

BLUE DOG COALITION

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

Mr. MATHESON. Mr. Speaker, I come to the House floor on Tuesday nights, as often the Blue Dog Coalition does. And tonight the Blue Dog Coalition wanted to come to the floor of the House of Representatives to have a discussion about energy policy in this country. I think that energy policy is an issue that is so important on so many levels, in terms of the integrity of our economy, in terms of our national security, in terms of the affordability for those who are underserved.

It touches so many different issues. And that's why I think it's important for the Blue Dog Coalition to make its voice heard, to take on this very complicated issue that has so many different components, and to try to address it in a pragmatic and practical way. Because like so many issues in Washington, this is one that's not going to be solved by those on the extreme ends of the ideological spectrum, it is going to be solved by people who want to sit down and roll up their sleeves and come up with practical solutions on how we can provide an affordable and secure energy supply for this country.

Now, I am joined by two other Blue Dogs this evening, my colleague, Mr. SCOTT from Georgia, and my colleague, Mr. MELANCON from Louisiana. We look forward to having a discussion tonight about this issue. And the Blue Dog Coalition energy principles is a document, the Blue Dog Coalition has endorsed that identifies certain principles that we think ought to be the basis of how we go about formulating energy policy in this country.

And by way of introduction, I wanted to yield as much time as he might consume right now to my colleague, Mr. SCOTT from Georgia.

Mr. SCOTT of Georgia. Thank you very much. It is certainly a pleasure to be with both the gentleman from Louisiana, and for you as well, Mr. MELANCON.

This is definitely a major, major priority as far as the future of this country is concerned. Our energy policy is interwoven directly into our vital national security. There is no question about it.

We have, for the past 50 years, progressively gotten more and more dependent on oil from the Middle East. There is a reason why Iraq, Iran, Saudi Arabia, those Middle Eastern countries are so vital.

It is so important for us to try to hopefully find a way in which we can get peace in that region. We don't know the answer to all of this; it is largely going to be up to those Middle Eastern countries. But we are so directly tied to the future stability of that region, largely because of one

thing, that is, our energy. And that has been a mistake, that we are tied to our future energy needs to the most unstable region in the world. And we now need to move very rapidly to excise ourselves from that.

The other reason why our energy policy is so vital and so important, and again, part and parcel of our national security, is because of global warming. Make no mistake about it, there may be differing opinions about global warming, there may be differing opinions about climate change, but one thing is certain, the facts do not lie. This Earth is getting warmer by the day, by the year.

Scientists have pointed out that the Earth's climate is increasing in warmth at a rate of one-tenth of a degree in each of the previous decades.

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That may sound like a little. But when you look at just 2 degrees since the turn of the century, that is a major, major fact; the fact of dependency on oil in the Middle East, the most unstable region, the fact that we are experiencing the damage of global warming. The reason for the global warming is the excretion of carbon dioxide into the air, and that gives us the greenhouse effect.

So on those two points, we have no choice but to proceed directly ahead and provide the kind of sterling leadership this Nation deserves, as you so aptly pointed out, Mr. MATHESON, in a very responsible way, in which both sides of the aisle can come together. Everybody can come together and understand that this is not a Republican issue. This is not a Democratic issue. This is an issue for the future of the American people and the people of the world.

Mr. MELANCON. Mr. Speaker, I thank my friend for his comments. Being from an oil-producing State such as Louisiana, we have for decades been producing America's energy needs. To this day, approximately 30 percent of all the energy supply is domestically produced in our coastal areas in Louisiana. The same areas that produce all that oil and gas are also home to what we refer to as America's wetlands. The coastal marshes of south Louisiana are predominately the ones we are losing the most.

Ironically, in my district they provide roughly 30 percent of the seafood to this country. Now, people say, how can the oil industry and the seafood industry coexist side by side? Well, for a number of years, back at the beginning of time, so to speak, when the oil and gas industry began offshore drilling and wetlands drilling, there weren't the environmental standards and all the other standards that are put forth now. There wasn't the technology that is there today. So, yes, there were mistakes made.

We have learned from our mistakes. Our Government has recognized it. The States have recognized it. They have

addressed those issues. If you look back after the storms, after Hurricanes Katrina and Rita, if you look at the devastation that occurred across the Gulf Coast, did you hear of oil spills? The worst spills that you had actually were the gas tanks that were leaking fuel and oil on land at the oil refineries and from the service stations throughout the flooded areas.

There's a misconception. There's a fear by people that's more the fear of fear itself that people seem to concern themselves with. We have in this country, as was mentioned by some of the previous speakers in the first hour, an industry that may be misunderstood. It is called "big oil". But if you look who is producing the oil and gas in the United States, for the most part it is small, the independent. It may be a company such as Devon out of Oklahoma. Yes, it is on the stock market, but it was a company started in 1971 by a father and son. They took that gamble. They got out there.

It has, in fact, by the numbers I have seen, been determined that for the major oil companies to drill in the United States, whether onshore or offshore, whether deep water or shallow water, it is more expensive an investment and proposition than it is to drill in other parts of the world. Of course, there are some security problems going on in other parts of the world.

As we look at what we believe in in this country and what we should believe in in this Congress, we talk about energy independence. And energy independence, as mentioned, is not about Republicans and Democrats. It is about the old folks. It is about the young starting families. It is about the working people. It is about everybody that pumps gas in that car. It is about everybody that goes to a job.

