources to do it.

Contrast that to this year, this year's energy bill, "No reason, no reason whatsoever, why good public land law should be linked to the gross national product." Just earlier this week, I authored an article in Human Events magazine. If you want to go online, pearce.house.gov. Be sure and spell it

p-e-a-r-c-e. If you spell it p-i-e-r-c-e, there are things on the Web site that come up on that that your mother would not want you to see. We simply need to go and look at energy policy. If you go to pearce.house.gov and look at the Human Events article earlier this week, we talk about the energy bill that was passed out of the House by the chairman who says, "No reason why public law should be linked to gross national product" and what they did in that particular bill, H.R. 3221, was they cut off 9 trillion cubic feet of natural gas from Colorado's Roan Plateau.

□ 1900

They cut off 2 trillion barrels of oil from shale oil. That is in Colorado. This, by the way, is twice the reserves of all known reserves in the world. We could be the Saudi Arabia of oil if we would simply harness those resources down there Webster talks about, that shale oil in Colorado.

The bill, H.R. 3221, dramatically expands the environmental study requirements on existing oil and gas pads. This provision alone is expected to reduce or delay onshore natural gas supply by approximately 18 percent. So at a time when Dow Chemical is investing \$22 billion in Saudi Arabia because their natural gas prices are one tenth of ours, we are limiting supply by another 18 percent by our bureaucratic and regulatory requirements. It just does not make sense.

There are breaches in the legitimate legal offshore energy contracts between companies and the U.S. Government, in much the same way as Hugo Chavez and Vladimir Putin might install. That is a quote from some of our friends at the Washington Post earlier this year writing about H.R. 6.

It cuts off 10 billion barrels of oil from the National Petroleum Reserve in Alaska, and it cuts off the government agency's communication for oil and gas permitting activities, as they currently do under law.

Now, these are things in the bill that supposedly are going to bring us energy independence. It is a bill that we oppose. We as Republicans and we as conservatives say that we must first take care of the opportunity for our young people to have jobs and careers. We first want to defend our economy against those foreign countries that would take our living standard, that would take our jobs. And yet we are passing a bill where the chairman says there is no reason, no reason whatsoever, why good public land law should be linked to the gross national product. I find that quote to be stunning.

One of the provisions in the bill that is suggested that might come up, again, the Democrats are saying, NANCY PELOSI is saying we are going to have an energy bill this week, and one of the provisions in that is a provision to require renewable fuel standards.

Now, that is well and good, until one looks more closely. That part of the renewable fuel standard is ethanol from cellulose fibers. Those are wood fibers.

I would like to yield to the gentleman from Utah, a good friend of mine, Representative BISHOP, who heads the National Parks Public Lands Subcommittee in the Resources Committee, is knowledgeable about national forests and about the opportunity that we have to help lower energy costs by using renewable fuels as the technology exists or does not exist today.

I yield to the gentleman from Utah.

Mr. BISHOP of Utah. I thank the gentleman from New Mexico for offering, for allowing me an opportunity of saying a few words on what will be a significant piece of legislation that we will maybe be asked to vote upon this week.

You know, it is only intuitive that this Nation should be energy independent. If we were energy independent, not relying on foreign sources of energy from obviously other places, not only would it allow our military to have the flexibility it needs to function in whatever situation upon which it is called to be used, but it allows our diplomacy to be used in flexibility in any situation.

So, how do we actually replace this foreign oil that is presently being brought in here? Everyone who understands the situation will tell you there is no simple, single silver bullet. Multiple means have to be used.

Energy conservation, efficiency in transportation, things we have talked about, those are good. That is part of the mix. But only about 16 percent of our foreign oil imports could be eliminated simply by using efficiency in transportation or energy conservation means. Other methods have to be added to the mix as well, and one of those is biomass.

Biomass by itself could produce 24 percent of all the foreign oil we are importing into this country, far more than even our best efforts of conservation or efficiency. If we combined those two together, we are well on our way to trying to become energy independent.

For those of you like me that like technical talk, biomass is dead trees, dead shrubs, the stuff that burns in forests if you don't remove it first. And as much as our friends on the other side of the aisle will continuously say they want to require biomass to be part of the fuel standards, the renewable alternative fuel standards, the bill that will be brought before us this week will not allow biofuels, dead trees, to come from the one and the largest source of those dead materials, and that is Federal lands where we have unhealthy and overgrown forests. That is specifically prohibited as part of the alternative energy formula.

