

being spent in the most responsible fashion.

And so what is it that we desire? Open and honest leadership, Mr. Speaker. Americans have a right to transparent and fair legislative process. They have a right to sunshine on how taxpayer money is spent. They have a right to merit based spending that's open to public debate and to public scrutiny.

So I would ask my colleagues, I would challenge my colleagues on the other side of the aisle to talk to their leadership, to implore them to urge them to move in the direction that they said they would move and that is greater transparency and greater openness and greater scrutiny of how these public monies are being spent.

□ 2330

So all is not lost. This is recoverable. I know that the chairman of the Appropriations Committee said that it would be so, but this is a 435-Member body, and it ought to act in a majority fashion, and I am hopeful that at least some members of the majority party will see that that is not the kind of leadership and not the kind of process that their constituents desire.

Mr. Speaker, before I close this evening, I do want to touch on one other item very briefly, because I know that time is getting late, and that is the whole issue of taxes and spending.

As I mentioned, I was home this past week in the district over the Memorial Day break. And person after person, constituent after constituent kept coming up to me and talking about issue after issue, and one of the major issues was spending, spending in Washington, and taxes, making certain that tax money was being spent responsibly and that taxes didn't go up, which was why it was so concerning to them that this new majority has increased the authorization for spending already, in just 5 months, by over \$50 billion; also why it was concerning to them that this new majority has passed a budget that incorporates \$400 billion in new taxes. The largest tax increase in the history of the Nation, \$400 billion. Phenomenal, absolutely phenomenal.

So when you think about how our economy has been relatively rolling along over the past number of months, over 16, 17, 18 quarters of growth in a row; more homeownership than ever before in the history of the Nation; the unemployment rate at its lowest continual rate in decades, lower than the average of the 1960s and the 1970s and the 1980s and the 1990s; remarkable success in terms of an economy that is performing extremely well, one would think that it would behoove the majority party to say, well, I wonder how that happened. I wonder how that economy got to be so strong.

There are issues and points in time that you can recognize and point to and say there were changes made then that resulted in a very strong economy, and one of them occurred in 2003.

This graph highlights it. These are tax revenues coming into the Federal Government.

And, Mr. Speaker, as you know, between 2000 and 2003, Federal tax revenue was declining. We had been hit by some significant challenges, 9/11, a recession, the tech dot com boom burst, and so tax revenue was decreasing. So what happened in 2003, whatever this was, whatever happened on this vertical line here at that point in time, it resulted in significant increases to the Federal Government tax revenue because of a significant increase in the economy, a significant increase in productivity.

Well, Mr. Speaker, as you know, what happened at that time was that appropriate tax reductions were put in place. Fair tax cuts for the American people were put in place so that the marginal rates were decreased for everybody, so that there was a decrease in capital gains and dividends tax, a decrease over a period of time in the marriage penalty and the death penalty. All of those appropriate tax reductions were decreased.

Tax cuts result in more economic activity and more economic growth. It sounds counterintuitive, but, in fact, it happens every single time that you cut taxes. If you cut taxes, if you give the American people more of their hard-earned money, what they do is they determine when they save or they spend or they invest that money, and that results in a flourishing, increasing economic development and an increasing economic activity in our Nation, and it is undeniable what happened.

There is another graph that demonstrates it, that talks about jobs growth. Here you have a number of jobs created on the horizontal line from 2001 through 2007, and you see again, Mr. Speaker, before the appropriate tax reductions in 2003, what happened was a relative decrease in job growth, month after month after month after month. And what happened with the tax cuts on the American people, allowing people to keep more of their hard-earned tax money, what happens is an incredible increase in job growth, and that is why we have seen over 7 million new jobs created since August of 2003. Incredible economic activity.

So it astounds me that the majority party believes somehow that if they increase taxes, again by passing a budget that has the largest tax increase in the history of the Nation, nearly \$400 billion in increased taxes to Americans, almost \$2,700 for every single Georgian, a phenomenal increase in taxes, it is incomprehensible to try to understand why the majority party believes that that is the appropriate kind of policy to put in place if they want to continue this kind of activity.