When you look at natural gas, as Mr. PETERSON talked about, it is a clean fuel and we have ample supplies throughout this country and we ought to be producing those fuels. However, our own policies have seemed to stymie us.

The Blue Dogs have put together a package that we are proposing that is a principle, not a package, a principle that we feel we ought to be looking at and having guide us as we go through the process of developing energy legislation.

We are not going to get this country moving forward unless we encourage development of oil and gas, alternative fuels, green fuels, whatever. It all has to be part of the mix. This is not about one fuel being better than the other. This is not one fuel seeing if it can "out politic" another fuel. This is about trying to bring together the country to devise an energy policy, and we as the Blue Dogs felt that it was time for us to try and take the lead and to give some guidance and leadership in this matter.

With that, I turn the floor back over to my friend, Mr. MATHESON.

Mr. MATHESON. Mr. Speaker, I think the comments from the gentleman from Louisiana are spot on in the context of we need it all. We need to look at a very diverse portfolio of energy supplies in terms of where we are today and where we want to be in the future. We want to, of course, develop as many different types of energy and diversify our portfolio, because, at the end of the day, having an affordable and secure source of energy is what makes the most sense for this country and for our economy.

While all of us would like to see a bunch of new technologies put in place immediately, the reality of this situation is it is going to take a commitment in the public policy arena and the private sector to bring a lot these technologies along.

These energy principles that the Blue Dogs have published represent a set of guidelines. I don't think the Blue Dogs come to the table saying we have all the answers. These are complicated issues that are going to require a lot of thought and a lot of work. But I do think that these principles help articulate a zone of reasonableness, if you will, within which this debate ought to take place.

Since we have kind of led into it, one of the key principles is that of fuel diversity, where the Blue Dogs think we should not be picking winners and losers, as Mr. MELANCON said. We think you have to have a diverse energy supply portfolio to have future success in this country. So we encourage any policy that is going to add to fuel diversity, that is going to add to energy infrastructure in this country.

In the long term, if we are going to have energy independence, there is no question that a whole basket of opportunities are going to help create that. It is going to include issues of conservation and energy efficiency. It is going to include new fuels. It may be cellulosic ethanol, it may be biofuels. There may be other sources that are alternative sources compared to what we use today. And it is also going to include conventional sources of energy that we have today as well.

We have to take the longer view on this, and the longer view is at some point we may have a whole different set of energy options that don't exist today. How we get from here to there is going to take a commitment to develop those technologies and a commitment to make sure we access conventional supplies we have today to keep this economy moving in the right direction so that we can all have the economic growth and opportunity that is going to allow these technologies to develop.

So, we as Blue Dogs believe in it all, whether it is oil, or gas, or biofuels, or coal, or nuclear, or hydroelectric, or geothermal, or other technologies that I may not have even mentioned. You really need to put all of that on the table, all that on the table, to give this country the opportunity to make progress and to move forward and to

have a responsible, diverse energy supply.

That is one of the key principles that the Blue Dogs have tried to articulate, and I think it is one that everyone in this Congress ought to be able to get their arms around in some form and see if they can recognize the value to this country if we do that.

Mr. SCOTT, I am happy to yield to you.

Mr. SCOTT of Georgia. Mr. MATHESON, I would like to maybe pick up on a point you made on the diversity and alternative sources of energy. Let's just take one for a few moments and put this one on the table, because I truly believe that this is one of the major directions we are going to have to go in.

As you know, one of the problems with our dependence on oil and petroleum, aside from the Middle East and the political volatility there and the unstableness that is there, even if we had and were able to produce some of this oil on our own here, we have a refining problem. We are very short in our refining capacity.

It has been almost a quarter of a century since we even built a new refinery. There are reasons for that, environmental, people don't want them around, but they are not there. But that is another reason.

So, one of my interesting visits not long ago was to go down to South America, to Brazil, to visit Brazil. One of the reasons I wanted to go to Brazil was because I wanted to find out what they were doing and how they were doing it with their energy problem.

Here is one salient fact: Brazil and Argentina both are not dependent upon the Middle East for oil. They have moved very rapidly and are setting the curve for ethanol production.

Now, 85 percent of their automobiles are "flex" automobiles, in other words, running on a combination of mostly ethanol made from sugar cane.

If Brazil can do those two things, get clean energy, get ethanol, make it from a grown product that continually renews itself, and at the same time not be dependent on oil from the Middle East, surely we can learn something from what is going on in Brazil. And I did. A group of us went down to Brazil. We spent a lot of time down there. We talked to people and we found out some things there.

I believe, quite honestly, a major feature, not all of it, but a major feature of our way out and our way forward in becoming energy independent rests in the production in this country of ethanol.

Again, we have got to be very responsible as we move forward with ethanol production. We have got to have a level of moderation with it and we can't go overboard with it. It is very interesting that President Bush in his State of the Union, if you recall when he was talking about energy, mentioned it. He said we can solve our problem with ethanol made from corn, and he put some large figure out there.

But if we even just went with that, it would put such downward pressure on our food stock, on our cost of beef and poultry and chicken and pork, who feed off of corn. Corn cannot do it alone. So it has to be a dual approach with cellulosic, which is made out of pine straw and pine trees and wood chips and switch grass, which we have plenty of.

The point that I am making is we can move rapidly here, and we are. As a part of our farm bill that we will be marking up this week, that we are in the process of marking up, we and the Democrats and Blue Dogs, who make up a large part of the Agriculture Committee, are in the leadership on this, and it is one of the areas in which all of us can be very proud. But certainly within our Blue Dog Coalition, we are providing the leadership on finding a way out of our energy dependence, and we are doing it through our farm bill.