Now, when we limit the collection of hazardous fuels from those forests, that biomass material, what we are really doing in essence is gutting the Healthy Forest Restoration Act, a bipartisan bill that was passed last year, in an effort to prevent catastrophic fires, wildfires, those fires that we have

seen that destroy property, that actually push more pollutants into the air than any highway full of cars can ever do, and, more importantly, they destroy the lives of people who are caught in the path. This act was there to bring a new energy to people in the West and to help rural economies recover from a collapsed timber industry forced on them by outside sources.

This bill tries in some way to help with payment in lieu of taxes to western counties and secure rural schools; yet at the same time, secure rural schools are rural districts that relied upon the timber industry and can no longer do it because of outside decisions, and therefore they are getting subsidizations for their school systems. At the same time this bill tries to help those schools, it prohibits them from ever having any kind of natural recovery within those areas by prohibiting their last source of job creation in those areas, which is recovering the dead fuel in the forests.

Now, that is the hope, and that is eliminated in the bill that we will have coming before us. It isn't enough that this energy bill prevents the use of this material that is grown in those areas; it prohibits the use that is used in private forests to maintain their health as well.

The Democrat intents of this bill seems to be clear: If you can prohibit the collection of biomass, the dead stuff of the forests, and make the provisions so unworkable, then obviously no responsible company would ever attempt to comply and go in and therefore do it. So the essence is, like Marie Antoinette of old who said "Let them eat cake," the essence of this bill is simply let it burn. That is what will happen to our forests, when it could be being used to help us become energy independent and energy self-sufficient.

And it is a key and crucial element. Not only can we help our societies by reducing wildfires, we can help have jobs in those rural areas that need them so desperately. We can help all of society become energy independent by using a renewable source, but it is specifically prohibited by the language that you will find in this particular bill.

Now, once again, I am very simple, and I need to know who is going to be hurt by this situation. I am an old schoolteacher.

We have two States in the West bordering one another, one of which puts its emphasis on proactive energy development and the other does not. A starting teacher in the school district that puts its emphasis in proactive energy development makes \$4,000 a year more than a fourth-year teacher in the neighboring State will do. So who is hurt when we prohibit and eliminate the opportunity of expanding our energy production in the West? Well, the kids are, the school system is, the teachers are, the road funds that you need to construct roads in those larger western areas. Those people who actu-

ally pay taxes will be hit higher when we don't need to do it if we simply look to the resources we have.

As the gentleman from New Mexico clearly said, quoting Daniel Webster, this quote that is in this Chamber, we sit and look at it every day, very few of us actually look up the words, but, once again, Daniel Webster said, "Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests." And why? "And see whether we also, in our day and generation, may not perform something worthy to be remembered."

This bill that will be before us is a bill that is not going to be worthy to be remembered. It does not move us towards energy self-sufficiency. It does not make us independent in our efforts. It does not grow our energy needs and provide jobs and provide a cleaner kind of energy for the future.

It simply doesn't make the cut on a whole bunch of areas, one of which happens to be biomass. What could have been a great source for energy in the future is literally shut out by provisions in this bill that should not be there, ever. It is the wrong approach to take.

Now, I appreciate the chance of rambling on here for a minute, and I appreciate what my good friend from New Mexico is doing to present the concepts that are in this bill that we are glossing over in an effort to try and rush an energy bill just before Christmas. No one is going to have the time to look at it. No one is going to have the time to study it. No one is going to have the time to simply sit down and say, you know, there is a better way. We could tweak it here and there and actually come up with a decent policy. But because we have waited and dithered around until the very end of the session when our backs are to the wall, we are going to be faced with an up or down vote on something that just isn't worth it. It has too many flaws.

With that, I would yield back to the gentleman from New Mexico.

Mr. PEARCE. I thank the gentleman from Utah for his compelling arguments.

The situation is, again, there appears that there will be a requirement to produce ethanol from cellulose, which is a nice thing to think about. We have had testimony, though, that no technology exists to do that, and it could be 20 years before that technology exists.

