

what her blood sugar levels are; 42 a week.

The reason I mention this is these young and beautiful children were here to talk about something the President is going to do today—veto stem cell research legislation. What a shame. Last year, the Republican-controlled House and Senate overwhelmingly passed a bill to open up hope for these young ladies.

To indicate this is not just something that is important for Nevada, they had there a girl from Australia. A teenager from Australia was here to indicate this is an international problem. We in America, with the genius we have here—out of the top 142 universities in the world, we have 129 of them in America. One of the best, of course, is in the State of the Presiding Officer—Johns Hopkins. Research is going on there. Stem cell research should be going on there, and it is not.

It was a happy day for all of us when the bill passed the House and the Senate. It was a day Democrats and Republicans put politics and partisanship aside to do the right thing for the American people. Yet when we sent this historic bill to the President's desk, he vetoed it. It was his first veto of his Presidency.

With the health and hope of literally millions of Americans hanging in the balance, he vetoed the bill. It was the first veto, I repeat, of his administration.

A year passed. The best scientists continued to work with one hand tied behind their backs. I indicated 129 great universities in America, the best universities in the world, are not allowed to do this. Countless millions of Americans have been diagnosed with dread diseases, thousands and thousands, with Parkinson's, spinal cord injuries, heart disease. A year has passed, but today we are told the President plans to veto the stem cell bill again.

These children suffer from diabetes. They were here to help get this bill passed.

When we sent the bill to the President 2 weeks ago, Speaker PELOSI and I were joined by 10-year-old Toni Bethea, who lives in the District of Columbia and suffers from diabetes, and Allison Howard, who suffers from Rett Syndrome—beautiful children, one of them extremely ill. They deserve hope, just like these girls from Las Vegas, Sparks, Reno, from Australia.

President Bush has indicated that he would not give them any hope. He is going to veto the bill, we are told. He would not listen to the more than 500 leading organizations who support this bill, the American Association of Retired Persons, AARP, the American Medical Association, the American Diabetes Association, more than 500 organizations. He would not listen to 80 Nobel laureates who have said this is essential. He would not listen to his own Director—I am talking about President Bush—his own Director of the National Institutes of Health, who

supports embryonic stem cell research. He is not listening to the majority of the American people. This proposal is supported by more than 80 percent of the American public. They call for stem cell research.

This narrow ideology that has guided this administration, that has us in this intractable war in Iraq, that has us losing standing in the world community, having 47 million Americans with no health care and no plan coming from the White House to improve that—a program that is lacking in keeping our children in school. On the environment, global warming is taking place. It is being ignored by this White House. This, a hope for millions—stem cell research—indicates this narrow ideology is wrong, and it is preventing the curing of diseases, the prevention of diseases. We deserve better. We are a nation of endless compassion and unlimited ingenuity. Megan, Anna, Jordan, Toni, and Allison deserve to know we are a better country than this narrow ideology.

President Bush's veto is a setback, but we are going to continue to give hope to these children and the American people.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

CREATING LONG-TERM ENERGY ALTERNATIVES FOR THE NATION ACT OF 2007

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 6, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 6) to reduce our Nation's dependence on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes.

Pending:

Reid amendment No. 1502, in the nature of a substitute.

Reid (for Bingaman) amendment No. 1537 (to amendment No. 1502), to provide for a renewable portfolio standard.

Klobuchar (for Bingaman) amendment No. 1573 (to amendment No. 1537), to provide for a renewable portfolio standard.

Bingaman (for Klobuchar) amendment No. 1557 (to amendment No. 1502), to establish a national greenhouse gas registry.

Kohl (for DeMint) amendment No. 1546 (to amendment No. 1502), to provide that legislation that would increase the national average fuel prices for automobiles is subject to a point of order in the Senate.

Corker amendment No. 1608 (to amendment No. 1502), to allow clean fuels to meet the renewable fuel standard.

Cardin modified amendment No. 1520 (to amendment No. 1502), to promote the energy independence of the United States.

Collins amendment No. 1615 (to amendment No. 1502), to provide for the develop-

ment and coordination of a comprehensive and integrated U.S. research program that assists the people of the United States and the world to understand, assess, and predict human-induced and natural processes of abrupt climate change.

Baucus amendment No. 1704 (to amendment No. 1502), to amend the Internal Revenue Code of 1986 to provide for energy advancement and investment.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 30 minutes of debate on amendment No. 1546, offered by the Senator from South Carolina, Mr. DEMINT, with the time equally divided and controlled between the Senator from New Mexico, Mr. BINGAMAN, and Mr. DEMINT.

Who yields time? The Senator from South Carolina is recognized.

Mr. DEMINT. Mr. President, I ask unanimous consent to be allowed to speak as in morning business for up to 5 minutes and that it count against my allocated 15 minutes on my amendment and that it appear in a separate place in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The remarks of Mr. DEMINT are printed in today's RECORD under "Morning Business.")

AMENDMENT NO. 1546

Mr. DEMINT. Mr. President, I wish to take a few minutes to speak about my amendment which the Senate will be voting on a few minutes after 10 this morning. This amendment would create a 60-vote point of order against bills or amendments in the future that would raise the price of gasoline.

This amendment is very straightforward. It would require the Congressional Budget Office to score legislation to determine if it would increase the cost of gasoline. If the legislation would increase the cost of gasoline, a 60-vote point of order would lie against the bill.

This applies the same principle we use in the Congressional budget process to our energy policy. The traveling public is coping with the high price of gasoline every day. While there are many factors out of our control forcing up the price of gas, we can control what we do here in the Senate.

For all the time that has been spent over the last few weeks railing against big oil or the high cost of gasoline, little time has been spent to examine one of the leading causes of high prices of gasoline, which is the Congress. Too often the idea of a rational energy policy here in Congress is to create burdensome regulations, onerous mandates, and higher taxes, all of which directly translate into higher prices at the pump for American families. My amendment proposes to hold Congress in check by instituting a safeguard that encourages the Senate to take a "do not harm" approach when considering legislation affecting gas prices.

My amendment, again, is very straightforward and very simple. If the Senate wants to pass legislation that

will make it more expensive for American families to fill up their tank, we will be required to get 60 votes instead of 51 to pass the legislation. While this amendment is relatively simple, it is also vitally important, because, while many of the Democrats in this body like to tell the American people they are working to "stick it to big oil" and lower the price of gasoline, their legislative record shows something quite different.

The current bill is a perfect example. According to a study completed this week by the Heritage Foundation, the Energy bill we are currently debating could result in significantly higher prices for gasoline to consumers. A review of the legislation, including the new amendment dealing with tax changes, revealed the bill could increase the price of regular unleaded gasoline from \$3.15 per gallon, which is the May average right now, to \$6.40 a gallon by 2016.

That is an increase of over 100 percent. The point of order my amendment proposes could not be used against this bill because it cannot take effect until the bill is enacted. But my amendment could be used to stop similar legislation in the future. If this Congress is willing to consider legislation that would raise the price of gasoline by over 100 percent, as this bill may do, we need to put some commonsense safeguards in place.

I know some of my colleagues may in the future support policies that would raise the price of gasoline. That would cause the point of order I am proposing to lie against the bill. But I would encourage even those to support this amendment. If their policy goal is so important, then we can overcome the point of order and we can get 60 votes to pass their legislation.

We should adopt this commonsense proposal that ensures that at the very least the Senate is less likely to increase the cost of gasoline. After all the concerns we have heard from my Democratic colleagues about the price of gasoline, this seems the least we can do.

I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, the DeMint amendment as described by Senator DEMINT creates a 60-vote point of order in the Senate on any legislation or part of legislation that would "result in an increase in the national average fuel price for automobiles."

By legislation, that is usually interpreted to mean a bill, a joint resolution, an amendment, a motion, or a conference report. The determination of whether any of those enumerated items would result in an increase in the national average fuel price for automobiles would be made by CBO in consultation with the Energy Information Administration.

This is another piece of "feel good" legislation that would have the probable effect of making a great deal of

what we do here in the Senate subject to a 60-vote point of order. Frankly, world oil prices and domestic fuel prices are swayed by all sorts of influences and psychological factors in the market. To think the Congressional Budget Office would be able to analyze price effects of legislative proposals might play in this complex stew of what traders and producers and major refiners think will happen is not realistic. This point of order would give a tremendous amount of influence to the petroleum industry. Most anything we do up here causes them to complain we are likely to raise gasoline prices as a result.

For example, they are saying that right now about the antimanipulation and consumer protection provisions in the bill that were voted out of the Commerce Committee. If there were a 60-vote point of order their complaint could trigger, they would certainly be in constant contact with Member offices and with the Congressional Budget Office trying to boost the minimum votes necessary for these proposals to 60 votes.

Let me give you a few examples of amendments to the bill Members want to offer that might be caught up in this kind of a point of order. Senator COCHRAN has an amendment he wants to offer to increase the size of the Strategic Petroleum Reserve. Any purchase of oil for the SPR would take that oil off the market and potentially raise fuel prices. That would trigger the DeMint point of order.

Another example is the provision in the amendment that was adopted in the Senate by over 60 votes yesterday that is referred to generally as NOPEC, which essentially says U.S. courts will be open and available and have jurisdiction to consider antitrust claims against foreign governments that are getting together and trying to conspire to set oil policies. That legislation could clearly affect the price of oil and thereby the price of gasoline at the pump. We have an interest in creating reserves of products for refined gasoline. We already have a heating oil reserve. Legislation to establish new product reserves or to increase the size of the heating oil reserve would likely trigger this point of order my friend is suggesting we ought to put into our procedural law.

Our military posture in the Persian Gulf has a great deal to do with the world price of oil. We might find that amendments or other legislative proposals dealing with sensitive military or diplomatic issues in that region would have an effect on automobile fuel prices under this amendment and could thus trigger the point of order. We might see the whole Defense bill annually subjected to the DeMint point of order on the claim that what we are proposing to do in the Defense bill could increase the price of gasoline at the pump.

It is worth focusing on the fact that the point of order is triggered by "an

increase" found by the Congressional Budget Office. That increase could be less than a penny a gallon and still the 60-vote point of order would be triggered as the amendment is drawn.

Another example would be any legislation that might be considered on the Senate floor related to Nigeria and our relations with Nigeria. Clearly, we are heavily dependent upon oil from Nigeria to meet our energy needs. Any instability in that relationship could affect the price of oil or the price of gasoline as a result of increases in the price of oil.

People are always complaining it is hard to get things done here in the Congress. We have too many procedural wrangles here in the Congress. There is an abundance already of procedural hurdles that any legislative proposal has to surmount in order to get passed.

We have been pleading with various Senate Members in connection with this exact bill to try to get permission to bring up different amendments, even agreeing that we would be bound by a 60-vote point of order or a 60-vote requirement to do that. So we already have procedural hurdles in place in abundance. We should not be inserting into Senate procedures a requirement that will come back to haunt both Republicans and Democrats in completely unforeseen and unforeseeable ways just in order to say we did something about high gas prices.

I strongly urge that we not agree to the DeMint amendment.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina.

Mr. DEMINT. How much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 7½ minutes.

Mr. DEMINT. Mr. President, I very much appreciate the Senator's remarks. I think the remarks were very instructive. It is clear that many of things we do in the Senate actually do result in increased gas prices.

Most of the discussion and a lot of the initiative and motivation of the bill we are working on is to lower gas prices. The fact is, in the past, though, we have not been honest and transparent with the American people. Many times we are talking about our good intentions, things we are going to do here, and we do not expose the fact that what we are doing is going to increase the cost of gasoline. I think that is a fair part of the debate. If we want to increase our national reserves of oil, then it is fair in that debate to make it clear to the American people that if we do it, it may increase the cost of gasoline to them at home, so all of us who are considering the issue can balance it.

If some aid program to Nigeria is going to increase the cost of gasoline here at home, the American people should know that, so we cannot claim to be doing something for people without them realizing it is costing them more and more money.

I understand the objections to procedural hurdles here. Actually, that is the way the Senate was designed so that we do not do things in a knee-jerk fashion, without openness and debate, so we actually do figure out the consequences of what we do in advance of passing legislation.

We have not done that in the past. Many of our rules have created different boutique, different fuel requirements in many States, a lot of environmental concerns—a lot of things that are good actually increased the cost of gasoline a significant degree.

It is important that we include that in our debate. While we may be resistant to procedural hurdles, much of the bill we are debating creates multiple procedural hurdles to increase new gas supplies, oil, natural gas. It creates new mandates, new taxes. We create a lot of hurdles for the energy business to create more supply so we can lower the price of gasoline. This amendment exposes us for what we are and what we are doing. If we are going to propose things in the Senate related to energy, the Congressional Budget Office, as my amendment says, in consultation with the Energy Information Administration and other appropriate Government agencies, can help make a determination if what we are doing is going to raise the price of gasoline. That is a fair part of an honest debate.

To snuff this out and to come down to the Senate floor and make great claims about what we are going to do to help the American people while all the time hiding from them that we are the ones raising their gas prices—it is not big oil, it is not necessarily even OPEC, it is us. We add lots of costs to gasoline every time we pass an energy bill. This Energy bill is no exception.

While my amendment doesn't affect this bill, it does create a point of order in the future. You can call this a hurdle, but if 60 people in the Senate cannot decide that it is more important to increase the size of our national reserve, even though it might increase the cost of gasoline, if 60 of us are not for that, then perhaps we should hesitate before we increase the cost of gasoline again to the consumers.

This is one of the rare simple bills that come to the Senate. It is just a couple of pages. All it does is say that when we introduce a bill that increases the cost of gasoline for American consumers, we have to get 60 votes instead of 51 to pass it. It is a reasonable proposal. If we are willing to come here and talk every day about what we are doing to help the consumer and at the same time we want to hide from them that the things we are doing are actually increasing the cost of gasoline, then shame on us.

This amendment is simple. It is about transparency, openness, and honesty to the people. That is exactly what they deserve.

I urge all of my colleagues to vote for this amendment.