Just think, that we can grow our way out of dependence on oil in the Middle East. We have got all of it right here in this country, and I think getting the ethanol plants moving, using corn where we can, but there is a certain limit we have to have there, but use these other means of cellulosity, the wood chips, and putting the incentives in this package, as we have in the farm bill to explore and develop ethanol plants and plants of operation.

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Also, we have to do it near the points of distribution. And in the process of creating this new industry, we create jobs when we create a clean energy source and that is one of the major steps I believe for us as we move towards energy independence.

Mr. MELANCON. I think about the technology as it was brought up a second ago. One of the concerns that we have to have here as a Congress is there is a lot of technology out there. But there is a lot of perception that there is more technology than is factually out there. What we can't do with Federal policy is put demands and time slots, et cetera, production, that far exceeds what the technology provides for.

We need to make sure that we put a bill out there that is going to be reasonable. We don't want to run off our good-paying jobs. As discussed by Mr. PETERSON earlier, natural gas is a basis for everything from fertilizer to foods to plastic, heating our homes, you name it, it is there. We need to make sure as the government, that we provide in the policy sections of these bills not only the financial support mechanism through tax breaks and other mechanisms to encourage the development of alternative fuels and to encourage the research and development of these new concepts, these new technologies, we as a government need to put that carrot out there so as to get industry to participate and to get involved in it and not discourage it.

Some of what we have seen in some of the legislation is a concern to us because it is going to be difficult to become energy independent if you are delaying the time frames for providing drilling permits to drilling companies, if you are having longer review periods for whether and when you can drill. We don't want to walk over the environmental issue. We want that to be taken under full consideration.

But right now the International Energy Agency is telling us that by the year 2030 if not sooner, this world will be short on oil and natural gas and the fossil fuels that we need to drive all of our economies worldwide. Now when you start looking at who holds the key to all the energy in the world, it is not the United States. It is in fact not the oil companies. It is the foreign countries most of whom are not necessarily our best friends.

So as a country, we need to start thinking about energy independence if we are going to stay strong. I have told people that being a strong country means when times get tough, as they did back in World War II, my parents and others, they manufactured airplanes and boats. The Higgins Crafts were made right in New Orleans. The wives went to work at the plants. The husbands went to war. And wives went to war, too, I'm being discriminatory, but everybody played a part. We were producing all of the food we needed in this country at that time and more. We were producing the energy that we needed and more. We could manufacture everything that we needed and more. And now, we as a country have come to a position where we need to import most of our energy.

According to the U.S. Energy Information Administration, the United States imported 36 percent of domestically consumed crude oil and petroleum products and 43 percent of our natural gas supply in 1973. In 2005, we imported 66 percent of our crude oil and 16 percent of our natural gas from foreign sources. Moreover, EIA projections indicate that the United States will consume 21 percent more oil and 19 percent more natural gas by 2030. Those numbers are dramatic, and that is just one country in this world who has been and should continue to be one of the strongest and mightiest and most independent countries in the world.

But what fuels the farms, is the energy that we need. What fuels the ability to get the energy, is the farms that feed the people. So it is part of a cycle. We need to make sure that if we are going to stay a strong, independent, viable country that can defend itself should it need to, then have to have an energy policy and we as Blue Dogs believe we need to provide and help guide this Congress in a way that brings us good energy policy for the long term, not for the next week, not for the next month, not to the next Congress, but for years to come.

We are drilling in areas and there are questions amongst our friends and col-

leagues. When you look at the gulf coast area, Mississippi, Louisiana, Texas and Alabama who front on the gulf, are producing oil and gas for this country. Florida has ample supplies, but there are some restrictions off the coast, and if you come up the entire East Coast and West Coast. Now I don't fault my friends from those States not wanting to drill off their shores. But at the same time, we can't sit and talk about bringing oil and gas prices down if we are not all into this national effort. That is another issue. That is not going to be part of this bill, but that is something that CHARLIE MELANCON concerns himself with.

Mr. MATHESON. The gentleman mentioned that up to 16 percent of our natural gas is now being imported.

When we throw out the term energy, there are all different forms of energy, and it is dangerous to look at simple policy solutions when oil policy has its own implications. We know about dependence on foreign oil, but I don't think a lot of people realize we are increasing, although not yet to the same degree, but we are increasing our dependence on foreign supplies of natural gas as well. We have seen a lot of price increases over the past 5 to 7 years in the United States, and natural gas is such a key component of our economic model in this country. Those price increases can have such damaging effects on the integrity of our economy, let alone reaching each individual, particularly those on fixed incomes.

I think it is important to note, and that is the statistic that my colleague from Louisiana mentioned, we are importing natural gas into this country. I don't think a lot of people know that we are importing a lot of natural gas into this country. I want to piggyback on one other thing, short term and long term.

We have talked about how in the long run we hope technology takes us into some new places. But how do we get there. We can invest in developing those technologies, but traditional energy sources that we are using in the country today, be it oil or natural gas or coal or nuclear power, those are key components of the portfolio today. And as we move ahead in the long run and look for alternative fuels, I am sure they will provide a significant piece of that portfolio as well. But in that period before that takes place, this Congress ought to enact policies that help encourage a reliable supply of those conventional fuels that we are utilizing today. It is going to be important for our economy, it is going to be important for making process as an economy, and I think that is consistent, in fact I know that is consistent with where Blue Dog energy policy recommendations have gone.