Now, you would ask what are the circumstances in the bill that deal with this. What if there is no technology, but there is a requirement? That is fairly simple. There is up to \$2 a gallon penalty, tax, fee, on the companies, the refiners, if they can't produce the minimum amount of ethanol from cellulose fibers. So, first of all, we are restricted from going into our national forests and stopping them from burning down. We have all seen the wildfires in San Diego and New Mexico.

We had the Los Alamos fire back in 2000. We had the Kokopelli fire up near Ruidoso that burned 30-something houses. We have seen the devastating effects of wildfires in the West, and yet we are prohibited now by this law from going in and taking those fibers. One has to ask, where is the sense in that? Why are we doing that? I would say again, it is special interests, the extremists of the environmental movement who say we are not going to allow the Forest Service to cut one single tree. We are not going to allow any harvest.

We passed the healthy forest initiative back about 2004, and yet this is the way that we gut the bills. We can say on the one hand we passed the healthy forest initiative, and then we don't quite tell the people of the country that the healthy forest initiative will not be implemented. We won't keep our forests healthy because we are going to prevent anybody from using those materials out of them. So it is going to be a sheer cost, a cost to the government, where we could get someone to pay the government.

Mr. Speaker, I would submit the article from the Human Events paper, "America Does Not Need a San Francisco Energy Policy," for the RECORD.

AMERICA DOES NOT NEED A SAN FRANCISCO ENERGY POLICY

(By Representative Steve Pearce)

When Democrats took control of Congress last year, they promised to do something about energy prices. They have delivered on that promise by driving the price of oil to an all-time high of \$99 per barrel and forcing families to tighten their budgets. Apparently unfazed by this dramatic increase, the Democratic leadership is poised to deliver legislation that will drive prices even higher and make us more reliant on foreign sources of energy.

LEAVING AMERICANS IN THE DARK

Behind closed doors, House Speaker Nancy Pelosi (D.-Calif.) and Senate Majority Leader Harry Reid (D.-Nev.) are piecing together an energy bill that they plan to unfold sometime in December. In addition to violating procedural rules they promised to uphold, this secretive process prevents both Republicans and Democrats from heading off offensive provisions that would otherwise receive public scrutiny. It appears it is not just the majority's energy plan, but also the process that leaves Americans in the dark.

The mad scientists behind those locked doors are using the remains of two considerably flawed energy bills that came one each from the House and from the Senate. Every objective analysis of both bills concludes they will hurt the U.S. economy. A recent study conducted by a highly respected non-partisan business consulting firm estimated that by 2030, the House and Senate energy bills will cause the loss of five million American jobs, a 4% reduction in gross domestic product annually (more than \$1 trillion) and an estimated loss of \$1,788 in spending power for the average household each year.

BUREAUCRATIC HURDLES

The House bill, in particular, is designed to increase bureaucratic hurdles to domestic energy production from oil, natural gas, wind, solar and biomass and punish American energy companies for being in the business of making energy.

Here are just a few of the worst examples of how Democrats would make energy more

expensive and less available to Americans. Their plan:

Cuts off nine trillion cubic feet in natural gas from the Colorado Roan Plateau. This is enough clean-burning natural gas to heat four million homes for 20 years.

Cuts off two trillion barrels of oil from oil shale resources. This is twice the total proven oil reserves available in the world.

Dramatically expands the environmental study requirements on existing oil- and gas-drilling pads. This provision alone is expected to reduce or delay our onshore natural-gas supply by approximately 18%.

Breaches legitimate legal offshore energy contracts between companies and the U.S. government in much the same way as Hugo Chavez and Vladimir Putin.

Cuts off 10 billion barrels of oil from the National Petroleum Reserve in Alaska, as though derailing production of 10 billion barrels from the Arctic National Wildlife Refuge weren't enough.

Cuts off government agencies' communication for oil- and gas-permitting activities as they do under current energy law.

Raises the tax on American-made oil and refined products by as much as 9%. This tax will simply be passed on to consumers.

DANGEROUS RELIANCE ON FOREIGN SOURCES

Since their plan will make domestic energy harder and more expensive to produce, the majority's energy future creates a dangerous reliance on foreign energy sources. They have repeatedly prevented the use of energy resources in ANWR and the Outer Continental Shelf and locked up a large portion of our public lands that are rich in energy. Without access to domestic sources, we will become increasingly reliant on energy from ruthless dictators such as Hugo Chavez or from highly volatile regions of the world like the Middle East.