I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BINGAMAN. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DEMINT. I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DEMINT. Mr. President, it has been brought to my attention that the majority will seek to defeat my amendment by raising another point of order against it. This demonstrates exactly how much the Democrats dislike this amendment. It proves that they have additional plans in the works to raise gasoline prices on the American people. Why else would they be fighting it so hard? I also believe this effort to deny the Senate a clean up-or-down vote on this amendment shows that some in this body are more interested in defending the jurisdiction and rights of a Senate committee than they are in defending American consumers. If the other side raises a point of order against my amendment, I encourage my colleagues to ask themselves which is more important: protecting Americans from high gas prices or protecting the jurisdiction of the Budget Committee?

I urge my colleagues to vote to waive the Budget Act. If the other side tries to kill my amendment and stick it to the American people at the pump, I encourage Members to vote against such an effort.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. DEMINT. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, part of our debate has involved the question of whether we have too many procedural hurdles already impeding the work of the Senate and keeping us from conducting up-or-down votes on things. I strongly believe we do have too many procedural hurdles. Obviously, the purpose of the DeMint amendment would be to put more procedural hurdles in place so that a 60-vote point of order would be required in many circumstances in the future where it is not required today for the Senate to act.

I am informed that one of the procedural hurdles already in law is under the Budget Act and that the pending amendment deals with matter within

the Budget Committee's jurisdiction in that the DeMint amendment would direct CBO to take a variety of actions. That is exclusively within the jurisdiction of the Budget Committee.

I raise a point of order that the pending amendment violates section 306 of the Congressional Budget Act of 1974.

I yield back the remainder of my time.

Mr. DEMINT. Mr. President, I move to waive the budget point of order.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion to waive the Budget Act in relation to amendment No. 1546.

Mr. BINGAMAN. I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. LOTT. The following Senators are necessarily absent: the Senator from Kansas (Mr. BROWNBACK), the Senator from Oklahoma (Mr. COBURN), and the Senator from Arizona (Mr. McCAIN).

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

The yeas and nays resulted—yeas 37, nays 55, as follows:

[Rollcall Vote No. 217 Leg.]

YEAS—37

Allard	Dole	Martinez
Bennett	Domenici	McConnell
Bond	Ensign	Nelson (NE)
Bunning	Enzi	Roberts
Burr	Graham	Sessions
Chambliss	Grassley	Shelby
Cochran	Hagel	Smith
Coleman	Hatch	Snowe
Collins	Hutchison	Sununu
Cornyn	Inhofe	Thune
Craig	Isakson	Vitter
Crapo	Kyl	
DeMint	Lott	

NAYS—55

Akaka	Gregg	Nelson (FL)
Alexander	Harkin	Pryor
Baucus	Inouye	Reed
Bingaman	Kennedy	Reid
Boxer	Kerry	Rockefeller
Brown	Klobuchar	Salazar
Byrd	Kohl	Sanders
Cantwell	Landrieu	Schumer
Cardin	Lautenberg	Specter
Carper	Leahy	Stabenow
Casey	Levin	Stevens
Clinton	Lieberman	Tester
Conrad	Lincoln	Voinovich
Corker	Lugar	Warner
Dodd	McCaskill	Webb
Dorgan	Menendez	Whitehouse
Durbin	Mikulski	
Feingold	Murkowski	Wyden
Feinstein	Murray	

NOT VOTING—7

Bayh	Coburn	Obama
Biden	Johnson	
Brownback	McCain	

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and

sworn not having voted in the affirmative, the motion is not agreed to. The point of order is sustained and the amendment falls.

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BINGAMAN. Mr. President, I understand the Senator from New Hampshire has an amendment he wishes to offer at this time. He has agreed to a time limit wherein we would have 40 minutes equally divided, half to be controlled by Senator GREGG, the other half to be controlled by Senator GRASSLEY, or their designees. It would be 40 minutes prior to any vote in relation to the amendment.

Mr. GREGG. Mr. President, reserving the right to object, for clarification, we are going to have 40 minutes of debate and then at some point we will have the vote, right?

Mr. BINGAMAN. We will have 40 minutes of debate and then at some point we will have a vote. We may not have it immediately at the end of that 40 minutes.

Mr. GREGG. But we will have 40 minutes of debate now equally divided between myself and Senator GRASSLEY, and then when we get to a vote on it, we will have 2 minutes equally divided.

Mr. BINGAMAN. I am suggesting we go ahead and vote at the end of 40 minutes. So we will have 40 minutes of debate equally divided and then we will have a vote.

Mr. GREGG. If that is agreeable with the managers, that is fine with me.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 1718 TO AMENDMENT NO. 1704

Mr. GREGG. Mr. President, I send an amendment to the desk.

Is there an amendment pending? This is a second-degree amendment to the Baucus amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

“	2207.20.20	Ethyl alcohol and other spirits, denatured, of any strength (if used as a fuel or in a mixture to be used as a fuel)
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(B) CONFORMING AMENDMENT.—The article description for subheading 2207.20.00 of the Harmonized Tariff Schedule of the United States is amended by inserting “(not provided for in subheading 2207.20.20)” after “strength”.

(b) REPEAL OF TEMPORARY DUTY OF 54 CENTS PER GALLON.—Subchapter I of chapter 99 of the Harmonized Tariff Schedule of the United States is amended—

(1) by striking heading 9901.00.50; and
(2) by striking U.S. Notes 2 and 3 relating to heading 9901.00.50.

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

Mr. GREGG. Mr. President, this amendment is an attempt to remedy what is an unfortunate situation, which is that people who cannot buy ethanol from the Midwest and have to buy it from other sources, especially outside the United States, end up being taxed at 54 cents a gallon.

So people from the east coast and, to some degree, from the west coast are paying an excessive amount to use product which significantly improves the environment and which also obviously reduces our dependence on oil.

The argument at the time this tariff was originally initiated was we needed to protect the ethanol production capability of the Midwest, the corn producers. That may have had some resonance a few years ago, but it certainly does not have any resonance any longer. It does not have any credibility any longer.

Today, there are about 7.5 billion gallons of ethanol produced in this country. Under this bill it is required that go up to 36 billion gallons. Most of that will come from the production of corn, most likely in the Midwest. So there is already a huge demand for corn, and corn prices are high. In fact, they are so high as a result of the use of corn for ethanol that many people who use corn as feedstock are complaining vociferously. So there is no need to protect production in the Midwest with a tariff that impacts people on the east coast disproportionately.

The second reason there is no need for this tax is that people from the east coast cannot get ethanol from the Midwest because it cannot be shipped efficiently. That is because ethanol cannot be shipped through pipelines because of its volatility. Therefore, our only option on the east coast is to buy ethanol that comes from outside the country, the Caribbean Basin and Brazil. Therefore, it makes no sense to penalize the east coast to try to encourage production in the center of the country for corn and ethanol when the corn is already being significantly subsidized to the tune of \$3 billion annually just through agricultural subsidies. But, in addition, its production is being encouraged by the requirement that we produce so much ethanol in this country that corn is essentially the feedstock for it, and that we therefore are having a dramatic expansion in the

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 1718 to amendment No. 1704.

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

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

The amendment is as follows:

(Purpose: To strike the provision extending the additional duty on ethanol and for other purposes)

Strike section 831 and insert the following:

SEC. 831. ELIMINATION OF ETHANOL TARIFF AND DUTY.

(a) IN GENERAL.—

(1) ELIMINATION OF PERMANENT TARIFF OF 2.5 PERCENT.—Subheading 2207.10.60 of the Harmonized Tariff Schedule of the United States is amended—

(A) by striking the column 1 general rate of duty and inserting “Free”; and

(B) by striking the matter contained in the column 1 special rate of duty column and inserting “Free”.

(2) ELIMINATION OF PERMANENT TARIFF OF 1.9 PERCENT.—

(A) IN GENERAL.—Chapter 22 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new subheading:

Free	Free (A+, AU, BH, CA, CL, D, E, IL, J, JO, MA, MX, P, SG)	20%	..
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production of corn and the utilization of corn.

This is not as if in any way this is going to affect that production capability. What it does do, however, is put us in the right place environmentally, and in the right place from a standpoint of utilization of energy sources because we should be using ethanol, obviously, and on the east coast we want to use ethanol. We just want to pay a fair price for it.

When we have this 54-cent-a-gallon tax on the consumers in the Northeast and the East, it is not a fair price. If we take this tax off, we will actually expand ethanol consumption in the East, and so, hopefully, at some point they will figure out a way to ship ethanol through pipelines and that will create a greater demand for ethanol generally in this Nation since so many people live on the east coast. And that will, again, help the production in the Midwest once we figure out how to ship it efficiently to the East because the demand will have been created.

Secondly, we have a choice. We can either heat with oil and we can run our cars on oil and gas or we can run in part on ethanol. The simple fact is, however, I would rather buy ethanol from Brazil than oil from Venezuela. It makes a lot more sense geopolitically as to how we protect ourselves. It is a cleaner burning energy, it is a better form of energy, and it is an energy which should be burned and is an energy that I think is a national policy

we would rather buy than underwriting the present Venezuelan Government by having to buy oil there.

So the concept of having this tariff, which is essentially a 54-cent-a-gallon tax on everybody who lives on the east coast, is no longer viable. It is not viable because corn production is up dramatically, the price of corn is up dramatically, and it will continue to go up especially under this bill since we are going to require a dramatic increase in the number of gallons which are ethanol based.

So the ethanol industry, to the extent it is corn based, is going to continue to grow and be viable, and they do not need this tariff production, which is its only purpose. It is not viable because it is not an efficient way for us to purchase energy, to have us pay this much extra money in tariffs so we basically undermine the use of ethanol on the east coast. It is not a good policy because it encourages the use of Venezuelan or other types of oil imports over ethanol because of the pricing situation. And it is not a good idea because it is simply bad policy to have in place this type of tariff.

This is not the mercantile period of the 19th century when we basically arbitrarily threw tariffs on products in order to create an inefficient marketplace, which was something we thought was going to help some producer here or there. It makes much more sense to have a situation where consumers can purchase ethanol-based products at reasonable prices so we can get more utilization of ethanol.

This amendment would eliminate the 54-cent-a-gallon tax which is targeted on a majority, quite honestly, of the American population and which the majority of Americans should not have to pay.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I hope Senator THUNE is here. I was going to yield time to him first.

I yield myself a couple minutes while we are waiting for Senator THUNE.

Mr. President, first of all, to change direction from where Senator GREGG was, today corn is \$3.50 in central Iowa, and it is down 25 cents from yesterday because it rained in Illinois in the last 48 hours. So weather is affecting the price of grain quite a bit. If city slickers are worried about the price of corn flakes going up, just remember that a farmer only gets a nickel out of every box of corn flakes that is half filled with air anyway. There are events that are affecting the price of corn a lot different from just ethanol. But the impression one gets around here when reading the papers is that there is so much corn going into ethanol that it is driving up the price of food for city people around this country.

The other issue is that the Senator from New Hampshire said corn is being subsidized \$3 billion. When corn is above roughly \$2 in the Midwest, there

is no loan deficiency payment being paid out for that corn. So at the price corn is today, there is no subsidy for corn.

Another issue we ought to think about is, whether we are importing ethanol or importing oil—don't forget, a few years ago, we started a program of tax incentives for ethanol and other renewables so we would be energy independent. Do we want to be dependent on imported ethanol as we are dependent on imported oil?

What is involved is an infant industry that is just now being able to come to a peak with great advancement in the future but still infant from the standpoint that the next step in ethanol production is cellulosic ethanol, to get ethanol not from grain corn but from wood chips, from switchgrass, or from corn stover. It will be 3 to 5 years before the scientific process of enzymes is efficient enough for that production to come about.

Even though we are now having a massive production of ethanol from grain corn, we cannot sustain this beyond 15 billion gallons of ethanol coming from grain corn or corn getting above that figure. And the underlying bill from the Senate Energy Committee recognizes that point because they have a 15-billion-gallon limit of grain corn producing ethanol. Beyond that, it is going to have to come from wood chips, switchgrass, corn stover—anything that has cellulose in it from which they can make ethanol.

Just because all of a sudden we have a burgeoning production of ethanol from grain corn doesn't mean this industry is mature to a point where we are going to be as energy efficient as we should be, as energy independent as we should be, and that is why it is still necessary to keep the tax incentives. That is why it is still necessary to have this import duty.

I am going to continue to yield time to myself until Senator THUNE arrives. I wish to make a statement in opposition to the amendment offered by the distinguished Senator from New Hampshire.

With today's gas prices, many in Congress are looking for solutions and for someone to blame. Unfortunately, some have chosen to pinpoint ethanol as the culprit. Because of new demand for ethanol, some of my colleagues have begun to argue that there is a shortage and that it is responsible for the rising cost of gasoline. They look to increased imports of ethanol and the lifting of the import tariff as a solution, and that is the substance of the amendment that is before us. But increased imports would have little impact on the price of gasoline. Let me emphasize because that is the basis of the amendment and I am saying the amendment is not going to accomplish its goal. Increased imports will not reduce the price of gasoline. This is the case because ethanol is such a tiny fraction of the cost of gasoline. In fact, in Iowa, you can buy a gallon of eth-

anol gasoline mixture—90 percent gasoline, 10 percent ethanol—for 8 to 10 cents under what the price of 100 percent of ethanol costs.

In regard to not changing the price of gasoline, I quote Guy Caruso, Administrator of the Energy Information Administration of the Department of Energy, last year saying that the 10-percent blend of ethanol is affecting price by "just a few pennies." Ethanol's role in gasoline prices is a tiny fraction of the overall increase.

In addition, it is important to point out that the United States already provides significant opportunities for countries to ship ethanol into our market duty free. Numerous countries do not pay the U.S. ethanol tariff at all. Through our free-trade agreements and trade preference programs, some 73 countries currently have duty-free access to U.S. markets for ethanol fully produced in those countries. For all other countries, including Brazil, the world's major exporter of ethanol, the United States provides duty-free access through a carve-out in the Caribbean Basin Initiative.

Get it right: Brazilian ethanol exporters don't have to pay the U.S. tariff today. Under this CBI, ethanol produced in Brazil and other countries that is merely dehydrated in a Caribbean country can enter the United States duty free up to 7 percent of the U.S. ethanol market, a very generous access, and it has been on the books for 20 years. Yet Brazil and other countries have never come close to hitting this 7-percent cap of ethanol that can come into our country duty free already. In fact, we are almost halfway through 2007, and this duty-free cap has been filled only 23 percent for this year.