If they wanted to continue this kind of activity, one would think that they would conclude appropriately, objectively, looking at the facts, that the appropriate tax reductions ought to

continue. But what they have said is, no, they ought not continue, that those marginal rates ought to go up, that we ought to increase taxes on every single American who pays taxes, that we ought to increase the marriage penalty, that we ought to do away with the decreases in death tax, that we ought to have increases in taxes on capital gains and dividends and we ought to decrease the incentive for investment. It just doesn't make sense.

I know that my colleagues on the other side of the aisle are responsible. I know that they desire to do the right thing. I know that they have heard from their constituents back home, and I suspect what they have heard is please make certain that we continue an economy that allows our Nation to grow, that allows our Nation to defend itself, that allows our Nation to create jobs, that allows our communities to thrive. And one way to do that, one of the most effective ways to do that, is the way that it has happened every single time that it has been tried in our Nation's history, and that is to decrease taxes on the American people. Allow Americans to keep more of their hard-earned money. Allow them to be the ones who determine when they spend or they save or they invest their money.

So I call on my colleagues on both sides of the aisle to take a good look at what has happened. Take a good look at history. Take a good look at the remarkable economic growth and development that we have had across this Nation over the past 3 to 4 years. And I think what you will conclude, Mr. Speaker, is that those tax reductions ought to remain in place.

We live in an incredible Nation, a Nation that allows those of us who represent districts all across this Nation to come to the House of Representatives and to try our best as honestly and openly as we can to represent our constituents. It is a wonderful Nation. It is a beacon of hope and liberty for folks all around the world, and it is so because we are responsible when we act responsibly and we listen to our constituents and we decide issues based upon what their desires are and what is in the best interest of them and our Nation.

So I call on my colleagues to think seriously about the issues as they relate to taxes and economic development of our Nation. And I know that they will conclude what I have concluded; and that is decreasing taxes results in increasing economic development, increasing economic activity, and, amazingly enough, increasing revenue to the Federal Treasury.

#### GAS PRICES

The SPEAKER pro tempore (Mr. ELLSWORTH). Under the Speaker's announced policy of January 18, 2007, the gentlewoman from New York (Mrs. MALONEY) is recognized for 11 minutes.

Mrs. MALONEY of New York. Mr. Speaker, schools will be letting out

soon, and American families will be hitting the road for their summer vacations. But how far will they get this year with sky-high prices at the pump?

The average price of regular gasoline is hovering near record highs, and this week stands at about \$3.16 a gallon. This means American families are spending nearly \$54 on average every time they fill up their tank, an astonishing \$30 more per tank since President Bush took office.

According to the AAA, the typical American family is on course to spend over \$3,600 this year just to fill up their cars if these prices persist. Gasoline prices set a new record of \$3.22 a gallon on May 21, according to the AAA's fuel gauge report. Gasoline prices in 34 States broke record highs in the past month. Prices are expected to climb again as the summer driving season progresses.

Record high gas prices may not cause hardworking Americans to cancel vacation plans, but they are forcing families to cut back on other spending, putting our economic growth at risk.

Wherever I go Americans are asking, why are gas prices so high? Surprisingly, the answer is not because crude oil prices are higher than they were last year. According to the Department of Energy, the largest component of U.S. retail gasoline prices is the price of crude oil. What is unique about the current situation is that crude oil prices, the red line, are lower right now at the onset of the summer driving season than they were at this time last year. But, as we all know, gasoline prices, the blue line, are higher than they were this time last year.

The Department of Energy projects that crude oil prices will average \$2 less per barrel this summer than last. But they also predict that gasoline will average about \$2.95 a gallon this summer, up more than a dime from last summer's \$2.84 a gallon on average. Analysts attribute this in large part to the fact that our refinery capacity has failed to keep pace with demand.