This is not a good time to be experimenting with San Francisco-style energy policies. Our fastest-growing competitors for energy around the world are China and India, who are expected to surpass the United States in economic output within two decades. Both countries vaulted past America at the beginning of this year as an exporter and have since moved at lightning speed to eclipse Germany's once insurmountable export machine. While China and India are using every type of energy they can get their hands on, our leadership in Congress is trying to severely limit our energy options.

America needs energy to survive. If we have the means to ensure that survival, we shouldn't lock it up and throw away the key.

Mr. PEARCE. Mr. Speaker, now we should talk about the components of the bill that is suggested. Again, keep in mind that we are here talking about the future of the Nation. We are talking about the philosophical underpinning of where we are going in this country with our jobs, with our economy, with our future. This bill is at the basis, because the American economy is driven by affordable, cheap energy.

□ 1915

And what are we to say about the bill? We are having to speculate. We are told that it's coming up this week, either today or tomorrow. It's obvious that it's not coming up today. So one would say that it must come up tomorrow because we had that promise from the Speaker of the House. And yet we don't have the text of the bill that is dealing with our future as a Nation, our ability to make and create jobs,

and we know nothing tonight so that we can not really talk in anything but speculative terms. But we feel fairly certain on those speculative terms because we have had leaks from behind those closed doors where this process is going on.

What are we to believe might be in that bill? First of all, there is going to be the renewable fuel standard, the RFS, renewable fuel standard, which says that we need to produce a certain amount of our energy, our gasoline, from ethanol. That is a worthy and acceptable thing if it's possible and if it doesn't stop us from implementing the Healthy Forests Act.

The second thing that is in the bill that we feel pretty certain about is that there will be some renewable portfolio. That is, we are suggesting that companies should produce electricity using renewable fuels. The only problem is that the suggestion up to now has been that they should produce 15 percent. Now, there's a delicate problem there because we have not yet seen the capability to produce from renewable fuels 15 percent. Again, one has to wonder about the penalty. Every major utility is against this provision because they know they cannot comply.

Every single one of us wishes that we were independent of Saudi Arabian oil and Hugo Chavez oil. But the truth is we are not. We made the wrong decisions 30 years ago, and the wrong decisions are causing us the problems that we have today. We did not make incentives in renewables 30 years ago. We made it harder to invest in nuclear power 30 years ago. Today, we are making it harder to invest in coal. We are requiring the conversion to natural gas, and that conversion to natural gas is pushing the price of natural gas up, which is causing Dow Chemical to say we are taking our jobs to where the price of gas is 75 cents, not over \$8. It is a very simple process that we are engaged in.

So the bill, we think, is going to have a renewable fuel standard. It's going to have a renewable fuel standard that says we cannot take woody fibers out of our national forests, even when they are burning down, even when the trees are dead, even when they are at threat of burning down. There's going to be a renewable portfolio standard which says that you have to produce more energy than what is technically feasible right now in this country from renewable sources.

The next thing actually appears to be a good consensus from the auto industry on the CAFE standards. If the automakers say that we can hold American jobs and we can produce to those standards, again, we have not seen the exact standards, but if the automakers say we can keep American jobs, then that's one of the key pieces of the debate.

There is another thing in this energy bill that we are supposed to bring up tomorrow but yet haven't seen. But there is a component that we are assured is going to be there. That is \$21

billion in taxes on American companies, \$21 billion, and the truth is taxes are not paid by companies, taxes are passed along by companies. So that is \$21 billion that is going to come out of the taxpayers' pocket. Every time you fill up with gas, \$21 billion is going to come from the producer or from the taxpayer. It's going to the government and it's going to lower the capability for us to balance our personal budgets. So \$21 billion in taxes in this bill that will be borne by consumers.

Now, the sad thing, and this is where you really must understand that there are elements of this tax provision that include a rollback of the section 199 manufacturers' deduction. That was a deduction that was passed in Congress back in 2004. It included oil and gas, but it was specifically there to encourage increased domestic production activities. We wanted to assure American jobs and we wanted to assure that American jobs were competitive with overseas countries, so we had a rollback in the 199 taxes. I'm sorry; we established the section 199 manufacturers' deduction but the bill that is coming before us, it has leaked out that it has a rollback in those incentives for producers.