Moreover, this cap grows every year because this 7 percent is 7 percent of a higher figure because of higher production of domestic ethanol every year. And it isn't that the Caribbean countries don't have the capacity to dehydrate more ethanol. They do have that capacity.

So we are already providing duty-free access for Brazilian ethanol that is shipped through the Caribbean countries. Much of this duty-free ethanol is being exported to the East Coast, the part of the country that Senator GREGG contends would benefit from the complete lifting of the U.S. tariff on ethanol.

The fact of the matter is that Brazil isn't taking full advantage of duty-free treatment currently available to them. I don't know why we should bend over backward to provide more duty-free access for Brazil. In fact, I would offer to the authors of this amendment that when this 7 percent loophole gets filled and that much ethanol has come into the country, I would be glad to sit down and see if there is a need to lift the cap totally.

I especially don't know why we should do this, given Brazil's stance in the Doha Round negotiations of the World Trade Organization. Brazil is the

leader of the G20 negotiating group in the WTO negotiations, a group that is resisting our efforts to obtain improved market access for U.S. products, both manufactured and agricultural, throughout the entire world.

In addition, the Brazilian Government intervenes extensively in the price and supply of ethanol in that country. But the U.S. tariff on ethanol operates as an offset to a U.S. excise tax credit that applies to both domestically produced as well as imported ethanol. So by lifting the tariff, we would, in effect, be giving the benefits of this tax credit to subsidize the Brazilian production of ethanol.

Providing yet more duty-free treatment for subsidized Brazilian ethanol would send the wrong signal to those Americans who are devoting their careers to helping America become more energy independent. The U.S. ethanol industry is working every day to lessen our dependence upon foreign oil. This is a virtue that President Bush has touted again and again. Last year, the President restated his goal to replace oil around the world by expanding the production of ethanol.

The President stated:

The Federal Government has got a role to play to encourage new industries that will help this Nation diversify away from oil. And so we are strongly committed to corn-based ethanol produced in America.

And today the President would add to that we are committed to doing more in cellulosic production of ethanol as well.

The President clearly understands the need to assist our infant domestic ethanol industry so we can get a foothold and we can succeed. Why would the United States now want to send a signal that we are backing away from our efforts to seek energy independence? We are already dependent upon foreign oil. Surely we don't want our country to go down the path of eventually becoming dependent upon foreign ethanol as well.

Providing yet more duty-free treatment would be a step in the wrong direction, discouraging the advancement of investment in biorefineries for ethanol and biodiesel. It would be bad for energy independence and, obviously, bad for our national security. So I hope my colleagues will oppose the Gregg amendment.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. GRASSLEY. Yes.

Mr. DOMENICI. Does the Senator have a minute left for the Senator from New Mexico?

Mr. GRASSLEY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Seven minutes.

Mr. GRASSLEY. Mr. President, I yield 1 minute to the Senator from New Mexico and then 5 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wish to congratulate the Senator on his re-

marks and say I concur with them. I would say this is the wrong time, while we are trying to enhance the investment in cellulosic ethanol and everything that goes with that, to come along with this idea. This would weaken the investment potential and the credibility of investment right when it is ripening and really generating interest.

This requires billions of dollars to be invested in cellulosic ethanol as we move to the next generation, and to have weakening that comes from this issue as to what is going to happen with this export-import issue is the wrong thing. I encourage colleagues to follow the lead of Senator BINGAMAN and Senator GRASSLEY.

Mr. President, I yield the floor.

Mr. GRASSLEY. Mr. President, I yield 5 minutes to Senator THUNE.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, I wish to join my colleague from Iowa in opposing this amendment. In 2006, America's ethanol industry contributed over \$41 billion to the national economy. Operation and construction of domestic biorefineries created 163,034 jobs in all sectors of the economy last year alone.

The bill before the Senate builds upon this success by boosting the renewable fuel standard to 36 billion gallons by the year 2022 and establishing other valuable incentives for renewable energy production. The amendment proposed by Senator GREGG, our colleague from New Hampshire, would send mixed signals to our ethanol producers, their investors, and the farmers who sell their products to ethanol plants.

In effect, what Congress would be doing is telling the ethanol industry: We are demanding more of your product, but at the same time we are going to open the back door and begin subsidizing foreign sources of ethanol. If this amendment is adopted, our marketplace would be flooded with heavily subsidized ethanol from foreign countries.

In 2006, Brazil exported 433 million gallons into the United States, which is an increase of 400 million gallons over the year 2005. That same year, Brazil paid over \$220 million in duties to import this amount of ethanol. They were already importing ethanol into this country through the Caribbean Basin Initiative. They have not reached that cap, but I think it is fair to expect they are going to continue to flood the U.S. market every opportunity they get with ethanol that is produced in Brazil.

The tax credit that currently is in place for domestic ethanol is critical to the success of our industry, and it does not discriminate between domestic or foreign sources of ethanol. So what happens is, as soon as the Brazilian ethanol is blended with gasoline in the United States, taxpayers begin paying 51 cents for each gallon of foreign ethanol. If Senator GREGG's amendment is

accepted, American taxpayers will immediately begin subsidizing hundreds of millions of gallons of foreign-made ethanol each year with no offsetting duty. Simply put, by eliminating this tariff, we would trade our dependence upon foreign sources of oil for a new and growing dependence upon foreign ethanol.

I would add the critics of this tariff have argued that it inflates the cost of gasoline in this country. In fact, gasoline prices, as my colleague from Iowa has noted, would not be affected by removing the tariff on imported ethanol. Ethanol itself represents less than 5 percent of U.S. motor fuel supplies, and imported ethanol represents a small fraction of that percentage.

The factors truly driving the price of gasoline higher have nothing to do with ethanol supplies. Record crude oil prices, tight refining capacity, lower gasoline production, and limited expansion of domestic refining expansion all play a much greater role than the supply of ethanol in today's higher gasoline prices.

Critics of the tariff also claim we will need ethanol imports to meet the growing demand for ethanol and to comply with the strengthened renewable fuel standard. Again, the facts tell a very different story. Our Nation's current domestic production capacity is 6.2 billion gallons of ethanol. According to industry experts, an additional 6.4 billion gallons of capacity are currently under construction and will soon be refining ethanol. That is a total of 12.8 billion gallons in current planned production, which is more than enough—more than enough—to meet the heightened renewable fuel standards in the near term.

Additionally, we have to keep in mind the limitations placed on ethanol demand due to blend restrictions. Right now, only E10, 10 percent ethanol and 90 percent gasoline, is approved for use in nonflex-fuel vehicles. There is a point at which we are going to hit the E10 wall. Domestic production, as you can see if you look at this chart of ethanol production in this country, is more than adequate to meet the full market potential for E10. Some industry analysts predict we will very soon have excess ethanol production capacity when we hit the E10 wall.

That is why it is so important we expand ethanol and allow for higher blends—E15, E20—which in my view is something long overdue. The E10 wall is the point at which the market for E10 ethanol is saturated if ethanol production continues to grow at a record pace. While some in the industry disagree on when we will hit the E10 wall, it is clear it would have a harmful effect on the overall ethanol industry if Congress fails to act. Lifting the tariff on ethanol imports would only flood the marketplace with foreign ethanol, further magnifying the impact of the E10 wall.

Clearly, there are several reasons why my colleagues in the Senate

should oppose this amendment, which undermines our national energy policy of greater energy independence. So I ask my colleagues to oppose the amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. TESTER). The Senator from New Hampshire.

Mr. GREGG. Mr. President, I yield 3 minutes to the Senator from Arizona.

Mr. KYL. Mr. President, the Baucus amendment from the Finance Committee would extend the tariff on imported ethanol for 2 more years. The Gregg amendment properly repeals the tariff.

Now, why do I say properly? Because the ethanol tariff acts as a tax on U.S. consumers at the gasoline pump. It increases the cost of gasoline because the cost of ethanol is increased due to the tariff. If Americans want anything out of this Energy bill, it is a reduction in gasoline prices.

In fact, in a recent Associated Press poll, 60 percent of the respondents said that gas prices—which, by the way, are currently around \$3 a gallon—are causing them hardships. Now, it is one thing to maybe have to pull back a little on your family vacation this summer, but an awful lot of people have to drive to get to work and have to drive as part of work. Clearly, when over half of Americans are caused hardships by the current high level of gasoline prices, Congress has the responsibility to do something about that.

We should act. One of the few ways in which we can directly impact the price of gasoline at the pump is to eliminate the tariff of 54 cents per gallon on ethanol that is brought into the United States. Nothing else in this bill will directly bring down gasoline prices. In fact, there are several provisions that will actually have the effect of increasing gasoline prices. Promoting a competitive market for ethanol will help bring down gasoline prices because it increases the supply that is available and provides, therefore, access to lower cost ethanol.

The bottom line is this: When there is a supply of potential fuel out there and our companies are trying to find that supply so they can bring it into the United States to meet the demand of consumers, but they have to pay 54 cents a gallon on part of that supply, they are either going to buy the supply at 54 cents a gallon and pass the cost on to the consumer or they are not going to be able to do that, thereby reducing the supply of gasoline available. What happens when you have more demand and less supply? The cost goes up anyway. Either way, having this tariff in place causes an escalating cost of the price of gasoline because it reduces available supply to the American consumer.

We have a mandate now to use ethanol. That is required. That mandate means the companies that provide the gasoline to consumers have no choice but to acquire ethanol. If much of that

ethanol is abroad, and we are charging 54 cents a gallon for it, obviously, you can see it is going to increase the cost of gasoline for the American consumer. Americans are a competitive people who know how the free market works.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GREGG. I yield 1 more minute to the Senator from Arizona.

Mr. KYL. I need an additional 30 seconds, Mr. President.

One way we know the free market can work better is if we don't have artificial prices on a product which the American consumer needs in order to work. That means we can reduce the cost of gasoline by eliminating this costly ethanol tariff.

Mr. GREGG. Mr. President, could the Chair advise us as to the time situation?

The PRESIDING OFFICER. Ten minutes.

Mr. GREGG. Senator GRASSLEY has how much time?

The PRESIDING OFFICER. One minute.

Mr. GREGG. Mr. President, I ask unanimous consent to add as cosponsors Senators FEINSTEIN, SUNUNU, KYL, and ENSIGN.

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

Mr. GREGG. Mr. President, I think there is some inconsistency coming from the argument of the other side on this issue. There is the argument, well, reducing the 54-cent-a-gallon tax would not reduce the price of gasoline. That is very hard to sustain on its face; it is counterintuitive, for obvious reasons. If you cut the cost of gasoline 54 cents a gallon, or if you cut the cost of ethanol 54 cents a gallon, obviously, the price of gasoline is going to go down.

It is equally hard to defend that position when, within two sentences of that argument, you make the argument that the country is going to be flooded with low-cost ethanol.

You can't have it both ways. As a practical matter, yes, this will reduce the price of gasoline. But that is because the ethanol blend will be more affordable in pricing gasoline, and that should be our goal, obviously, for the American consumer—to produce a more environmentally positive form of energy at a lower price.

The second major argument made here is, we can't do this because it will assist the foreign producers over domestic producers, which is totally inconsistent with the bill itself. The bill requires that 36 billion gallons of ethanol be produced by 2022. There is no way that does not mean our domestic production is going to expand dramatically to meet that obligation, so the bill already has in it the built-in obligation and requirements to expand domestic production, coupled with the fact there is a \$3 billion subsidy already paid independent of the ethanol benefit, which is accruing to the corn-producing segment of our economy. A \$3 billion subsidy for corn producers is

paid directly, coupled with the fact that Midwestern-produced ethanol cannot be shipped to the east coast, so it is not a competition. We have to buy the ethanol off-coast because that is the only way we can get the ethanol efficiently and safely because ethanol cannot be shipped through pipelines.

As a practical matter, this tariff is a holdover from a day when, yes, there may have been a fledgling industry in the ethanol community. Maybe there was some viability to it 5 years ago. But that is no longer the case. We have seen a significant increase in corn prices as a result of the expansion of ethanol use. We are going to continue to see a significant increase in corn production, in corn prices, because of continued ethanol use. The simple fact is, as other types of ethanol sources are brought on line, they are going to be brought on line at a competitive price. In fact, they may even be more competitive than corn. And that competitive price, and hopefully a way to ship it, will then be taken advantage of in the East and obviously be a benefit to the entire community of ethanol producers.

The arguments being put forth are classic protectionist arguments, but they have no feet underneath them. They have no basis underneath them. Protectionism, to begin with, is a lousy idea, but it is especially a lousy idea when it is basically not accomplishing its goal.

On the face of it, we know it is not accomplishing its goal. Again, the argument of the Senator from Iowa made this point for us when he said the 7 percent was being allowed in the country, and he had no problem with that. If he has no problem with 7 percent, then why not more, as a practical matter? As a practical matter, we are not competing with the Midwest, we are just trying to get a reasonable price for ethanol in the East.

This tax—and that is what it is—on American consumers, on a product that we should be using, is totally inappropriate and cannot be justified on the basis of protecting a domestic industry, specifically corn production, in light of the economics of corn production in today's market—which is doing extraordinarily well. It is seeing a massive expansion. Its prices are at their highest level in recent memory. They are going to continue to expand because this bill requires that expansion with the requirement that we use 36 billion gallons of ethanol by 2022, which is almost a quadrupling of the amount of ethanol required today.

I hope Members of the Senate would join me in voting to eliminate this unfair tax, this inappropriate tax. Down the road there is going to be an amendment to eliminate the blenders credit which would offset any of the revenues this would incur.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

THE PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself the 1 minute I have left.

First of all, there is no \$3 billion to corn farmers, when corn is \$4 a bushel or \$3.50 a bushel.

Second, as to the point made by Senator KYL, as well as Senator GREGG, that consumers want lower prices and somehow ethanol is driving up that price, let me tell you that ethanol today, this very day, if you check the market, is cheaper in the Northeast and the east coast than gasoline is. The spot market price for ethanol is \$2.10 compared to the spot price for gasoline at \$2.21 at the New York Harbor. There is no shortage of ethanol. There are no gasoline marketers unable to get ethanol supplies in the Northeast or the east coast. Ethanol is blended today in the RFT area, along the east coast, including Boston, New York, Philadelphia, Baltimore, and Washington. There is imported ethanol shipped into New York and Baltimore Harbor today.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from seven agricultural groups, including the American Farm Bureau Federation and the National Farmers Union, in opposition to the Gregg amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Majority Leader HARRY REID,
U.S. Senate.