We haven't had a new refinery built in the United States in 30 years, pushing refineries to operate at capacity levels that are overtaxing the system. Refining costs account for about 22 percent of the retail price of gasoline, up from 15 percent in 2003.

With the increase in oil and gas prices over the last several years, refining margins are at historical highs. Refining profits in the first quarter of 2007 increased 36 percent over last year, and the U.S. refining margin increased to over \$17 per barrel of refined oil.

High gas prices should be an incentive for expanding refining capacity, but instead of building new refineries the industry argues that it has focused on expanding and upgrading existing refineries to keep up with increased demand.

U.S. refining capacity has stayed relatively stable over the past few years, and that is the red bar here. But demand has steadily increased, and that

is the blue bar. So capacity utilization has risen, regularly reaching levels above 90 to 95 percent of capacity throughout much of the 1990s and continuing into this decade.

The problems and risks associated with running near full capacity have become very apparent in recent months. As this chart shows, overtaxed refineries have required unplanned maintenance which has taken supply off line and caused short-term price spikes. Refiners typically perform planned maintenance during off-peak driving season, which impacts available stocks of gasoline when the demand is lower. But the increasing frequency of unplanned maintenance is cause for great concern. Unexpected refinery outages choke off supply and cause price spikes at the pump.

A recent spate of such unplanned outages in refineries across the country have made the price spikes a common occurrence and have kept gas prices in the headlines. BP, ConocoPhillips, and Valero Energy have all reported unexpected shutdowns at a number of U.S. refineries.

Oil companies certainly have the profits to invest in increased capacity, but they are not investing. With capacity as tight as it is, refiners can boost profits by taking capacity off line, particularly when there is a lack of competition at the refinery level. It is hard to prove that they are purposely limiting supply, but the risk of manipulating capacity to maximize profits is certainly greater with fewer players in the market.

□ 2345

Consumer advocates, such as the Consumer's Union Mark Cooper, argued that a lack of competition in the market has enabled oil companies to exploit the tight market they have created by purposefully uninventing and mismanaging refinery maintenance.

With refining margins as high as they are, construction of a new refinery is not a losing proposition, particularly for profit-laden Big Oil companies. But ExxonMobil's CEO, Rex Tillerson, has indicated that he will not build a new refinery in the U.S., pointing to research that U.S. gasoline consumption will plateau in coming years as ethanol and energy efficiency measures become more prevalent.

The current runup in gas prices underscores the urgent need for a better national energy policy. But instead, we see stubborn inaction and complicity on the part of the administration. The Bush administration has turned a blind eye to oversight of the oil and gas industry in general, and especially with respect to mergers. Mergers in the gas and oil industry over the past decade have resulted in dangerously concentrated levels of ownership in the U.S. refining market, leaving us with only five major domestic oil companies controlling the majority of our domestic refining capacity.

The President has approved mergers at such a break-neck speed that by

2005, the top 10 refiners controlled 81 percent of the market, up from 56 percent since 1993. So it has jumped an astonishing amount. This concentration of refiners has restricted production capacity, causing American consumers to pay more at the pump than they would be with more market competition. The lack of competition is hurting consumers now and will hurt our economy in the future.

As a first step toward protecting consumers, the House passed the Energy Price Gouging Prevention Act just before the Memorial Day weekend. This legislation will provide relief to consumers by giving the Federal Trade Commission the authority to investigate and punish those who artificially inflate the price of energy. It would ensure the Federal Government has the tools it needs to adequately respond to energy emergencies and prohibit price gouging. With a priority on refineries and Big Oil companies, especially during a time of national crisis such as Hurricane Katrina, the Energy Price Gouging Prevention Act will provide the FTC with new authority to investigate and prosecute those that engage in predatory or unconscionable pricing from oil companies on down to local gas stations, with an emphasis on those who profit most. This includes the gouging of gasoline, home heating oil, propane or natural gas. It will empower the Federal Government to impose tough civil penalties of up to triple damages of all excess profits from companies that have cheated consumers.