Now, the difficult thing is that the rollback hits only the top five producers. It hits BP, Chevron, ConocoPhillips, ExxonMobil, and Shell. Now if you are listening like I am reading, you're wondering who got left out of the list. Who's not going to see a tax increase? Citgo.

Now Citgo is owned by Hugo Chavez. I do not know if it is by design, but I can say that according to the information that is out right now, there is going to be a rollback in deduction for the top five companies so that they pay more taxes, and we are not charging Hugo Chavez any more tax. One has to wonder about the value system that says don't charge Hugo Chavez tax but do charge Exxon, do charge ConocoPhillips, do charge Chevron/Texaco, do charge Shell and BP.

Now, what you have been led to believe, if you listen to the people on the left, they want you to believe that ExxonMobil is an evil entity; that they by themselves are driving the price of oil up that they might profit. When we look at a world assessment of size of companies, we realize the falseness of that argument.

Let's look at this chart which begins to look at countries and companies. Many countries own their oil companies. Saudi Arabia by far has the largest oil company, you can see. It has about 10.3 million barrels per day. You go to Iran. It has a very large oil company. The Iraqi National Oil Company is actually quite large. Qatar, Kuwait, Venezuela, ADNOC, Nigeria. You notice we are not even yet to ExxonMobil.

And yet HILLARY CLINTON says, I am going to take ExxonMobil's profits and spend them. NANCY PELOSI has said the same thing, We are going to take

ExxonMobil profits and spend them. We haven't taken yet any profits from any of these companies, and they dwarf, they dwarf ExxonMobil. We go all the way down to this far on the chart before we find the first privately owned company, ExxonMobil.

ExxonMobil is owned privately by you, the shareholders, the stockholders. You can buy it every day. ExxonMobil is going to be charged taxes. It's going to make them less competitive worldwide. We are going to do away with more jobs so that these companies, these state-owned companies might have an easier time to take our jobs. I wonder at the thought process that went into that. I wonder what compelled policymakers here, the Speaker of the House to say we are going to tax American consumers, we are going to tax American companies, and we are going to let Hugo Chavez, we are going to let Nigeria, we are going to let Kuwait, Saudi Arabia go.

We also have other considerations. In the bills that we have passed, the bills that we have passed out of this Congress so far about energy, we have done kind of sort of a tricky thing. There is much discussion about Enron. That was the large power company that became synonymous with tricky dealings, double dealings.

What did they do? One of the things they did in defrauding the consumer, one of the things they did in defrauding the shareholders is that they did things called round-trip sales. If they needed their balance sheet to look better on a certain day, they would maybe buy or sell a lot of energy, maybe a specified amount of energy, and then they would simply buy it back, sell it to their own selves in a different company, and buy it and sell it, buy it and sell it, round trip, so that nobody was actually giving them money, but it looked like money coming in, and no one could ever see their balance sheet to see that they were actually paying out the money to themselves. It was coming in. The sales looked really good until some day you simply have to have the cash in hand. Those round-trip sales became synonymous with Enron and their double dealing.

But let's look at what this Congress, the new majority, who said they are going to do things in such an ethical fashion, let's look at what they have done. They have used the same taxes on offshore oil and gas in the gulf coast, the gulf region. They used those as an offset because we in Congress say we can't spend money without providing for it; the PAYGO provision. So they use those same taxes in H.R. 6, and, by the way, I am calling these the Enron tax provisions because they are kind of like those Enron round-trip sales, those ways of stating things so you have to check both sides of the ledger before you understand, but there's really not anything there.

So our friends on the other side of the aisle used those offshore taxes, those 1998/1999 leases to offset, to be

the PAYGO in H.R. 6. They used it in H.R. 2419. H.R. 6 we passed back on January 18. H.R. 2419, we passed July 27. They used them again on August 4 in H.R. 3221. And they used them again in H.R. 3058, which still has only passed committee but yet has not passed the floor.

When we as policymakers begin to do round-trip sales, it's no wonder that we have the reputation that only 9 or 10 percent of the American public really trusts what we are doing. We are doing things that do not make sense for our economy. We are doing things that are creating a false illusion about our potential to pay for things that we are saying we are going to do. We are watching our jobs leave and go away, all because we in this country need affordable energy, and yet we are doing things that hurt the chances of providing affordable energy.