Chairman JEFF BINGAMAN,
Committee on Energy and Natural Resources,
U.S. Senate.

Minority Leader MITCH MCCONNELL,
U.S. Senate.

Ranking Member PETE DOMENICI,
Committee on Energy and Natural Resources,
U.S. Senate.

DEAR SENATORS: Senator Judd Gregg (R-NH) is proposing an amendment to the energy bill that would eliminate the current tariff on imported ethanol. Such a change is not only unfair, but also inconsistent with efforts by the Administration and Congress to promote the growth of domestically produced renewable fuels.

Current U.S. policy provides refiners and gasoline marketers a 5¢ per gallon tax credit for every gallon of ethanol blended into gasoline. This tax credit is available to refiners regardless of whether the ethanol blended is imported or domestic. To prevent U.S. taxpayers from subsidizing foreign ethanol companies, Congress passed an offset to the tax credit that foreign companies pay in the form of a tariff.

Clearly, companies in countries—like Brazil—that subsidize their own ethanol industry should not have an unfair advantage over U.S. companies. The tax credit offset results in a level playing field and allows a system of fair trade to operate.

The tax credit offset on imported ethanol is not a barrier to entry. In 2006, for example, the U.S. imported of 650 million gallons of which more than 430 million gallons came from Brazil. Clearly, Brazilian imports compete quite effectively when needed.

Simply put, the credit offset merely asks Brazilian and other foreign ethanol producers to pay back the tax incentive for which their product is eligible. Congress correctly put this offset in place to prevent for-

eign ethanol industries access to American taxpayer dollars while not preventing access to the U.S. market.

At a time when America's domestic ethanol industry is seeking to expand, to invest in new technologies, and to attract investment in cellulosic ethanol production capacity, it makes little sense to undercut those efforts by eliminating the tax credit offset on ethanol. We strongly urge a "NO" vote on the Gregg amendment to subsidize foreign produced ethanol.

Sincerely,

American Coalition for Ethanol.
American Farm Bureau Federation.
National Corn Growers Association.
National Council of Farmer Cooperatives.
National Farmers Union.
National Sorghum Producers.
Renewable Fuels Association.

Mr. GREGG. Mr. President, before we go to the vote, I want to clarify two things. First, there was an implication that the administration might not support this amendment. In fact, the administration supports the repeal of this tariff, and they openly supported it. They were on record as supporting it when they were negotiating with Brazil. They do support the repeal of this tariff.

Mr. GRASSLEY. Will you yield on this point, please, not to make a statement?

Mr. GREGG. Yes, to ask a question.

Mr. GRASSLEY. Mr. President, I do ask this question: Does the Senator from New Hampshire know that the President of the United States, when he was in Brazil, was quoted in the paper as telling President Lulu that the ethanol export—the import credit would not be repealed while he is President of the United States?

Mr. GREGG. Reclaiming my time—

Mr. GRASSLEY. I asked you a question.

Mr. GREGG. I am happy to say that I did not understand the question. If I did understand the question, I believe it was that the President said he would not repeal the ethanol credit during his time in office, which I don't happen to think is the administration's position, which was that they publicly do not support this tariff. They do not support this excessive tariff; they do not support this tax. This administration has a strong record on opposition to taxes and tariffs, and they have been publicly in opposition to this for a while.

I also ask unanimous consent to add KAY BAILEY HUTCHISON as a cosponsor.

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

Mr. GREGG. I ask unanimous consent to have a statement from the Taxpayers for Common Sense in support of the amendment printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TAXPAYERS FOR COMMON SENSE ACTION,
Washington, DC, June 19, 2007.

DEAR SENATOR: Taxpayers for Common Sense Action urges you to support Senator Judd Gregg's (R-NH) second degree amendment to the Senate Finance Committee's amendment on H.R. 6. This amendment would eliminate the 5¢ per gallon tariff on imported ethanol, and it is an important

first step in righting our flawed ethanol policies.

The combination of ethanol tariffs and a domestic tax credit for blenders of ethanol wildly distorts the marketplace, artificially propping up a narrow sector of the farm economy and stifling consumers in the process.

The Gregg amendment opens U.S. markets to additional sources of ethanol that would lower domestic prices. Two Iowa State University economists estimate that removing the existing ethanol duties would reduce the domestic price of ethanol by 13.6 percent. Taken one step further, if the blender's tax credit were also repealed, the domestic price of ethanol would drop by a total of 18.4 percent, according to their estimations.

Taxpayers for Common Sense Action urges you to vote for Senator Gregg's amendment to the Senate Finance Committee amendment that is expected to be attached to H.R. 6.

Sincerely,

RYAN ALEXANDER,
President.

Mr. GREGG. I yield the remainder of my time and suggest we go to the vote.

THE PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I raise a point of order that the pending amendment violates section 201 of S. Con. Res. 21, the concurrent resolution on the budget for fiscal year 2008.

Mr. GREGG. Mr. President, pursuant to section 904(c) of the Congressional Budget Act of 1974, I move to waive section 201 of S. Con. Res. 21, the fiscal year 2008 budget resolution, for consideration of H.R. 6.

I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the motion. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from South Dakota (Mr. JOHNSON), the Senator from Illinois (Mr. OBAMA), and the Senator from Rhode Island (Mr. WHITEHOUSE), are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. WHITEHOUSE) would vote "yea."

Mr. LOTT. The following Senators are necessarily absent: the Senator from Kansas (Mr. BROWNBACK), the Senator from Oklahoma (Mr. COBURN), and the Senator from Arizona (Mr. MCCAIN).

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

The yeas and nays resulted—yeas 36, nays 56, as follows:

[Rollcall Vote No. 218 Leg.]

YEAS—36

Alexander	Cornyn	Inhofe
Allard	DeMint	Kennedy
Bennett	Dole	Kyl
Boxer	Ensign	Lautenberg
Bunning	Enzi	Leahy
Burr	Feinstein	Lieberman
Cantwell	Graham	Lott
Collins	Gregg	Lugar
Corker	Hutchison	Martinez

Menendez
Nelson (FL)
Reed

Schumer
Shelby
Snowe

NAYS—56

Sununu
Warner
Webb

Akaka
Baucus
Bayh
Bingaman
Bond
Brown
Byrd
Cardin
Carper
Casey
Chambliss
Clinton
Cochran
Coleman
Conrad
Craig
Crapo
Dodd
Domenici

Dorgan
Durbin
Feingold
Grassley
Hagel
Harkin
Hatch
Inouye
Isakson
Kerry
Klobuchar
Kohl
Landrieu
Levin
Lincoln
McCaskill
McConnell
Mikulski
Murkowski

Murray
Nelson (NE)
Pryor
Reid
Roberts
Rockefeller
Salazar
Sanders
Sessions
Smith
Specter
Stabenow
Stevens
Tester
Thune
Vitter
Voinovich
Wyden

NOT VOTING—7

Biden
Brownback
Coburn

Johnson
McCain
Obama

Whitehouse

The PRESIDING OFFICER. On this vote, the yeas are 36, the nays are 56.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

The Senator from New Mexico.

AMENDMENTS NOS. 1528, 1529, 1533, AND 1551, AS MODIFIED, EN BLOC

Mr. BINGAMAN. Mr. President, Senator DOMENICI and I have been working to get some amendments cleared. There are four that are now cleared.

I ask unanimous consent that it be in order to consider en bloc the following amendments, that they be considered and agreed to en bloc, and that the motions to reconsider be laid upon the table en bloc: Bingaman-Domenici No. 1528; Bingaman-Domenici No. 1529; Menendez No. 1533; and Cantwell No. 1551, as modified with the changes that are at the desk.

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

The amendments were agreed to, as follows:

AMENDMENT NO. 1528

(Purpose: To improve the section relating to energy storage competitiveness)

On page 126, line 12, strike “and”.

On page 126, line 13, strike the period and insert “; and”.

On page 126, between lines 13 and 14, insert the following:

(vi) thermal behavior and life degradation mechanisms.

On page 126, strike lines 14 through 21, and insert the following:

(B) NANOSCIENCE CENTERS.—The Secretary, in cooperation with the Council, shall coordinate the activities of the nanoscience centers of the Department to help the nanoscience centers of the Department maintain a globally competitive posture in energy storage systems for motor transportation and electricity transmission and distribution.

On page 127, line 5, insert “and battery systems” after “batteries”.

On page 127, line 7, strike “and”.

On page 127, line 9, strike the period and insert “; and”.

On page 127, between lines 9 and 10, insert the following:

(G) thermal management systems.

On page 127, line 12, insert “not more than” before “4”.

On page 127, lines 21 and 22, strike “and the Under Secretary of Energy”.

Beginning on page 128, strike line 22, and all that follows through page 129, line 2 and insert the following:

(7) DISCLOSURE.—Section 623 of the Energy Policy Act of 1992 (42 U.S.C. 13293) may apply to any project carried out through a grant, contract, or cooperative agreement under this section.

(8) INTELLECTUAL PROPERTY.—In accordance with section 202(a)(ii) of title 35, United States Code, section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182), and section 9 of the Federal Nonnuclear Research and Development Act of 1974 (42 U.S.C. 5908), the Secretary may require, for any new invention developed under paragraph (6)—

(A) that any industrial participant that is active in a Energy Storage Research Center established under paragraph (6) related to the advancement of energy storage technologies carried out, in whole or in part, with Federal funding, be granted the first option to negotiate with the invention owner, at least in the field of energy storage technologies, nonexclusive licenses and royalties on terms that are reasonable, as determined by the Secretary;

(B) that, during a 2-year period beginning on the date on which an invention is made, the patent holder shall not negotiate any license or royalty agreement with any entity that is not an industrial participant under paragraph (6);

(C) that, during the 2-year period described in subparagraph (B), the patent holder shall negotiate nonexclusive licenses and royalties in good faith with any interested industrial participant under paragraph (6); and

(D) such other terms as the Secretary determines to be necessary to promote the accelerated commercialization of inventions made under paragraph (6) to advance the capability of the United States to successfully compete in global energy storage markets.

On page 129, line 3, strike “(7)” and insert “(9)”.

On page 129, line 4, strike “5 years” and insert “3 years”.

On page 129, line 8, strike “in making” and all that follows through the end of the paragraph and insert “in carrying out this section.”.

On page 129, line 12, strike “(8)” and insert “(10)”.

AMENDMENT NO. 1529

(Purpose: To require the Administrator of General Services to submit an annual report to the Energy Information Agency)

On page 73, between lines 4 and 5, insert the following:

(h) REPORT.—Not later than 2 years after the date of enactment of this Act, and annually thereafter, the Administrator of General Services shall submit to the Energy Information Agency a report describing the quantity, type, and cost of each lighting product purchased by the Federal Government.

On page 73, line 5, strike “(h)” and insert “(i)”.

On page 73, line 16, strike “(i)” and insert “(j)”.

AMENDMENT NO. 1533

(Purpose: To make the Commonwealth of Puerto Rico eligible for the Federal weatherization program)

At the end of subtitle F of title II, insert the following:

SEC. 2. DEFINITION OF STATE.

Section 412 of the Energy Conservation and Production Act (42 U.S.C. 6862) is amended by striking paragraph (8) and inserting the following:

“(8) STATE.—The term ‘State’ means—

“(A) a State;

“(B) the District of Columbia; and

“(C) the Commonwealth of Puerto Rico.”.

AMENDMENT NO. 1551, AS MODIFIED

On page 161, between lines 2 and 3, insert the following:

SEC. 269. FEDERAL STANDBY POWER STANDARD.

(a) DEFINITIONS.—In this section:

(1) AGENCY.—

(A) IN GENERAL.—The term “Agency” has the meaning given the term “Executive agency” in section 105 of title 5, United States Code.

(B) INCLUSIONS.—The term “Agency” includes military departments, as the term is defined in section 102 of title 5, United States Code.

(2) ELIGIBLE PRODUCT.—The term “eligible product” means a commercially available, off-the-shelf product that—

(A)(i) uses external standby power devices; or

(ii) contains an internal standby power function; and

(B) is included on the list compiled under subsection (d).

(b) FEDERAL PURCHASING REQUIREMENT.—Subject to subsection (c), if an Agency purchases an eligible product, the Agency shall purchase—

(1) an eligible product that uses not more than 1 watt in the standby power consuming mode of the eligible product; or

(2) if an eligible product described in paragraph (1) is not available, the eligible product with the lowest available standby power wattage in the standby power consuming mode of the eligible product.

(c) LIMITATION.—The requirements of subsection (b) shall apply to a purchase by an Agency only if—

(1) the lower-wattage eligible product is—

(A) lifecycle cost-effective; and

(B) practicable; and

(2) the utility and performance of the eligible product is not compromised by the lower wattage requirement.

(d) ELIGIBLE PRODUCTS.—The Secretary of Energy, in consultation with the Secretary of Defense, the Administrator of the Environmental Protection Agency, and the Administrator of General Services, shall compile a publicly accessible list of cost-effective eligible products that shall be subject to the purchasing requirements of subsection (b).

Mr. MENENDEZ. Mr. President, I rise in support of including Puerto Rico in the Federal Weatherization Assistance Program. I want to thank Chairman JEFF BINGAMAN and Ranking Member PETE DOMENICI for accepting this amendment as part of the CLEAN Energy Act of 2007. This is simply a matter of fairness and of equity.

Puerto Rico is currently ineligible for Weatherization Assistance, and only receives a small set aside from the LIHEAP program. To include Puerto Rico in the weatherization program would cost less than 1 percent of the program’s funds but would make a huge impact.

Though Puerto Rico is blessed with warm weather, the Weatherization Assistance Program is desperately needed there. Because it is an island that must import the fuels it needs, energy costs are extraordinarily high. The average cost of electricity in the U.S. is under 10 cents a kilowatt-hour, but in Puerto Rico, electricity costs almost twice that at 18 cents per kilowatt-hour.

And these high energy costs have a devastating impact on the Commonwealth's low-income population. Approximately 45 percent of the population is under the U.S. poverty line.