I want to mention a second principle that is in this document, and that is the concept, because we are so concerned about maintaining energy security. We certainly don't want to go in the wrong direction. So we have taken

our term PAYGO which is usually in the Congress in the context that if there is a new program that you want to spend money on, you have to find a way to pay for it. We have used that term in terms of Blue Dogs believe in energy PAYGO. That is we don't think that we should be enacting policies in this country that reduce existing domestic production. We are concerned because there are some policies out there by some of our colleagues in this Congress that we are concerned may do just that. That doesn't match up with the notion of trying to make sure that we have a secure, reliable, affordable energy supply. And the statistics that my colleague from Louisiana mentioned about the projected growth demand in the future in this country, you don't want to go backwards and be cut back on our existing domestic capabilities and in that context increasing even more so our reliance on foreign supplies.

Another critical part of the Blue Dog principles is the notion that when you find yourself in a hole, stop digging. We don't want to create a greater reliance in terms of our reliance on foreign supply. And it is not just with oils. You have to put natural gas into that discussion as well because we are importing more natural gas than we have in the past, and we have to be very careful about if we reduce our natural gas production capabilities in this country, what that means in terms of prices and putting us in an even less secure, less dependent position than we are today.

I yield to my colleague from Georgia. Mr. SCOTT of Georgia. I think you made a significant statement there, Mr. MATHESON, that when you are in a deep hole, the first thing you do is stop digging.

I want to very, very briefly share, and I am sure there are some American people who are watching our discussion this evening, on just how serious a situation we are in. I talked about instability in the Middle East and our dependence upon oil.

Clearly there are two known facts. Right now, 42 percent of all of the known oil reserves rest under the basin in the Middle East, in Iraq, Iran, and Saudi Arabia. That is nearly half of all of the available oil supplies that we know of in the Earth. And it is not renewable. It doesn't renew itself. Eventually at some point oil is going to run out.

When I was at NATO, and we had a meeting over in Paris this past winter, our winter NATO meetings, a question was put to a noted economist, John Malone, and he made a profound statement. He said we didn't leave the stone age because we ran out of stone; nor will we leave the oil age because we have run out of oil. What he said was that civilization as we know it could very well run out before the oil runs out with the rapid rate we are going with the damage that oil-driven energy sources around the world are causing with the greenhouse effects.

I thought it would be very interesting to share with the American people just how serious this is given the fact that oil is not a renewable source of energy, given the fact that almost half of it is in a very unstable region, and much of the world is still depending upon. But according to the Energy Information Administration, here are some startling facts. They say that world daily oil consumption is projected to grow by 1.4 million barrels this year in 2007 and by 1.6 million barrels in 2008. That is daily oil consumption. You talk about running out with that rapid rate, and each year it goes up. In addition, the EIA projects a steady increase in natural gas and electric use in the United States which will create upward pressure on prices. This doesn't paint a very good picture.

And then it goes on to say that almost all scientists agree that the Earth's climate is rapidly changing and getting warmer, having increased by 2.6 degrees Fahrenheit since the turn of the century. Now as I mentioned earlier, on the surface of it, 2.6 doesn't seem like much, but it is major. The Earth's global average temperature is now approaching or possibly has passed, according to this report, the warmest experience since human civilization began over 12,000 years ago. Now it is approaching the warmest it has ever been in the history of mankind. Global warming is a fact. Climate change is a fact.

And it goes on to say that over the past 150 years, measured carbon dioxide concentrations have risen by more than one-third. The question is not whether greenhouse gases will result in climate change, but rather the magnitude, the speed, and the geographic details and the likelihood of impacts stemming from this trend.

I am not painting a gloom and doom picture here. We are talking about facts so we can get a sense, a greater sense of urgency in this Congress and in the world. So many places over in the world we are fighting and killing one another over what could very well be in the scheme of things very trivial. We are all in the same bucket as human beings.

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This earth of ours is precious, and for no other reason more important than saving this earth for our future generations, the air we breathe all rests in the decisions that we make in this Congress today.

I know and I share the same feeling with you all that we feel very honored and very privileged to be elected and serving in Congress at a time when this is our challenge. And when they write the history books and perhaps our grandchildren and children will look and say, well, what did grand-daddy or my daddy do at that time, the history books will reflect very proudly that we provided the leadership at a very crucial time to move this Nation forward in getting away from oil dependency and getting into clean energies.

We have the means to do it. We know we need to do it, and we have the direction to do it.

Mr. MELANCON. I'd like to expound on what Mr. SCOTT just had to say. I've talked about that since the storms that devastated south Louisiana. I've seen the marshes of south Louisiana that I grew up hunting and fishing in, where my son and I have spent many, many weekends and weekdays and just out there enjoying the land and the water. And I've got a new grandson, and of course, after these storms, seeing the damage to these wetlands, these estuaries, seeing and hearing the facts that I'm hearing on climate change and the concern with, as I tell people, there will always be a planet called earth. The question is will there be an earth with life or with quality of life.

And we are in the generation, we are in a time in this Congress where I believe, as you, we have an opportunity to do it, but we have to do it right because I don't think we're going to get multiple chances at it. We've got to try and make those decisions as wisely as we can so that, whatever it is that we do, it is for the next generation and those that succeed them.

Hopefully, when they read the history books, the three of us and the other Blue Dogs and the other Members of this Congress, both Republican and Democrat, will go down well in history as saying they had the foresight.