Until we have abundant renewable energy alternatives to benefit consumers, in the short term Congress must carefully look at the current market framework to see what can be done to improve competition in the marketplace. At the refinery level, Congress should look at strengthening antitrust laws, changing the way oil mergers are reviewed by U.S. antitrust agencies, cracking down on anti-competitive actions by oil companies, and/or improving price transparency at the wholesale level.

Mr. Speaker, high gas prices is an issue that has a supply side and a demand side, and we need to address both. Government leaders and businesses are recognizing the need to reduce our dependency on oil by making our vehicles more fuel efficient and investing in clean, renewable energy sources and technologies.

Mr. Speaker, I request additional time.

The SPEAKER pro tempore. The Speaker's policy of January 18, 2007 does not allow for an extension of the gentlewoman's time.

Mrs. MALONEY of New York. Mr. Speaker, I ask permission to revise and extend my remarks.

The SPEAKER pro tempore. Without objection.

There was no objection.

Mrs. MALONEY of New York. Mr. Speaker, last month, it was announced in my home district that New York City cabs are going green,

as the Mayor plans to replace the city's fleet with hybrid cars by 2012.

The Joint Economic Committee recently released a report entitled, "Money in the Bank, Not in the Tank", which argues that we have to take the issue of improving fuel efficiency seriously.

America's cars were more efficient two decades ago when our fleet-wide average was 26.2 miles per gallon. Now, our fleet-wide average for cars and trucks has slipped to 25.4 miles per gallon. Clearly, we're going in the wrong direction.

And it's hurting our competitiveness—our nation ranks at the bottom of the list of industrialized nations when it comes to fuel efficiency.

In Europe, fuel efficiency averages around 40 miles per gallon and they're looking to raise it to 51 miles per gallon by 2012. Japan is trying to get to 50 miles per gallon by 2010 across their fleet.

If we raised CAFE standards to 35 miles a gallon from 27.5 miles per gallon, the average American family would reduce their spending on gas by nearly one-quarter.

With families on course to spend more than \$3,600 on average filling up their cars this year, this would be a savings of \$900 a year.

Despite major technology gains, especially hybrid technologies, and record-breaking gas prices, we are decades behind when it comes to making our cars more efficient.

More efficient cars mean American families spend less at the pump, we're less dependent on foreign oil, and our environment benefits from lower emissions.

The President's priority has been to give tax breaks to oil and gas companies even as their profits have soared to new heights. The big five oil companies enjoyed eye-popping profits of \$120 billion last year.

Instead of using those profits to expand refining capacity or make serious investments in renewable energy, the big oil companies are buying back their own stock to enhance prices for their shareholders.

Moreover, oil companies seem to be working hard to prevent gasoline alternatives, such as ethanol-based products, from being pumped at their branded gas stations.

In our first 100 hours of work in the majority, the House voted to roll back \$14 billion in taxpayer subsidies for Big Oil companies and reinvest that money here at home in clean alternative fuels, renewable energy and energy efficiency.

We have also passed a bill that encourages research and development of markets for biofuels.

Speaker PELOSI has created a Select Committee on Energy Independence and Global Warming to develop policy initiatives and assure that progress is made toward reducing our dependence on foreign oil.

Democrats in Congress are working on legislation to protect consumers and increase our energy independence by investing in renewable energy sources and reducing global warming emissions.

We need this new direction for energy policy that brings relief to American families and strengthens our economy.

#### HEALTH CARE

The SPEAKER pro tempore. Under the Speaker's announced policy of Jan-

uary 18, 2007, the Chair recognizes the gentleman from Texas (Mr. BURGESS) for 11 minutes?

Mr. BURGESS. Mr. Speaker, I come to the floor tonight for what time is left to us to talk a little bit about health care. I do try to do that every week because this is such an important issue that faces our country, and over the next 18 to 24 months we are going to see perhaps some significant changes proposed and some, in fact, enacted in the Nation's health care system.