Many homes rely on old, inefficient air conditioners to cool their homes and much of the low-income housing has not been built or maintained with energy efficiency in mind.

Puerto Rico already has an active program to educate people about the importance of energy efficiency and to increase the energy efficiency of government buildings. But the weatherization program would help Puerto Rico offer weatherization assistance to low-income households and incentives for energy efficient appliance purchases, solar water heaters, lighting replacement, and other energy-saving measures.

The CLEAN Energy Act of 2007 expands authorization for the Weatherization Program from \$700 million per year to \$750 million per year. This vital program helps thousands of low-income families keep their energy costs down and also helps the environment by making energy consumption more efficient. It is time we help the low-income families of Puerto Rico gain access to this vital program.

I again thank Chairman JEFF BINGAMAN and Ranking Member PETE DOMENICI for their leadership in accepting this critical amendment.

Mr. BINGAMAN. Mr. President, I believe the order now is for the Senator from New York who wishes to offer an amendment. I yield to my colleague to see if he is in agreement with that course of action.

Mr. DOMENICI. I am. I say to Senator SCHUMER, we had no objection to your amendment. It took an extra amount of time because of matching up one versus one side and the other. It was nothing fundamental. It was just that.

Mr. SCHUMER. Mr. President, if my colleague will yield, I thank him for that. If we can accept the amendment, I don't have to debate it. Are we able to do that or are we still able to match up?

Mr. BINGAMAN. Mr. President, I think the better course is for the Senator from New York to go ahead and explain the amendment, offer the amendment. Then during the course of his debate, we will see how persuaded we are and whether a voice vote is adequate or whether a rollcall vote is required.

Mr. SCHUMER. I thank the Senator. The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I thank both my colleagues from New Mexico. They put a big burden on me to make a good explanation. I will do my best.

I ask unanimous consent that the pending amendment be set aside so I may call up my amendment which would then be set aside when I am through.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. I have to object to your bringing up the amendment.

Mr. SCHUMER. Then I withdraw the request, and I will speak about the amendment without bringing it up.

The amendment we are speaking about here would raise the level of building standards so that our buildings across America would be more green. There has been tremendous focus on automobiles—of course, there should be—in raising their mileage standards. But what is forgotten is that a huge percentage of energy consumption and greenhouse gases come from buildings and, more importantly, the heating and cooling of our structures, both residential and commercial. The bottom line is, if everybody in America were to adopt green building standards, we could greatly reduce—and these are prospective, not retrospective—the amount of greenhouse gases and energy consumption.

For instance, according to the Alliance to Save Energy, the amendment I wish to offer could save our country 5 percent of its total energy use, save consumers \$50 billion a year, and—listen to this, this is an amazing statistic—reduce greenhouse gas emissions by an amount equivalent to taking 70 million cars off the road.

You say: Can this work? Yes, because a good number of States have started doing this already. California has taken the lead. California increased its energy efficiency in buildings in the late 1970s, and now they, in terms of greenhouse gases, are at the level of some European countries, even though California is a car culture. There are lists of States that have already moved forward in this regard. They are California, Colorado, Connecticut, Hawaii, Minnesota, Nevada, Pennsylvania, Texas, Vermont, Virginia, and Washington, and other States are on the road to doing so. The bottom line is, by making our buildings more efficient, we can reduce gases.

Let me tell you what the amendment does. The organizations that draft commercial and residential building codes will be required to meet specific energy use targets. We don't tell them how. Obviously, it is different in Minnesota than it would be in Florida or Arizona. They will be required to meet specific energy use targets. They must be more efficient by 30 percent than the 2006 codes by 2015 and 50 percent more efficient by 2022. Because this affects new buildings, obviously people are given a timeline. You can't start this next year. But, again, California did this in the 1970s, and they are reaping the benefits now.

Since energy independence and since global warming are long-term issues—we all know we are not going to solve them in a year—acting now is important. We give the States time to change their building codes in the way they wish, and we would greatly reduce the amount of greenhouse gases.

My mayor is in the news today but for other matters. The mayor of New

York City, for instance, has proposed that the city do this on its own. We give credit to specific cities that would do this as well. They would have the same benefits and responsibilities under the bill as States would, when States did it. If your State didn't but your city did, you would still be able to get the benefits and meet the requirements of the legislation. But it is estimated that it will reduce the amount of energy consumption in New York City by 40 percent. Is that incredible?

We have a lot of debate, as we should, on automobiles, on renewables, on coal to gas, but there is a quiet little secret out there that this amendment sort of makes public. That is that conservation—conservation of things that are much easier and much less controversial than, say, automobiles—is where the real bang for the buck is in terms of energy independence, reducing greenhouse gases, and in terms of lowering the cost to the average consumer of electricity and gasoline, because when we are more efficient in terms of our buildings, petroleum is used for other purposes, and supply and demand would even reduce the price for gasoline.

One of the environmentalists I know put it well. He said: Alternative fuels are the sizzle and conservation is the steak. They are both important. When you barbecue, you like to have the sizzle. It is fun. But you also like to eat the steak.

I have two other amendments, one that does the same on appliances. The bill has good provisions on appliances, but we move them further in terms of California, although I am not talking about that one here right now.

If we were to do it for utilities, where we would require them to be more efficient—and they could choose the way—we could do dramatic things in this bill just on its own. The cost for most energy conservation, the cost for reducing the consumption of petroleum, for reducing greenhouse gas emissions, is about one-quarter what it is for producing new alternative fuels.

I hope my colleagues will support this amendment. It is not controversial, I do not think. It does not have universal support, but it has great support. The Department of Energy has looked favorably upon it. I do not know if they are officially in favor of it, but we talked to them, and they know we have to move in this direction.

I hope the amendment can be adopted. I hope I have convinced my colleague from New Mexico, if not with eloquence—which I am sure I do not have—at least with the facts and the structure of this amendment.

Mr. President, I am happy to yield back the floor, unless my colleague wishes me to go on further about this amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I thank my colleague from New York. He has persuaded me of the merit of his

amendment, but I am not in a position to procedurally move to actual disposition of the amendment at this time.

So if the Senator has completed his statement, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 1704

Mr. BINGAMAN. Mr. President, since we seem to be unable to move ahead and actually dispose of amendments for a few minutes, while we get the procedural circumstance untangled, let me speak briefly about the tax package that has been reported from the Finance Committee.

The energy tax package that is now a pending amendment to this bill represents a dramatic shift in the direction of our national energy policy from fossil fuel dependence to one that promotes diversified domestic sources of clean energy.

The package the Senate will consider as part of this tax package contains three times the incentives for energy efficiency and renewables and other clean energy than we were able to enact in the 2005 Energy bill—three times more clean energy.

The energy tax provisions are intended to complement and augment the authorizing legislation. These vitally important energy measures include:

First, a 5-year extension of the section 45 tax credit for producing electricity from wind, geothermal, biomass, and other green resources; an extension of the section 48 investment tax credit for business investments in solar, fuel cells, and microturbines for a total of 8 years in the package that has now been reported to the Senate; extending the newly proposed residential wind credit; extending several residential and commercial energy efficiency tax incentives; expanding the section 48 A and B investment tax credits to fund the development of clean coal facilities, with a particular requirement that CO₂ be captured and sequestered; expanding the program for clean renewable energy bonds by up to \$3.6 billion; adding \$3 billion to a newly established program for clean coal bonds; extending the advanced vehicle consumer credits and adding a category for plug-in hybrids and electric vehicles; and an important new incentive to encourage the production of cellulosic ethanol.

These are important provisions individually, but combined I think they will play a major role in moving our country along toward a path of forward-looking energy policy.

The Finance Committee amendment also contains a severance tax on all oil and gas production from the Federal

Outer Continental Shelf in the Gulf of Mexico. This severance tax proposal needs to be viewed in the context of the larger energy tax title in the Energy bill that is before the Senate. By including this OCS severance tax in the Energy tax bill, we are able to secure the revenue that is vitally needed for these energy measures I have detailed.

This OCS severance tax has been carefully crafted to raise revenues while doing the least possible to discourage production. First of all, it applies to oil and gas production on the OCS in the Gulf of Mexico only. We carefully considered where the tax should apply. The Alaska OCS is an important frontier area, and additional costs on those operations could truly impact leasing and development activity. The only other area with production in the OCS is California, where production is minimal and no new leasing is occurring.

However, the industry in the Gulf of Mexico is robust—particularly with the price of oil where it is today—and the lessees and operators there tend to be large: either the major oil companies or large independent producers. This is in contrast to the Rocky Mountain region, where many small independents operate. Additional taxes or fees in that region could make the difference between production occurring or not occurring. Thus, this tax would only apply to oil and gas from the Gulf of Mexico Outer Continental Shelf.

In addition, the tax is designed to ensure that it is not overly burdensome. The tax would be levied at a rate of 13 percent of the value of production with a credit against the tax for royalties paid on each lease. The Government Accountability Office recently completed a study comparing the combined tax and royalty costs imposed on the oil and gas industry in the United States versus elsewhere in the world.

I note the GAO found the climate for doing business in the U.S. is very favorable, with the U.S. having one of the lowest combined “government takes” in the world. Using this construct of considering the combined tax and royalty costs, we designed the severance tax with a credit for royalties paid to ensure no lessee would be required to pay more than 13 percent of the value of their production in combined severance taxes and royalties.

Of course, any lessee who is paying a 16½-percent royalty—that the President has now established as the appropriate royalty on Federal leases going forward—any lessee that is subject to that royalty will pay no tax. Any lessee paying a 12.5-percent royalty will pay an effective rate of 0.5 percent for the severance tax, and lessees paying less than a 12.5-percent royalty rate will pay the tax at an effective rate of the difference between the 13 percent and the royalty rate being paid.

Furthermore, I believe the 13-percent tax rate is extremely reasonable. Earlier this year, the White House did announce the royalty rate for all new

leases in the Gulf of Mexico would contain terms requiring that royalties be paid at a rate of 16½ percent. This was met with little, if any, opposition from the industry.

Again, I commend Senators GRASSLEY and BAUCUS. Senator BAUCUS has been our leader on this issue from the beginning of putting this entire package together. He and his staff have done yeoman’s work. I also have been proud of the work my staff has done on this important issue as well.

Mr. President, with that, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CASEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MENENDEZ). Without objection, it is so ordered.

Mr. CASEY. Mr. President, I ask unanimous consent that I be recognized to speak as in morning business.

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

EMPLOYEE FREE CHOICE ACT

Mr. CASEY. Mr. President, I rise to talk about a matter that is before the Senate, the Employee Free Choice Act. In summary, what this act will do is—and I have three brief points about the act itself—it will enable workers to form unions when a majority sign union authorization cards. Second, it will establish mediation and binding arbitration when the employer and workers cannot agree on a first contract. Third, it will strengthen penalties for companies that coerce or intimidate workers.

We know today what we are facing in our economy. We have rising levels of productivity, thank goodness, but at the same time productivity has been up and our workers have been more productive than ever, our wages have not kept pace. Salaries and wages have not grown the way productivity has.

We know that so many more of our working families have had to suffer that disparity, that gap between productivity and wages and benefits.

I think a lot of Americans believe the freedom to choose a union is vital to restoring the American dream, especially for the most vulnerable Americans. Unfortunately, vulnerable Americans now include working families.

Unions help American workers get their fair share, as you well know, Mr. President, in your State, as well as in my State of Pennsylvania. Union wages are almost 30 percent higher than wages in nonunion fields. Unions are also a cure for rising inequality because they raise wages for more low- and middle-income wage earners, more so than for higher wage workers.

For example, if we talk about some lower wage occupations, cashiers, for example, earn 46 percent more than nonunion cashiers and those covered by unions, 46 percent more.

Union food preparation workers earn nearly 50 percent more than nonunion food preparation workers.

I will share a couple of demographic categories. Women, for example, who are represented by a union earn 31 percent more than women workers who do not have the benefit of a union. African-American union workers earn 36 percent more than their nonunion counterparts. Latino workers earn 46 percent more than those Latinos who are not represented by a union. Finally, union workers are almost twice as likely to have employer-sponsored health benefits and pensions at work—twice as likely—than their counterparts who do not have union protection. They are more than four times likely to have a secure and defined pension benefit plan than nonunion workers.

Protecting the freedom to choose a union benefits all Americans, and I believe this in my bones, as we all do who support this act. Whether someone has a union I think raises and lifts all boats. In industries and occupations where many workplaces are unionized, nonunion employers will frequently meet union standards, lift their sights, so to speak, and otherwise improve compensation. A high school graduate in a nonunion workplace whose industry is 25 percent unionized gets paid 5 percent more than similar workers in less unionized industries.

We know what this act can mean for workers and their families to raise their standard of living, in wages and benefits and other parts of their compensation, but also I believe this act is about America. We know the unions, the right to organize and selectively bargain, helped build the American middle class over decades, when those who said at the beginning of those fights this is not a good idea.

What we will do by passing this legislation that is before the Senate is to move to a new chapter where more and more of our families can have the benefit of union protection so they can live in a country where their work, their labor, and the fruits of their labor is recognized.

I ask all of my colleagues respectfully, as they consider this legislation, to think not only of what this will do for our unions and families who are covered by those unions but what it does for all America, for all our collective interests in a stronger economy. I ask their consideration of this bill.

I know, Mr. President, you and so many others have been leading the fight on this effort, and we are grateful for that leadership, for our families, and for our country.

I am proud to be an original cosponsor of the bill, and think that it is a vital part of an agenda aimed at restoring a balance to our Nation's labor policies and alleviating the insecurity felt by so many American families.

The bill, if passed, would enable workers to form unions when a majority sign union authorization cards, es-

tablish mediation and binding arbitration when the employer and workers cannot agree on a first contract, and strengthen penalties for companies that coerce or intimidate workers.

These changes to our labor laws are quite frankly vital to the preservation of the American middle class, because unions, which were a driving force in the creation of that middle class, are also one of the best tools we have to protect it.

We live in a remarkable time, when corporate profits are rising, largely because of the rising productivity of the American worker. At the same time, corporations in America are receiving unprecedented access to foreign markets because of our nation's trade policies. But while we are working to give corporations that access, we must work to ensure that workers have rights and protections, and opportunities in the new global economy that is emerging. After all, families are made up of workers, not corporations.