Think about the people that put together and wrote the Constitution of the United States, and look at how we've lived with that Constitution for well over 200 years, and you think about it. It should be possible that people of our times and our capabilities can come together and work and come up with a policy that gets this country, gets this world and makes it work for us so that we can all live in harmony and peace.

And one of the things that I can remember a number of years back in one of the presidential elections, one of the presidential candidates went to the grocery store and didn't know what the checkout scanner was. Well, you know, there are kids in this world, I hope there's no Members of Congress that still believe that milk comes from the dairy department at the grocery store and not from the cow on the farm.

And the same with gas from the gas pump. There's many people out there that don't realize that you have to go and drill for oil in order to put that gasoline in that automobile to run those kids to baseball or basketball or cheerleading or whatever.

And so we need to understand what it is that drives the country. It is not a mechanical pump at the convenience store at the corner. It is an industry that needs to have a return on investment, and it is the government that needs to set policy that makes it so that the industry wants to produce it and produce it in volumes.

Yes, we have not done what we should be doing to encourage invest-

ment not only in the refining capacity. We're starting to see that. We did some of that about 2 years ago. There is some on-line. In my district alone, there's at least two refineries that are expanding. One of them will be a huge expansion project.

And the problem that I've always said is it's not that we can't produce the oil and gas or buy it from some other country, but you still have to have the capability of processing it through. But you still have, because you are not producing it fast enough in this country, dependence upon foreign oil coming in.

Ironically, this past week, speaking of climate change, there was a scientist that decided to swim in the Arctic Ocean and dove in and swam 6/10ths of a mile in 29-degree water in the Arctic Ocean. The symbolism there was we have a problem. He is the first man in history to swim for any length in the Arctic Ocean in a swimming suit. He might need other testing, but at the same time I think he's proved his point to me.

For those people that don't think that there's such a thing as global warming and/or climate change, the scientific community has documented it. It's there. We've talked about it. You don't have to believe everything that's said by a Member of Congress. Sometimes I doubt some of the things I hear, but the things that I see, the horrific hurricanes, the tornado activity throughout the country in areas that have never been affected, the floods that are occurring consistently, the droughts that are occurring throughout the United States, some people say, well, you just know more about them because the news is there. No, they're there. They're being documented. They are more frequent, more severe than we've ever seen.

So we need to move fast. We need to move together. We need to come together as a country, as a Congress, and put together policy that our kids and our grandkids and the future generations will have hope that the world will be as good as it was for us.

Mr. MATHESON. Well, I thank my colleague and I want to follow up with two more of the principles. There are eight in total by the way. We've already talked about a couple.

But one of the Blue Dog energy principles does have to do with climate change, and my two colleagues really have described mostly the thinking behind these principles, but to put in summary, the Blue Dog principles say, look, there's broad scientific consensus that climate change is happening.

Blue Dogs also believe it's taken place over a significant period of time. We need to make sure we get this right with a methodical approach, and it may very well be a long-term approach to try to change the direction we're going, but we want to make sure we get it right. There are some folks who want to act very quickly and in a radical way, and that may not be the best solution.

We also wanted to make sure we had a global approach. If we simply enact policies in this country, we may be exporting jobs and pollution overseas, and that doesn't get us to where we need to be because this is a global issue. So the Blue Dogs want to have an approach that tries to encourage global participation, an approach that does not disproportionately affect one industry or one sector. It needs to be an economy-wide approach in how we look at this issue and how we try to reduce our carbon footprint in affecting the climate change issue.

So I think the Blue Dogs have laid out a framework that makes a lot of sense. Again, as I said before, we don't claim to have the answer to every single aspect of this issue. We think we've established a framework that makes a lot of sense for people making good, sound decisions.

A second principle, and it really follows up on what my colleague from Louisiana said a little earlier, he was talking about how people sometimes don't know what it takes to get energy to the point where you use it. People just pull the pump at the gas station. They don't have any real appreciation for the complex process it takes to get it to that point. And that applies to all forms of energy.

I think people take for granted when they flip a switch and the light goes on, that the light just goes on, and they don't have a full appreciation for what it takes to generate that electricity and get it delivered to that building or that house where the light switch exists.

And so another one of the Blue Dog energy principles recognizes we need to invest in the energy infrastructure in this country. It doesn't just happen without investment. It costs money, and whether it's a refinery expansion or whether it's an ethanol plant that my colleague from Georgia was talking about that we want to develop in this country or whether it's finding renewable sources, let's say, wind energy that makes electricity, that costs money. It doesn't happen without that type of investment.

It's going to take significant commitment from both the public and private sector in this country to ensure we have an energy infrastructure that can deliver reliable sources of supply and affordable sources of supply.

So we need to look for those. Again, the Congress we need to look for those public policy options, public policy decisions that create the environment for that to happen. It's not going to be done all by the government, nor should it be by the way. We want the marketplace to evolve and pursue the most efficient technologies and efficient delivery systems, the most efficient ways to make this happen, but we can help set the table, if you will, to make sure we have the right incentives in our economic model to encourage that to happen.

So that's another one of the Blue Dog energy principles that I think is very

important, and we specifically point out within the electorate sector that we need to make sure we have investment in the transmission grid, investment in making sure it's efficient distributed generation.

During the previous hour, one of our colleagues on the other side of the aisle had their Special Order here just before us. I think one of my colleagues mentioned the notion that you may have a significant wind resource where you can put up a number of windmills, but it's going to go be in a remote area, and you have got to get that product, that electricity created by those wind turbines, from that remote area to where the load factor is, and that's going to be let's say in urban area that may be hundreds of miles away, and you have got to invest in a transmission system that allows that to happen.