Again, the point that we object to in this coming bill, the energy bill we are talking about this week, are the renewable fuel standards that are not achievable and keep us from implementing the healthy forest initiative so that we don't burn down our forests. It's objectionable that a renewable portfolio standard is being set that we cannot reach. It's objectionable that we are raising taxes by \$21 billion to American consumers. It's objectionable that we are using a tax that is going to be punitive to American companies but will not tax foreign oil companies, will not tax Hugo Chavez. At the end of the day we have to ask ourselves exactly why. Why is it that this majority is taking these stances that harm Americans so much? I don't know an answer to that.

I would like to submit for the RECORD a summary of the report, the Charles River report. In that, Charles River is suggesting that we are going to lose jobs, almost \$5 million from the energy policies that are being suggested right now by this Congress. We are going to lose 5 million jobs. The average American household's purchasing power could drop by \$1,700 by 2030. Aggregate business investment in the U.S. could drop by as much as \$220 billion by 2030. Our gross domestic product could decline by more than \$1 trillion by 2030. The costs of petroleum products could more than double by 2030. If you take a look at that report, you will see the damaging effects to your future, your children's future, and your grandchildren's future. The Charles River report is nationally respected and says: Please, please reconsider what you're doing in Congress, what the majority is doing in Congress right now to affect energy prices in the wrong way. We need lower costs of gasoline at the pump, lower costs of heating oil. We need policies which will implement those, not drive them up. We need them to be driven lower.

Mr. Speaker, I thank you for the time that you have yielded me tonight. I thank my friends from Utah (Mr. BISHOP) and from Pennsylvania (Mr. MURPHY). This is a very important con-

sideration that we are talking about tonight.

THE ECONOMIC IMPACTS OF PROPOSED ENERGY LEGISLATION, CHARLES RIVER ASSOCIATES INTERNATIONAL, NOVEMBER 2007

A report by a respected economic analysis firm examines the economic impacts of seven major energy legislative provisions being considered by Congress. If adopted, these provisions would mandate that American families and businesses replace proven energy sources such as oil and natural gas with unproven high cost sources, likely leading to higher energy costs. The study reveals the following:

Almost 5 million jobs could be lost by the year 2030. The impact would likely be felt even sooner, with an estimate of more than 2 million jobs lost by the year 2020, and about 3.4 million jobs lost by the year 2025. These estimates take into account jobs that would be created by the nearly five-fold expansion of the biofuels mandate.

The average American household's purchasing power could drop by about \$1,700 by 2030. Higher energy and non-energy costs estimated in the study would likely mean that consumers must spend a larger percentage of their income to maintain their current level of consumption. This could force Americans to make lifestyle changes, as significant quantities of energy would be needed to produce and transport many goods and services.

Aggregate business investment in the U.S. could drop by as much as \$220 billion by 2030. Higher energy costs place upward pressure on manufacturing costs, and businesses have less capital to absorb the impact. As household and business consumption fall, demand for goods and services weakens.

Our national GDP could decline by more than \$1 trillion by 2030, relative to the baseline. This estimated 4 percent decline in GDP would be the result of energy supplies declining and energy sources becoming more expensive. The economy as a whole likely would suffer, but the impact would resonate strongest in the following sectors: commercial transportation, electric generation, motor vehicles, and manufactured goods.

Costs of petroleum products could more than double by 2030. The impact would likely be felt sooner, with a roughly 44 percent cost increase by 2020. In addition to refined fuels and home heating oil, this would likely impact the many products that have oil or natural gas components, including toothpaste, cell phones, infant seats, and pacemakers.

□ 1930

IOWA PRESIDENTIAL CAUCUS

The SPEAKER pro tempore (Mr. CUELLAR). Under the Speaker's announced policy of January 18, 2007, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes.

Mr. KING of Iowa. Mr. Speaker, I very much appreciate the privilege to be recognized and address you here on the floor of the United States House of Representatives. Each time I come to the floor to address you and speak into the RECORD, I am very well aware that there are people in my district, Iowans and Americans, who are tuned in for one reason or another, who are shaping their ideas and their values as they listen to us here in the people's House, this great deliberative and this great debate body which has 435 Members, representing 300 million of us, each of