Unfortunately, workers are being left behind in large part because we have stripped them of rights and protections and made it ever harder for them to organize in a union if they wish to do so. The effects of this are dramatic, and are changing the economic landscape of America. At a time when productivity has been rising and companies are making huge profits on the backs of their workers, workers' salaries are not increasing.

Corporate profits are up by more than 83 percent since 2001. Yet the share of national income going to wages and salaries in 2006 was at its lowest level on record. The share of national income captured by corporate profits, in contrast, was at its highest level on record. Some 51.6 percent of total national income went to wages and salaries in 2006.

Today, more than 40 percent of total income is going to the wealthiest 10 percent of Americans—the biggest gap in more than 65 years. The share of pretax income in the Nation that goes to the top 1 percent of households increased from 17.8 percent in 2004 to 19.3 percent in 2005.

Between 2004 and 2005, the average income of the top 1 percent of households increased by \$102,000, after adjusting for inflation. The average income of the bottom 90 percent of households increased by \$250.

It is bad enough that wages aren't rising for the vast majority of Americans, but to make matters worse, the costs they face in their daily lives are rising, sometimes with life and death consequences. Six million Americans have lost their health insurance, and their retirement security is fading as well. It doesn't make sense that at a time when corporate balance sheets are so healthy, Americans are being forced to go without basic health care. In fact, we all know that that will have the effect of reducing our productivity, and profits, if we don't address it.

That is why I support the Employee Free Choice Act. The freedom to

choose a union is vital to restoring the American Dream, especially for the most vulnerable Americans. Union workers are far more likely to have health care benefits, and pensions that will actually provide for them in retirement.

Unions help American workers get their fair share—union wages are almost 30 percent higher than nonunion wages. Unions are also a cure for rising inequality because they raise wages more for low- and middle-wage workers than for higher wage workers. Unions can also help the American worker weather the storm of globalization, and the displacement and insecurity that it has brought to some many families.

Just this week, the OECD, which is known for its unapologetic promotion of free trade, released a report that highlighted the fact that countries should focus on improving labor regulations, for workers, not just companies, and social protection systems to help people adapt to changing job markets.

The report also found that offshoring may have reduced the bargaining power of workers, especially low-skilled ones and that the prospect of offshoring may be increasing the vulnerability of jobs and wages in developed countries. That is an amazing finding from an organization devoted to promoting free trade.

The OECD also found that in 18 of the 20 OECD countries where data exist, the gap between top earners and those at the bottom has risen since the early 1990s. The inequality in the United States was higher than all of those countries by a large margin, save one, Hungary.

The Commonwealth of Pennsylvania, which I represent here, was built on stable union jobs, and the industries that employed those union workers helped to build America as we know it today. Pennsylvania steel can be found in every corner of the country, but unfortunately most of the plants that made that steel are now closed, and most of the union jobs that were the engine of those plants are gone.

But that is what makes this legislation so important here and now. We need to act quickly to give American workers a leg up in this global economy, and create jobs that add value to workers' lives, to their communities, and to the American economy. We can't do that if we only reward capital. Capital can now flow over borders and across the world like never before. But our workers and families remain, and so we must stand with them and give them the tools they need to continue to be productive and competitive in this global economy. Workers from Pennsylvania can compete, but only if we give them a level playing field and the proper tools. This legislation takes one step to do just that, and that is why I support it.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mrs. HUTCHISON. Mr. President, I rise today to speak in opposition to the tax part of this energy bill. I think it is common sense that if you tax something, the price will probably go up because the higher business costs are passed on to the consumer at some point.

This is a tax bill that is \$29 billion of new taxes. How could anything make less sense when we are trying to pass an energy bill that will do two things: make America less dependent on foreign oil for our energy needs, and bring the price of gasoline down at the pump. This bill, with the tax part, is not going to do either of those things.

In the past 2½ years, the average price of a gallon of gas has risen about 68 percent due to increased demand in America and around the world. The price increase has harmed American families, and businesses, especially small businesses, and higher taxes are going to mean a higher price at the pump.

Mr. President, I am going to suggest the absence of a quorum for just one moment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mrs. HUTCHISON. Mr. President, we must address the tax issue. There are some good parts in this energy package. This energy package could increase conservation. It could increase the supply of renewable energy sources. I have an amendment that I think is very positive which would provide for more research into new sources of energy, and there are all kinds of renewable, environmentally safe energy possibilities. Yet we have now put a tax bill in this bill which has just gone through committee. It came out yesterday, and we are going to, I am afraid, make the mistake that Congress has made before.

In 1980, Congress passed a windfall profits tax. The consequences to the domestic oil industry, to consumers, and to our national security were devastating. In the 6 years that followed that action, domestic oil production dropped by 1.26 billion barrels, and imports of foreign oil rose 13 percent. Today, 60 percent of our oil comes from foreign countries. The collapse of the domestic oil and gas industry had a ripple effect on other sectors of the economy, especially banking and real estate.

The windfall profits tax was terrible for this country, and it was repealed.

Now we have a tax bill that will have the same effect, with \$29 billion in taxes on energy production.

Let's go through those. A repeal of the manufacturer's deduction for refineries: everyone who has looked at the energy crisis knows it is the lack of refinery capacity that has driven up the demand while we have not driven up the supply. We are making it harder to invest in refineries. No one is doing it, and we need more refineries. So taking away any deductions for refineries is counterintuitive.

We would establish an excise tax of 13 percent on crude oil and natural gas produced in the Gulf of Mexico. That is the biggest source of oil and natural gas production in our country that we are able to produce and explore. ANWR would be larger, but we have not been able to tap into ANWR. So the Gulf of Mexico is our best source.

Other States are now looking at exploring and then possibly drilling off their shores because there is now an opportunity for States to get revenue, and it can be done environmentally safely. So now we are talking about increasing the tax, which is going to have the effect of lessening the exploration and drilling and will also go back on a contract that was made earlier to induce people to drill in the Gulf of Mexico because it is more expensive—the deep drilling is much more expensive.

The bill would also impose a tax on finished gasoline—\$824 million over 10 years. It would seem that is going to increase the price of gasoline at the pump. It would eliminate tax credits for foreign oil production, exposing them to double taxation.

So what do you think that is going to do? We are in a situation already where we are seeing more and more new formations of public companies going overseas because of Sarbanes-Oxley, with CEOs saying it is the instability of our regulatory process and the taxes and the litigation in our country that has caused more and more companies to decide to move their corporate headquarters to London or other exchanges. Furthermore, the jobs are going with them. So here we are trying to address this issue in a responsible way, and what are we doing to our oil companies? Why wouldn't they just go and register on the London stock exchange and make that their headquarters? That is what many American companies are doing now.

If we decide we are going to double-tax this segment of industry in our country, we are just saying we don't want American oil companies. I can see why they would not only incorporate overseas but move more and more of their production overseas as well.

I hope we will not pass this tax bill. A recent review by the Heritage Foundation estimated this tax package, combined with other policies in this bill, could increase the price of regular unleaded gas to \$6.40 by the year 2016. That is ridiculous. Why would we pass

an energy plan that would have the potential effect of doing that?

No, what we should be doing is encouraging more refineries, encouraging nuclear power plants that are environmentally safe, encouraging drilling and exploration of our own natural resources, and we should be looking for renewable sources of energy—cellulosic ethanol, corn-based ethanol biodiesel, wind, solar. We have so many sources. My amendment would also create the ability to start research on wave and current energy resources, which they are doing in a limited way in Europe right now, using the Gulf of Mexico and our oceans for their energy potential.

There is so much we can do that would be positive that we could agree on in a bipartisan way. This tax bill is a poison pill. The tax portion is unnecessary, it is counterintuitive, it will have the effect of increasing gasoline prices at the pump, it will ship jobs that are in America overseas, and I think we are going to lose major corporate business.

That is unnecessary and I hope my colleagues will not pass this tax package, and I certainly hope we can take this part out of the equation, work on the bill that is before us—which has some very good points—and then we will be doing something to try to help with the rising cost of gasoline at the pump in our country.

I hope we can help relieve the high price of corn which has resulted from our emphasis on ethanol. That is causing a rise in livestock prices, because the feedstock for livestock that is being raised has increased the cost. So all the meat we eat in this country is going to be at a higher price because ethanol is taking from the corn market and the feedstock market is suffering.

We need to address these things. I certainly hope we will, in a responsible way, bring the costs of energy down and not have side effects such as the increased costs to livestock producers.

I urge a “no” vote on this tax portion so we can get down to the business of doing what the purpose of this energy bill was, and that is to increase supply so we can be less dependent on foreign sources and lower the price of energy in our country.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. DORGAN. Mr. President, the bill on the floor of the Senate deals with energy. While there are many important things we discuss in Congress these days, energy ranks right near the top, in my judgment. I have indicated previously that most of us take energy for granted. We get up in the morning and turn on the hot water, and that

comes from energy. We flick a light switch, and that comes from energy. We get in the car and turn the ignition key, and that comes from energy.

I told a story a while back about John Glenn and energy. I was on a trip with John Glenn, the former astronaut and former Senator. I was a young boy when John Glenn orbited the Earth in Friendship 7.

Late one evening on what was the old Air Force One, a group of us were flying to Asia, and John Glenn was with the group. We were meeting with heads of state in several governments, Vietnam and China and so on. We were flying over the Pacific late at night in this little cabin in this Air Force 707. I leaned forward and began to ask John Glenn about his first space flight. I pumped him with a lot of questions. One of the questions I asked him about was whether he actually saw Perth, Australia. The history that has been written about this, and I recalled as a kid, was when John Glenn, up there alone in this tiny little capsule orbiting the Earth in Friendship 7, was orbiting the Earth and went to the dark side of the Earth, the town of Perth, Australia, decided they would all turn on their lights. All the lights in Perth, Australia were to be turned on to greet this astronaut flying alone, orbiting the Earth. I asked him if he saw the lights of Perth, Australia, and he said he did. On the dark side of the Earth in this little capsule orbiting the Earth all alone, John Glenn looked down and the sign of human existence on Earth was the product of energy, the product of lights, radiating that beam to that astronaut, saying a hello—greetings.

It comes from energy. It is what we do to produce energy and use energy to make our lives better. They are better in many ways.

One part of this energy issue we are debating in the Energy bill deals with oil. Oil is an interesting debate because on this little planet of ours that circles the Sun, there are about 6.4 billion of us. We have a lot of neighbors who are in tougher shape. About half of this planet's population lives on less than \$2 a day. Half of them have never made a telephone call. On this planet there is a little spot called the United States of America and we are blessed through divine providence to be here, to live here. But it is interesting that while we have created a standard of living that expands the middle class and creates an increased standard of living, we do not have the quantity of oil that exists elsewhere on Earth. We use 25 percent of the oil that is needed every single day; 25 percent of all the oil used on this Earth is used in this country. Yet most of the oil is produced elsewhere—Saudi Arabia, Kuwait, Iraq, Venezuela, and other countries. Over 60 percent of the oil we use comes from outside of our country. God forbid something should happen that would interrupt that, because if it did, this country would be flat on its back with respect to its economy. It would dramatically impact the way we live.

Over 60 percent of our oil comes from other countries, much of it from troubled parts of the world, particularly in the Middle East. Many of us believe we need to be less dependent on foreign sources of oil. We are dangerously dependent on foreign sources of oil and we need to become less dependent. How do we do that?

One point is this. Seventy percent of all the oil we use in America is used in vehicles, where we run it through the carburetors and fuel injectors in the form of gasoline. Seventy percent of the oil is used through vehicles.

So we have to find a way to make vehicles more efficient. That brings me to the debate about what are called the CAFE standards or the standards that require greater efficiency for automobiles.

Now I serve on the Commerce Committee. I and Senator FEINSTEIN, Senator INOUYE and others included from the Commerce Committee a provision that requires vehicles to be more efficient.

I know the auto industry is very aggressive in trying to see if they can jettison that provision in the underlying Energy bill that comes from the Commerce Committee. They do not want these increased efficiency standards. They believe they are pernicious, they will injure the auto industry. I think that is untrue.

Now, they make the point, and in my judgment they deliberately misrepresent the point, in full page advertisements in my State and others and direct mail pieces to constituents, they make the point that what we are trying to do is to say: You must make automobiles or vehicles more efficient, and you do it on a fleet average, as CAFE has always been done.

If you are making too many pickup trucks and not enough small cars, you have to make more small cars and fewer pickup trucks, so, therefore, you have an increase in fuel efficiency and, therefore, this approach threatens to take your pickup truck away.

Well, that is not true. It is not accurate. But that is what is being alleged. This is a different approach. This standard says that for each class of vehicle, the class itself must be made more efficient. I come from North Dakota. We in North Dakota have, on rare occasions, I emphasize only rare occasions, some harsh weather. When it is 30 below zero and a 40-mile-an-hour wind, you do not want to drive in a Chevette out to check the calves during calving season in March, you want a vehicle, a four-wheel drive vehicle that has some weight, that has some power. That is what we use. I am not interested in full efficiency standards that discriminate against larger vehicles, but I also believe this: All of the vehicles, including pickup trucks, including larger vehicles, should be made more efficient.

For 25 years, there has not been one change in the standard. For 25 years in this Congress, we said: No, no. The

auto industry doesn't want an increase in the efficiency requirement, therefore, we will not do it.

I say "we." I was part of that. But at some point, you have got to say to the industry: Look, they are making more efficient vehicles elsewhere. They ought to make them here. I mean, I have described the position of the industry in opposition to this as "yesterday forever." I guess it is wonderful if you have romantic feelings about yesterday and you want it to continue forever with respect to your vehicles and the lack of a requirement to make them more efficient.

But it does not help this country, it retards this country's ability to become less dependent on foreign sources of oil. That is what this vote is about: Do you believe we ought to become less dependent on foreign sources of oil? If so, then you better belly up and you better begin to support this kind of thing, or do you believe that we are not dangerously dependent? If it is fine for us to have 60 percent, heading toward 65 and 69 percent, we are told of our oil coming from off our shores, if you think that is fine, if you are perfectly content going to sleep at night saying it doesn't matter how much we get from overseas, it doesn't matter how troubled those areas are, let's hang our future, our economic future, on our ability to keep getting oil from troubled parts of the world, if that is how you feel, then, in my judgment, it ignores the reality.