So, as I said at the start of my comments at the start of this hour, it's a complicated issue. You can mention with energy and everyone kind of nods their head, but if you really start looking at all the sub-issues below that, there are a lot of issues out there. And the Blue Dogs are trying to articulate a pragmatic, practical approach to try to capture all those issues and have a good discussion with Members of both parties and try to create those good public policy decisions to help us get to where we want to be as a country.

So I wanted to again follow up on those two comments that my colleague from Louisiana mentioned, and with that I'm happy to turn over time again to Mr. SCOTT.

Mr. SCOTT of Georgia. Thank you very much. I think in addition to the plans and the points that we have offered here, there's the other side of this that we have got to face, and that is human behavior. We've got to provide leadership to change human behavior when it comes basically to the one instrument that is causing so much of the pollution, that is causing the earth to get warmer. That is the automobile, and we have to move on both fronts. We have to move on the front of getting the American people to do, and we can do this if we use our policy right, if we use our incentives right.

One is that we need to provide encouragement and incentives for individuals to get out of their automobiles, to use other means of transportation, especially in our large urban areas.

Let me tell you about my region of the country that I represent which is Atlanta. The Atlanta area has one of the highest carbon dioxide emissions area in this country, and with that is traffic congestion, which is about to choke the great promise of our city, not only in our region, not only in terms of the traffic but the air we breathe.

So we have got to move and provide the leadership to get alternative means of transportation moving people from place to place without such great dependency on the automobile. Just

think about the time and productivity and hours that's a waste in the human productivity of sitting in traffic jams, let alone the waste of energy and the idling of the motors just in the traffic jams alone. We can't continue that way. We've got to do things.

Commuter rail is one of the areas that we are working. That's hard. It's hard to get people out of their automobiles, but it might be good policy for us to move to an area of good Federal tax dollars being used as incentives to be able to give people opportunities to get on these commuter rails. Perhaps we ride for free. Perhaps they're down in a subsidized cost. We've got to do something.

In Europe and in France and throughout Europe and in Japan, they have got trains now that are zipping people along at 100. They have got one over in Asia and Japan somewhere that's going about 150, 160 miles an hour. Where would we be without the rapid commuter rail systems we have in the northeast? Can you imagine if we didn't have it? You think traffic is bad between New York, Boston and Washington, D.C. Just think it what it would be like if we didn't have those systems.

So there are ways in which we've got to do that.

□ 2330

The other thing is; and I am not saying, I know how hard it is, I love my car. We are a society in a culture in America that has just grown up with the automobile. It's a part of us from the drive-ins to all the things that we associate with the good life. Get a home, get a car. You are in America.

But maybe, in addition to getting them out of those cars with incentives and the commuter rail and other means, maybe we can do something with the car itself. They are doing some things, American ingenuity is already at work in New York. The Ford Motor Company is now putting together an electric car. They are already out there. We have moved, and I think we are moving with the proposal in this Congress, to give an incentive, to give a tax write-off, tax benefit, some help, for people who will buy cars that run on the batteries and electricity. They have this.

I think there is a lot more we can do, in changing the habits of the American people, changing to get them out of the automobiles, and then changing the nature of the automobiles themselves, and then, of course, getting the clean sort of renewable energy we can to put them in. These are the kinds of proposals and approaches that I think this issue calls for, and I think it's the way forward in the future.

Mr. MELANCON. I think about Americans, myself as an American, and how spoiled we are with just being able to get in our car and go where we want, when we want. I like to tell people, and it's not that I should be bragging on it, because I'm not, but I think I'm probably a typical American family man. I

have got a Suburban and a Tahoe, I mean, that's not good, but I have got a boat. My son has a boat. We like to hunt, and we like to fish.

We have lifestyles that we have been fortunate enough that we can live. But now we're coming to a point in time where instead of maybe having a Suburban and a Tahoe, I could do with just having one and have a more efficient vehicle that got better mileage.

Part of what we are talking about in the energy efficiency system CAFE limits. Now, you can get to the limits drastically, as Mr. MATHESON expressed, by just saying, by year 2015 or 2018, you have got to reach a certain limit for automobiles and trucks, and, you know, just damn everybody else, doesn't matter about the jobs, let's just get there.

Or you can take it as a curve that takes you to that point, maybe not as acutely as a straight line, and says that you got to get there by 2022, and you have got to achieve some goals on the way up there, that doesn't provide that we lose the manufacturing jobs and the manufacturers. I mean, after World War II, there were 33 vehicle types in America, our labels, as they call it. There are 335 now, different vehicle labels out there in the United States.

We are spoiled, and we still want to have those luxuries and be able to live those lives, the lifestyle. But we all have to start, first of all, all of us, are going to have to start pinching ourselves and come to the realization that we are going to have to make some changes in our lifestyles if we want to keep this world and this country vibrant in more ways than just fuel economy.

So the CAFE limits, we are going to have to choose, choose something that works, choose something that is not drastic, so that America can make that transition, so that America doesn't have to just drop everything and start all over again.

When we talked about infrastructure, we need to provide incentives so that you see some of the problems you have with providing electricity. In the northeast, you saw a lot of it over the last several years. Some of our transmission capacities and the grids Mr. MATHESON talked about. Yes, it's great to go produce solar power or wind energy, but you have still got to get it somewhere.