Mr. Speaker, I wanted to draw your attention, today there was an excellent piece written in today's Wall Street Journal. This piece was on the editorial page, it was written by Dr. Robert A. Swerlick. It is entitled, "Our Soviet Health System."

Mr. Speaker, Dr. Swerlick does such a good job of encapsulating a lot of the issues that I have been talking about here over the past several weeks and I just wanted to share a couple of quotes with you from his article as we get started. He is talking about the imbalance between supply and demand. He became aware of it when he found no trouble finding a veterinarian for his pet, but found difficulty finding a pediatric endocrinologist for a diabetic child. And the reason for the imbalance, Mr. Speaker, according to Dr. Swerlick, is because of some of the distortions of the marketplace and the inaccurate signals delivered to the marketplace because of our manipulation of those signals and of those market forces with the pricing structure we have in our Medicare system.

I am quoting from the article from today, and it says, "The roots of the problem lie in the use of the administrative pricing structures in medicine. The way prices are set in health care already distorts the appropriate allocation of efforts and resources in health care. Unfortunately, many of the suggested reforms of our health care system, including the various plans for universal care or universal insurance or a single payer's system that various policy makers espouse, rest on the same unsound foundations and will produce more of the same." Going on and continuing to quote, "The essential problem is this; the pricing of medical care in this country is either directly or indirectly dictated by Medicare. And Medicare uses an administrative formula which calculates appropriate prices based upon imperfect estimates and fudge factors rather than independently calculate prices, private insurers", and Mr. Speaker, this is key, and many House Members don't realize this, let me slow down and say this again. "Rather than independently calculate prices, private insurers in this country almost universally use Medicare prices as a framework to negotiate payments, generally setting payments for services as a percentage of the Medicare fee structure."

Then further on into the article, again quoting, "Unlike prices set on

the market, errors in this system are not self-correcting." That is, we make a mistake in our policy meetings, in our committee hearings, we make a mistake in setting the actual value to a medical service, and that mistake never gets corrected by market forces. It is insulated, it is anesthetized from market forces, and the consequence is it gets worse over time. And then we compound the error when we try to fix things at the committee level or at the level of the Federal agency.

One last thing that I would like to point out that the article does state so succinctly. Markets may not get all the prices exactly correct all of the time, but they are capable of self-correction, a capacity that has yet to be demonstrated by administrative pricing.

Again, a very worthwhile article. And I commend it, Mr. Speaker, to you. And perhaps some of our colleagues will also be interested in that article as well because I think it very succinctly sums up a lot of the things that I have been pointing out over the past several weeks here.

Mr. Speaker, in the few remaining minutes that I have left, I wanted to talk just a little bit about the physician workforce of the future, because that is something we have to focus on as we have this health care debate. A lot of times I worry we are getting the cart before the horse. Here is a cover of the Texas Medical Association's professional magazine back in my home State of Texas. Texas Medicine last March devoted a lot of the issue to the concept of running out of doctors. As a consequence, I am introducing three physician workforce bills tomorrow that will deal with the person perhaps thinking about a career in medicine, the young physician just starting out in either medical school or residency, and then finally, a third bill to deal with the inequities in the Medicare pricing system that I just referenced in the article of today's Wall Street Journal.

The physician workforce crisis has to be approached on several fronts. The issue of medical liability is one that we need to take on, and we need to be quite serious about that. But when we look at perhaps the largest group of doctors that we may not have in the very near future because of the things we are doing in our Medicare pricing schedule, these are the areas where we really need to concentrate. Baby boomers are going to retire, they are going to get older. Demand for services are going to go nowhere but up. If the physician workforce continues its downward trend, as it is doing year over year, we may not be talking any longer about funding a Medicare program, we may be talking about why there is no one there to take care of seniors.

Year after year reduction in reimbursement plans from the Center of Medicaid and Medicare Services to physicians for services they provide for