If you are one of those, as I am, who believes that we are too dangerously dependent on foreign sources of energy, then it seems to me you have to come to the floor and be supportive of CAFE standards, or at least greater efficiency standards for vehicles.

We have established a system in the underlying bill that establishes eight classes of vehicles. And you have to make them more efficient by class. Should not those who drive pickup trucks expect to have a more efficient pickup truck as well; better mileage on those vehicles as well? The answer is, yes, in my judgment.

Now, my hope would be that someday, in some way, we will be able to find a way not to be dependent on oil itself. But I cannot see that in the near term. We are going to continue to use fossil fuels. I have described too many times for my colleagues that my first vehicle I bought for \$25 as a young kid, it was a 1924 Model T Ford that had been in a grainery for some decades. I bought it for \$25 and restored it lovingly as a young boy when I was in high school.

So I ended up with a Model T that was decades and decades old. But I sold it later because you cannot, as a young boy, you cannot effectively date in a Model T; nobody wants to ride with you. But the point of the Model T is that in 1924 they made a car, and it is interesting. You put gasoline in that car exactly the same way you put gasoline in a 2007 or 2008 vehicle. Exactly

the same way. You go to the gas pump, stick a nozzle in the tank, and start pumping gas. Nothing has changed. Everything else about the car has changed. Computer technologies. More computer technology in a new car than existed on the lunar lander that put Neil Armstrong on the Moon.

Better cup holders, keyless entry, iPod holders, heated seats, you name it. But let me ask you, do you think there has been an increase in the efficiency standards for those vehicles? The answer is no. The answer is no.

I ask you to take this test. Go back and look 10 years ago at any model of car and then look at today's identical model and see how much has changed with respect to miles per gallon that are estimated for that vehicle. What you will discover is almost no change.

Those of us who support the standards in the Commerce Committee have brought a bill to the floor that is a good bill. Now there are some in this Chamber who do not support it, and the auto industry itself is furiously working to get the votes to defeat our increased efficiency standard.

The problem is, there is no amendment coming to the floor of the Senate that I can see. I mean, it seems to me, we have an underlying provision that I support, it is in the bill. Having had the bill now on the floor for some while, it is time to say: If you want to try to amend it, let's have an amendment on the floor, let's vote, let's have a thorough discussion and debate and let's have a vote.

I am not someone who suggests the underlying amendment is the only amendment that has merit or has worth; there are, perhaps, other ideas. But I was in a meeting last evening and have been at some meetings today. It appears to me that the effort is simply, by the industry, to say: Let's not do this. Well, you know, we have been through that time and time and time again. When they say to the Congress: Let's not do this, the Congress salutes and says: Let's not do this.

But we have come to a different intersection, it seems to me, with respect to the future of this country and the energy security of this country. That intersection requires us now to do what we must do to make us less dependent on foreign sources of oil. If we do not find a way to be independent, or at least less dependent on foreign sources of oil that come from troubled parts of the world, we are in deep trouble.

Someday, I would hope, perhaps we can develop hydrogen fuel cars that are commercially available. I hope that our children and their grandchildren will be able to get in a vehicle that is a hydrogen fuel cell vehicle.

I authored the legislation 2 years ago that established the title on hydrogen fuel cells. You know, interestingly enough, hydrogen fuel cell vehicles will have twice the efficiency of power to the wheel of the vehicle and put water vapor out the tailpipe. Wouldn't that

be a wonderful thing? The fact that hydrogen is ubiquitous, is everywhere—I had this wonderful experiment going on in North Dakota that I established in the Appropriations Committee of using a wind tower, a more efficient wind turbine, take energy from the wind, use the electricity that you take through the turbine, you take energy from the wind in the form of electricity, use the electricity in the process of something called electrolysis, and separate hydrogen from water with a process of electrolysis.

So you actually take an intermittent power source of wind and produce hydrogen, store the hydrogen for vehicle use. I believe we can get to the point of hydrogen fuel cell vehicles, which will make us much less dependent on foreign sources of oil. We will not need foreign sources of oil if we do what we can with this fleet. But that will not happen in 3, 5, or even 10 years from now. There has to be interim steps in which we take action to reduce our dependence, even as we continue to use the internal combustion engine, as we continue to use nearly 70 percent of all our oil through our vehicles, even as we import over 60 percent of the oil from overseas, we must take some interim steps to begin to address that.

That is why this issue is so important, the efficiency of our vehicles. Finally, let me say this. I want our auto industry to succeed. I want this industry to succeed. I do not want to be a part of something that says to them, that, you know, you have been asleep at the switch, and so, therefore, we don't care about you. That is not my point.

My point is, this industry will succeed, in my judgment, if they are under the gun and under some pressure to produce more efficient vehicles. Other companies in other countries are doing it and so too should ours. I wish to be helpful to our industry.

One final point. There is a discussion about a couple provisions in the underlying Commerce Committee bill. One is the second 10 years, the 4 percent efficiency a year, which was part of my offering, and the second was Senator CANTWELL's offering of standards for the production of flex-fuel vehicles. We are building a 36-billion-gallon biofuels requirement in this bill. We are going to produce 36 billion gallons of ethanol, biofuels.

Where are you going to use all of that if you do not have the flex-fuel vehicles on the road so you can move that through those carburetors or fuel injectors. You have got to be able to have a flex-fuel standard, so that when the automobile industry is producing cars, they are producing flex-fuel vehicles so they can run either the E85 or the regular gasoline. But if you are producing 36 billion gallons of biofuel and do not have flex-fuel vehicles on the road to be able to take those fuels and be able to run E85 through a vehicle, we are going to see this ethanol market collapse.

That is why the flex-fuel provisions in the underlying bill from Commerce are so important. I wish to make the point that my hope is this afternoon, those who wish to try to amend the underlying provision in the Commerce Committee bill would come to the floor, let's have a debate about it. I believe the Commerce Committee provision is a thoughtful provision, that finally aggressively represents change and reform on automobile efficiency. I think the standards are achievable.

I think they will be good for the industry. They certainly will be good for the driving public in this country, and, most especially, they will move us in the direction of being less dependent and move us in the direction toward being independent of foreign sources of oil, which I think is important to this country's economic well-being.

I yield the floor.

THE PRESIDING OFFICER. The Senator from Oregon.

MR. WYDEN. Mr. President, I am going to take a few minutes this afternoon to discuss the tax provisions in this legislation because I think they are very much in the public interest and something I have been working on for many years.

In the last Congress, for the first time in many years, the executives of the major oil companies—we are talking about Shell and BP and Exxon, the big five companies—were in front of the joint hearing I attended, a joint hearing of the Energy Committee and the Commerce Committee.

With the executives there before this important hearing, I asked all of the oil CEOs if they agreed with a recent statement that President Bush had made. President Bush, of course, an oil man himself, hardly somebody who has any predisposition against the oil industry, recently said that: When oil is over \$55 a barrel, the oil companies do not need incentives to explore and develop for oil.

I asked each of the executives that day, the first time they had been asked the question in years and years, and to a person, the executives said they did not need those subsidies. Every single one of the executives said it. What was so stunning about it is that their admission was completely contrary to everything the Congress has been doing pretty much for the previous decade.

For the previous decade, the Congress had just been throwing one subsidy after another at these major oil companies, amounting to billions and billions of dollars. Yet in the last Congress, when the executives were asked to go on record and publicly state their position, the executives admitted they did not need the money that the Congress has been throwing at them, the billions of dollars in subsidies the Congress has been throwing at them.

So what we have is essentially a time now when the companies are making record profits, and they are charging record prices when clearly they do not need record subsidies. That is what the

Senate Finance Committee legislation does with respect to the tax provisions. I have reviewed them. They are clearly targeted at the major companies. They are not targeted at the independents and the small companies, and we ought to be taking steps to help them. In fact, I particularly credit our friend and colleague, the late Senator Thomas, for doing extraordinary work over the years, some of which I was privileged to work on with him, to help those small independent companies. Our good friend, the late Senator Thomas, championed that work. This is not going to affect those small independents. This is targeted at the major companies, the companies that, when I asked them—the first time they had been asked in years—admitted they did not need the billions of dollars worth of subsidies they were getting.

It ought to be put in the context of what it means for the consumer. Our friend from North Dakota began this discussion as well. The reality is, when somebody pulls up to a gasoline station in New Jersey or Oregon or anywhere else, they are paying what amounts to a “terror tax.” That is what we ought to call it. Our addiction to foreign oil is literally a terror tax because when you pull up to that filling station in Oregon or New Jersey or anywhere else, you pay this huge price. Eventually, some of that money gets into the coffers of a government in the Middle East, and they backdoor it to people who want to kill us.

Our addiction to foreign oil ought to be put in a context that is appropriate. It is a terror tax. This legislation which has been put together by a number of committees helps us to move away from that addiction to foreign oil. That is why I support it. By taking away some of the subsidies to the major companies, subsidies they have now claimed they don't even need, it makes it possible for us to look at some opportunities for developing renewable energy sources at home.

I was at a filling station not long ago in Oregon that hopes to get all its fuel from Oregon crops—not from oil from the Middle East—waste oil and other products. That is our vision of an important part of our energy supply in the future. If we get out of the business of shoveling billions and billions of dollars worth of subsidies to the major oil companies, subsidies they have now made clear they don't need, we can begin to develop a very different energy future.

One last point I wish to make relates to a debate I am sure we will have, and that is a quick comment about the provisions which were added yesterday, Senator BINGAMAN's provisions, to the legislation. We are going to hear a lot about how somehow this is taking illegal action with respect to oil royalties; it is taking action retroactively, and it is illegal. We are going to hear that probably many times in the course of discussion of the Bingaman legislation that was added yesterday.

The first thing I wish to make clear—and we were told this yesterday by counsel, because I asked about it—is that the Bingaman provision would be applied prospectively on oil produced on Federal offshore leases in the Gulf of Mexico. It would apply to future activity, all oil produced on Federal offshore leases in the gulf. As we go to this discussion and we are told repeatedly that this in some way unravels previous agreements, that this is illegal, this is retroactive, I hope colleagues will remember that we were told yesterday that it applies prospectively. It does not change the terms of any existing oil and gas lease. We are clear with respect to the Bingaman provision. It doesn't change the terms of any existing oil and gas lease, and it would be applied prospectively on oil produced on these Federal offshore leases and all oil produced on those leases in the gulf.

One last point with respect to this issue is comments we have received from the Government Accountability Office with respect to the amount of revenue the Government receives from oil production from the gulf. What the Government Accountability Office has told us on this point is that the taxpayer receives revenue with respect to this production that is lower than virtually anywhere else in the world. They have done a comparison to take a look at all of the other countries where you have similar activity going on. Basically our take, the revenue for the taxpayer, hard-working taxpayers across the country, is lower than virtually anywhere in the world. The only place that is even close to us is where you have an oil company doing most of the production, essentially a government corporation.

The reality is, with respect to drilling on our lands—and that is what I am talking about here, the people's lands, public lands, our lands—the taxpayer has been getting fleeced for years and years. The Bingaman provision begins to right the scale to get a fair shake for the taxpayers.

I hope colleagues will support the work done by the Finance Committee with respect to the tax titles. It is important that they know the major oil companies have now admitted they don't need the subsidies, and the price per barrel is way over the amount the President said was the level when we ought to stop paying out subsidies. I hope colleagues will look at the facts with respect to the important provisions that were added yesterday by Senator BINGAMAN. I am of the view that taxpayers have been fleeced with respect to oil drilling on their lands, the people's lands. The Bingaman provision begins to right the scale.

I will have more to say on this issue down the road.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I rise today to support legislation which is pending before the Senate which would increase fuel economy standards in automobiles and trucks over the next 10 years. Regardless of what opponents of this amendment may say, technology is available today to reach this goal. We don't have to compromise the safety of the cars and trucks we drive and American jobs don't have to be lost to meet these standards. The CAFE legislation we have proposed is different than it has been in the past. It is a true compromise, a middle-ground position.

We have come a long way with this compromise, and I applaud the efforts of Senators INOUYE and STEVENS. It is not an easy issue to meet in the middle on, but we have. I am sorry the automobile industry, which has resisted efforts to improve fuel efficiency over the last 20 years, is still resisting these efforts.

This is something most Americans understand intuitively. If we are going to reduce our dependence on foreign oil, if we are going to reduce the pollution we are creating with the cars and trucks we drive, we should be using fewer gallons of gasoline for the miles we drive. Yet what we have seen consistently over the last 22 years, while we have not had a national fuel economy standard, is that the cars and trucks being sold on average are getting less mileage. So each year, we buy these vehicles and find we need more gasoline than we did the previous year to drive the same number of miles. That is unacceptable.

The CAFE provisions have come a long way since I offered my amendment 2 years ago. When I came to the floor and suggested it was time to start talking about fuel economy, there were not too many Senators joining me. I called for an increase in fuel economy standards that would have had vehicles reach a target of 40 miles a gallon with a target date of 2016.

This legislation before us sets a target of 35 miles per gallon, providing even more lead time for the automobile industry to the year 2020. The last time we debated 40 miles a gallon, my opponents said that was just too high a standard to reach. Now we have lowered that target to 35 miles a gallon, and the industry proposal has 36 miles per gallon 2 years out. It makes me wonder why they no longer think it is arbitrary or whether they have any intention of ever meeting the target.

My amendment 2 years ago did not provide the industry the flexibility this legislation does. I originally called for a hard target. You either had to reach it or pay fines. This legislation before us allows for flexibility, providing the National Highway Transportation

Safety Administration the authority to lower the target if it is not technologically feasible.

My amendment did not reform the CAFE program by creating attribute-based standards, something I understand the industry would rather see than the existing system. This legislation does. My amendment did not create a fleetwide fuel economy standard. This legislation does. Nor did it extend the credit trading program, as this amendment before us will do.

We have come a long way to reach a compromise on this legislation. We understand the concerns about the existing programs brought to our attention. We understand the difficulties in the domestic auto industry. We tried to address them honestly. Unfortunately, for the past 2 years the auto companies were not at the table when they could have been. So we changed the CAFE system to allow for a more level playing field between American and foreign manufacturers.