If you are going to do ethanol, they are saying there is a problem with putting it in the pipeline, so you will have to build special pipelines just for ethanol. But somebody has got to have incentive to go build those pipelines.

We talk about having fuel-efficient cars. They are all over the place, flex fuel. You can walk out of here. There are thousands and thousands and thousands of them. But you can't find a station to find E-85. It's not available.

So to do one thing that sounds good, it's part of a whole package, and that's what the Blue Dogs are trying to make

sure that we keep focused. There was a guy that I knew once, he says, just remember, keep your eye on the ball, and the ball here is getting America moved forward, but getting America's energy policy done right.

That's what we have got to stay focused on as a country, as a Congress, and this administration, to help us make sure that we provide good, sound energy policy.

Mr. MATHESON. I think there are two broad issues out here. Our hour is drawing to a close, but there are two broad issues out here in the energy debate. One is energy independence and security, and the other is climate change challenge.

Now those issues are not mutually exclusive. In fact, a number of the provisions to pursue each of those issues are complementary, and we should look at it in that context. But I do think that the Blue Dogs have come up with a set of principles, we haven't been able to talk about every one of them tonight, and we will come back again on the floor to do that.

As I said, this is a complicated issue. There are a lot of layers to this issue, and this Congress needs to first recognize that level of complexity to make sure we make good decisions. You have to recognize the magnitude of the issue before you can make good decisions.

But I do want to touch on just one other area that is a principle the Blue Dogs feel is very important, and that's the notion that we need to have an aggressive effort at technology development. We talked a little bit about technology development tonight, but let's put it in perspective to where if we really want to get to a point where we have greater energy independence, and if we make progress on the carbon emission issue as well.

The technologies aren't there today that need to be there. First of all, is the technology called carbon capture and sequestration. More than half of all the electricity we make in this country is coal. You know what, this country has a lot of coal. In fact, one-fourth of the world's coal is right here in the United States. It's cheap, it's plentiful.

The way we burn it now we put CO₂ in the atmosphere. The hope is that we can develop the technology to capture that carbon and sequester it. But that technology isn't there yet today.

So, when Blue Dogs talk about we need to make a significant and aggressive commitment to technology development, that's one of the technologies. It's real straightforward. We will have coal as part of our energy mix. I think most people think that in terms of the long run in terms of our electric production. But we have got to solve that carbon issue, and we have got to invest in technology.

Second, we have had discussions about cellulosic ethanol. We can't rely on corn as our source of ethanol in this country. There has to be a better way to do it. We have got to move tech-

nology in that direction. A third one, just to throw an example, battery technology. We want to get to the point where we have the car you can go home and plug in at night and run on electricity. A lot of people have spent a lot of time and money trying to develop that battery technology. We are still not there yet.

That's an appropriate Federal role to invest and move ahead with that research and development. I just want to make sure, that's the other principle I get out tonight that the Blue Dogs believe in, that that's the right role for the Federal Government to do, to push the development of these technologies.

One of the greatest American strengths is innovation. That's what this country is all about. It's why we are a superpower. We have got to unleash that again and again. The government can't drive all that, but we can sure encourage it. That is what we ought to do.

Mr. SCOTT of Georgia. The one area we did not mention, because we need to, because it's going to play a very important role in the future, that's nuclear, nuclear energy. I know when you mention the words nuclear energy, folks get a little shaky, but that's an education job, that's a leadership job. But nuclear energy is reliable, it's low cost, everywhere we have the safety necessary, there's a licensing process that we go through, there are all kinds of features there. But nuclear energy is very, very important, it's going to play a very important role, and we have got to invest in it.

Finally, I have got to say, I think in reminding a great historian once said, on the bleached bones of many past civilizations are written those pathetic words, too late. Let us hope and let us know for sure with the action we are taking in this Congress that they will not be able to say that about our civilization on this energy and global warming. We are not going to move too late.

Mr. MELANCON. I agree with that, and in one closing remark, just a thought, as people in public life, you have times where constituents are there wanting things, and, of course, as there is the old expression, what have you done for me today? I hope when this energy policy debate is over, and we have come to a consensus and passed a bill, that it's a good bill, and that we can say to you, I worked to secure your energy future, and I hope that it's going to be one that carries you for generations.

Mr. SCOTT of Georgia. Well stated.

Mr. MATHESON. I want to thank both of my colleagues for joining us. As I said, the Blue Dog coalition stands ready to work with people on both sides of the aisle. We approach these issues through a very, practical, pragmatic way. We want to do what's right for this country.

We are going to come back and talk about energy more and more. By the way, I think this is one of the great domestic policy issues. By that way,

that's foreign policy implications, as my colleague pointed out in his comments earlier. It's one of the great issues we face as a country, and it's helpful to help drive forward that debate.

HEALTH CARE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Texas (Mr. BURGESS) is recognized for the time remaining before midnight.

Mr. BURGESS. Mr. Speaker, I do have a lot of material to cover in the time that is available.

I thought it was appropriate, as we end this legislative day here in the United States House of Representatives, that we talk a little bit about health care, because health care will be one of the central arguments, one of the central themes that consumes this country over the next 16 months as we lead up to the presidential election. Indeed, you are already hearing presidential candidates talk about their various visions for health care.

One of the things that concerns me greatly is the issue of the issue of the state of our physician workforce. In my home State of Texas, the Texas Medical Association puts out a periodical every month. In March the title of the magazine they put out was "Running out of Doctors," a great concern of mine.

A year and a half ago Alan Greenspan came and talked to a group of us right before he left as Chairman of the Federal Reserve board. And someone asked him about Medicare and about how we are going to pay for Medicare in the future. He acknowledged that it was going to be difficult, but at the appropriate time he felt that Congress would be able to step up to the job of doing what was going to be necessary to pay for Medicare. He paused, and he said, well, what concerns me greatly is will there be anyone there to provide the services that you need?

That's what I would like to address this evening. I think if I could, I am going to confine my remarks to the limited time I have to four areas. I want to talk a little bit about medical liability, I want to talk a little bit about the status of the physician workforce in regards to the developing physician, the person who may be in college or high school considering a career in health care, I want to talk about the physician in training, and I want to concentrate greatly on what I call the mature physician, the physician who is in practice, and some of the effects of current governmental policy where we reduce payments to physicians year over year and the pernicious effect that is having on the physician workforce.

First, just touching on liable, my home State of Texas had a significant problem with he had some call liability. In 2003, the State legislature passed a medical liability reform based off of a prior California law, the Med-

ical Injury Compensation Reform Act of 1975, which was passed by California, but we updated it for the 21st Century.

Indeed, the law passed by the Texas Legislature in 2003, was based off the California law, that had as its basis caps on noneconomic damages, but in California, that was a fixed \$250,000 cap for all noneconomic damages. As you can see from the visual aid, Texas trifurcated the cap. We have a \$250,000 cap on physicians for noneconomic damages, \$250,000 cap on a hospital for noneconomic damages and a \$250,000 cap on a second hospital or nursing home, if one has been involved.

□ 2345

Well, this was passed back in 2003. How has the Texas plan fared? The year I first ran for Congress, 2002, we had dropped from 17 insurers down to two. It was almost impossible to get medical liability insurance at any price because of the effects of the legislation passed. There are now 14 insurers back in the State, and most of those have come back in without an increase in premiums.

Three years after passage, the Medical Protective Company had a 10 percent rate cut which was their fourth since April of 2005. Texas Medical Liability Trust, my last insurer of record, declared an aggregate cut over the past 4 years of 22 percent. Another company called Advocate MD filed a 19.9 percent rate decrease. And another company called Doctors Company announced a 13 percent rate cut, real numbers that affect real people and affect real access to care.

Probably one of the most significant unintended beneficiaries of this legislation that was passed in 2003 in my home State of Texas was the smaller not-for-profit community hospitals. These were hospitals that were self-insured and had to put large amounts of cash up as a cash reserve against a potential lawsuit. What has happened since this law has past is these hospitals have found they have been able to take more of that cash and invest it in capital, invest it in nurses' salaries, exactly the kinds of things you want your smaller, not-for-profit community hospital to be doing in your community.

Mr. Speaker, I took the language of the Texas plan and modified it so it would work within the constructs of our language here in the House of Representatives and actually offered this language to the ranking member of our House Budget Committee, who had the bill scored by the Congressional Budget Office. And the Texas plan, as applied to the House of Representatives to the entire 50 States, would have yielded a \$3.8 billion savings over 5 years. Now, not a mammoth amount of money in Congress speak; but when you talk about a \$2.99999 trillion budget, any savings that you could manage is in fact significant. And this is money that could have gone for a pay-for for many of the other things that we talk about doing for health care in this body.

Mr. Speaker, a lot of people ask me: Well, if Texas has solved the problem, so why are we even concerned about it on the national level? One is the savings that was demonstrated by the Congressional Budget Office. Another is this, Mr. Speaker: consider the cost of defensive medicine.

A 1996 study, 11 years ago, done by Stanford University revealed that in the Medicare system alone, just Medicare, not Medicaid, not the Federal prison system, but in the Medicare system alone the cost of defensive medicine was approximately \$28 billion to \$30 billion a year. Ten or 11 years ago it was at that expense, and I submit that that number is significantly higher today if anyone would rework those numbers.

Another consideration is young people getting out of school. They look at the cost of professional liability insurance and say, you know what, I am going to stay out of those higher risk specialties because it is just not worth it to me.

Now, I do want to draw my colleagues' attention to a bill, H.R. 2583. This bill addresses graduate medical education. It is an enhancement for graduate medical education, and would develop a program that would permit hospitals, hospitals that do not traditionally operate a residency program, the opportunity to start a residency program to help again build physician the workforce of the future. On average, it costs \$100,000 a year to train a resident, and that cost for a smaller hospital can actually be an impossible barrier to entry. But because of this bill, that would create a loan fund available to hospitals to create residency programs where none has operated in the past; and it would require full accreditation and be generally focused in rural suburban or inner urban communities.

Another bill that I would direct my colleagues' attention to, H.R. 2584, this bill is designed to help medical students and those who have just recently graduated from medical school with a mix of scholarship, loan repayment funds, tax incentives to entice more students into medical school and create incentives for those students and newly minted doctors. The program will have an established repayment plan for students who agree to go into family practice, internal medicine, emergency medicine, general surgery, OB/GYN, and practice in an underserved area. It is a 5-year authorization. It is fairly modest at \$5 million a year and would provide additional educational scholarships in exchange for a commitment to serve in a public or private nonprofit health facility determined to have a critical shortage of primary care physicians.

Mr. Speaker, in whatever time I have left, I do want to address again the group that I call the "mature physician," and I want to address that from the perspective of the formula that is called the "sustainable growth rate