We provided NHTSA the authority to create attribute-based standards for passenger cars, something President Bush asked for. We already witnessed NHTSA set new fuel economy standards for light trucks by using this system. The CAFE standards will no longer be by manufacturer but, instead, fleetwide, based on the size-attribute system. That means the total fuel economy for all cars in the United States will meet the fuel economy targets we set. The targets will be set for different groups of cars based on their size attributes, not based on the manufacturer. Since the fuel economy target is fleetwide, the relative mix of vehicles manufactured by each company is not a real issue in the debate. GM will not be penalized for making more SUVs and fewer small passenger vehicles than Toyota.

In order to meet a fleetwide average of 35 miles per gallon, each vehicle group will have to meet its own average fuel economy. For example, all midsized sedans will have to attain an average fuel economy standard. For example, the Ford Fusion, Honda Accord, Toyota Camry, and Chevy Malibu must attain roughly the same fuel economy. These cars will have to get about 36 to 38 miles per gallon based on current trends. Likewise, all large SUVs will be subject to different, lower average fuel economy. We will be comparing apples to apples. Each vehicle will have to reach an attainable fuel economy standard based on its size. All of these targets must average out to 35 miles per gallon for the entire fleet sold in the United States by 2020.

I repeat that because it is a large and important change on how CAFE standards are now structured. The relative mix of any manufacturer's fleet between similar passenger cars and larger SUVs is less relevant in the fuel economy debate. The American auto manufacturers should not be at any disadvantage relative to foreign automobile manufacturers.

Now we are focused completely on increasing the fuel economy of vehicles driven in the United States, regardless of who makes them and their size.

Even though our legislation now addresses one of the major issues raised in the 2002 National Academy of Sciences report and does what NHTSA has requested, sadly, the auto manufacturers still oppose our compromise and have come up with even more arguments to try to persuade my colleagues to vote against improving the fuel economy of the cars and trucks we drive.

Let me remind everyone about the impact on the transportation sector of more fuel-efficient vehicles.

In 2005, the United States used 20.8 million barrels of oil per day. Sixty percent of it, or 12.5 million barrels of the oil we use, is bought from other nations—60 percent in the year 2005. Of the 20 million barrels of oil we use every single day, 69 percent is used for transportation, and of this, 62 percent is used for surface transportation by cars and light trucks. Every minute, we consume more than 267,000 gallons of gasoline in America. You could say we import oil to run our cars, and by and large we do.

Any increase in fuel economy will decrease our dependence on foreign oil. How significant is the issue of foreign oil? I don't need to remind anyone that we are in the midst of a war in the Middle East. We have lost 3,521 of our best and bravest soldiers. Ten times that number have been injured. Twice that number have been seriously injured, facing traumatic brain injury and amputations.

It is no coincidence that these battlefields time and again are battlefields in the Middle East, which is the source of our energy. We have to reach a point where we are less dependent on that region of the world to fuel the American economy.

NHTSA estimates that if we had not established CAFE standards in 1975, highway fuel usage would be 35 percent higher today. A lot of critics of what we did in 1975 said that was a Government mandate, and they are right. It was a Government mandate which was resisted by the automobile industry. They said to us that it was impossible, there was no technology that could result in cars being more fuel efficient than the ones we drove in 1975. The manufacturers also argued that any cars built to meet these standards would be so light in weight that they would be unsafe. They argued that only foreign manufacturers would be able to make them. Thankfully, Congress ignored that argument and passed CAFE standards in 1975 and 10 years later saw the average miles per gallon of cars in America almost double because of the Government mandate.

The Natural Resource Defense Council estimates that the Ten-in-Ten Fuel Economy Act now before the Senate will save 1.2 million barrels of oil per day by 2020. Think about it, 1.2 million

barrels of oil per day. I think the price of oil is around \$70. Do the math. That is the kind of money we will not be sending overseas, oftentimes to countries that do not agree with us in terms of our values and the kind of America and world we would like to see in the future. Raising fuel economy standards will reduce our demand for gasoline, which will decrease the amount of oil we have to import.

Does anyone remember waiting in gas lines in 1973 to get their 10 gallons of gas? I do. The shortage was due to an OPEC embargo on oil exports to the United States in response to actions we had taken in the Middle East. Overnight, the price of oil went up from \$3 a barrel to \$5.11 a barrel. Three months into the embargo, oil prices rose further to \$11.65 a barrel. This embargo came at a time when the United States imported less than 30 percent of its annual oil—about 28 percent, in fact. And it hit America hard. Suddenly, Americans had to ration gasoline. Sales were maxed at \$10 per sale, gasoline stations closed on Sundays, and people waited in lines. OPEC succeeded in exerting its influence on global markets, as well as the United States. Our vulnerability was revealed in 1973, and so easily we forget.

Currently, crude oil costs just over \$68 per barrel. Oil costs about 27 percent more now than it did the last time we talked about CAFE on the floor, the last time I offered an amendment 2 years ago. And it makes the \$11 a barrel during the oil embargo of the seventies seem like some sort of utopia.

OPEC brought us to our knees in the 1970s. Imagine what they could do now. We do not import 28 percent of our oil now; we import 60 percent of our oil. If other countries we buy oil from decided to stop selling to the United States or to hike the cost, our economy and individuals and families, small businesses and family farmers would be in big trouble.

Literally 40 percent of all U.S. oil imports come from potentially hostile or unstable nations, and 92 percent of all conventional oil reserves are in these nations. Amazingly, we continue to operate in a business-as-usual mode, reliant on imports to quench our thirst from some of the most unstable countries in the world. Venezuela, one of the top five oil exporters to the United States, is also one of the most autocratic in Latin America. The Chavez government regularly threatens nationalization of key industries and pursues policies inconsistent with many of our policies in the United States. Nigeria, while struggling on a path to democracy, is also extremely unstable, with ongoing violence in the oil-producing regions. They are also in the top five oil exporters to the United States. The more we rely on foreign nations to supply us with oil, the more susceptible we are to their instability.

I hope my colleagues realize that any future crisis that prevents or significantly restricts the production or flow

of oil resources will have consequences on our economy far worse than anything we experienced in the 1970s. So we can do nothing and hope that some manifestation of 1973 does not occur again or we can take steps now, wise steps to prepare for our future.

Another argument we hear is that if you raise fuel economy standards, American auto companies will be forced to make small cars that are not as safe. That is just not true.

This argument comes from the same industry that has fought incorporating new technology into their automobiles that now make our cars safer—including seatbelts and airbags. They now argue that they are concerned about your safety and that raising fuel economy will put you at risk.

Better fuel economy does not mean a vehicle needs to be smaller. Take for instance, the Saturn VUE. This vehicle's hybrid system will provide a 20 percent increase in fuel mileage over the conventional VUE engine and not be one inch smaller.

Their safety argument stems from the idea that the only way to make a car more fuel efficient is to decrease weight and size of the vehicle.

This, they posit, would decrease the safety of the vehicles.

Although reducing vehicle weight will increase fuel economy, it is not our only option.

The International Council on Clean Transportation released a report 2 weeks ago called "Sipping Fuel and Saving Lives: Increasing Fuel Economy Without Sacrificing Safety."

This report highlighted many mechanisms that would increase safety without affecting fuel economy, including: rollover-activated seatbelt pretensioners; window curtain airbags; and electronic stability control which allows each tire brake to be individually activated depending on circumstances.

They also advocated the use of advance high-strength construction and aluminum and a shift to unibody construction.

This would not only increase the safety of the vehicle, it would decrease the weight of the vehicle, thus also increasing fuel economy.

Smart design and use of strong materials to protect the passengers in strategic places will also lead to decreased overall weight of the vehicles without diminishing either vehicle size or safety.

The report went on to state that most of the technologies available to increase fuel economy have no impact on safety.

In fact, as fuel economy has increased, the number of traffic fatalities has decreased.

During the late 1970s and continuing through the 1980s, the number of fatalities per vehicle mile traveled decreased dramatically. During the same time, the fuel economy doubled.

I think this shows us without a doubt that increased fuel economy can be obtained without jeopardizing vehicular safety.

The National Research Council's 2002 report, "Effectiveness and Impact of CAFE Standards", found that increases of 12 to 27 percent for cars and 25 to 42 percent for trucks were possible without any loss of performance characteristics or degradation of safety.

In fact, 85 percent of the gains in fuel economy we have witnessed have come from technologies that had no impact on vehicle safety—including changes in valve control, throttling, or increasing the efficiency of accessories like air-conditioning and heating units.

The National Highway Transportation Safety Administration has recently cited both the 2002 National Academies study and its own recent review of safety noting that down-weighting if concentrated among the heaviest vehicles could produce a small, fleet-wide safety benefit.

Additionally, scientists have the ability to develop superior, cutting edge materials that can reduce the weight of the largest and most fuel inefficient vehicles.

For instance, "composite materials" made from graphite fibers, magnesium alloy and epoxies comprise 60 percent of Boeing's 7E7—providing greater durability, reducing maintenance and maintaining safety—and increasing efficiency between 20 and 30 percent over its rival similar product.

The same auto industry that fought against safety belts, airbags, mandatory recalls, side-impact protection and roof strength is fighting against better fuel economy.

I am not surprised—just disappointed.

We have heard the argument too, that increasing fuel economy standards will force American automakers out of work.

Sadly, we are already witnessing tremendous job loss in our American automotive manufacturing sector, and it wasn't caused by an increase in fuel economy standards.

Instead, it has been this industry's failure to change with the times and recognize that the growing global dependence on oil would inevitably force gasoline prices to increase and that consumers would respond to the high prices at the pump by demanding more fuel-efficient cars.

Some companies are adapting to consumer demand—they are making more fuel-efficient vehicles, and being rewarded by higher sales.

Other companies are not adapting as quickly to consumer demand and continue to make cars that are more difficult to move off the lots.

The argument that increased CAFE standards would result in job loss speculates that the industry would just stop producing vehicles instead of introducing new vehicles.

I suggest that they would still make vehicles—that they would need expertise and labor to design new cars and retool existing models to be more efficient—expanding to potential for jobs in the U.S.

Consumers across America are paying over \$3 per gallon at the pump, and they are not happy about it.

Stagnant fuel economy and increasing gasoline costs pinch American families' pocketbooks.

In a poll released right before Memorial Day, 46 percent of respondents said they expect spiking gasoline prices to cause them severe financial problems.

Increasing fuel economy standards would help consumers save more than \$2,500 over the life of the vehicle.

According to another recent poll conducted by the Mellman Group, 88 percent of rural pickup owners support higher CAFE standards.

Eighty-four percent of people who use their pickup trucks on the job approve of increased CAFE standards.

Eighty-seven percent of people who are economically dependent on the auto industry are supportive of increased CAFE standards.

The consumers who actually have the most to gain from increased fuel economy are people who live in rural areas—they frequently have larger vehicles and must drive further on a daily basis.

They are therefore spending more at the pump and are overwhelmingly supportive of increasing the fuel economy of the vehicles they need to drive.

A constituent of mine, Chuck Frank, owner of "Z" Frank Chevrolet/Kia recently visited with me to discuss the bill we are debating.

Chuck runs a family business. His family has been selling and leasing cars and trucks in Chicago since 1936—and has sold well over 1 million Chevrolets.

He doesn't want to be at odds with the manufacturers he represents, but he recognizes that times are changing.

In a letter he sent us, Mr. Frank wrote:

It is important for you to know that there is support from within the auto industry for moving forward with raising Corporate Average Fuel Economy standards.

Mr. Frank also shared with me a recent editorial by Keith Crain, the editor-in-chief of Detroit's Automotive News. The editorial states:

It's a real shame that the industry and the Alliance of Automobile Manufacturers can't be a part of the solution rather than an embarrassment to the nation.

If there is no objection, I would like to have both the letter and editorial printed into the RECORD.

Since 1999, Chrysler group has lost 2.7 percentage points of its market share while GM's domestic brands have lost 4.9 percentage points and Ford has lost 7.4 percentage points.

It is time these companies recognize that they are not making enough of what consumers want and should start delivering what the consumers need.

Finally, increasing fuel economy standards will help reduce greenhouse gas emissions.

Every gallon of gasoline burned releases approximately 20 pounds of carbon dioxide into the atmosphere.

One-fifth of the greenhouse gas emissions are from the tailpipes of our cars.

Increasing CAFE standards will decrease emissions as we use less gasoline.

Plug-in hybrid electric vehicles are extremely promising. Using energy equivalents between gasoline and electricity, the Natural Resources Defense Council calculated that a plug-in electric vehicle would get the equivalent of 105 miles per gallon.

If we look at the oil savings we can expect to get from our bill, the alternative amendment and a strict 4 percent per year increase, we see that these approaches have a dramatically different impact on the amount of oil we use in our transportation sector.

If we increase fuel economy by 4 percent annually, we see the best oil savings. Ironically, this is closest to what the President suggested in his State of the Union Address this year.

Four percent per year would yield an oil savings of 5.5 million barrels per day by 2030 if the auto manufacturers were not provided an off ramp.

The CAFE amendment that we have seen would make very small gains in oil savings by 2020, we would be using less than one-half of a million barrels of oil per day and by 2030 we would be using less than 2 million of barrels of oil per day than we otherwise would be.

Our proposal is the real compromise here, by getting to 35 mpg by 2020, we would save 1.2 million barrels of oil per day. If fuel economy rises at 4 percent per year after the first 10 years, we would save almost 4 million barrels of oil per day by 2030.

If we also look at the greenhouse gas emissions and fuel cost savings to consumers, we see more clearly how much more effective our bill is for consumers and the environment.

The amount of oil savings that we would achieve by 2020 under our proposal is 1.2 million barrels per day.

The other proposal would only save 0.4 million of barrels of oil per day.

A 4 percent annual increase in fuel economy would achieve 1.7 million barrels of oil per day savings.

Our bill would save 206 million metric tons of carbon dioxide from being emitted into the atmosphere every year.

The other CAFE proposal would cut greenhouse gas emissions by only 65 million metric tons per year.

Finally, our bill saves consumers more at the pump. We would save consumers \$25 billion by 2020 compared to only \$8 billion in savings by 2020 with the alternative CAFE proposal.

Our position is the compromise position—it has been worked out in a bipartisan fashion. We have worked hard to address the concerns of the auto industry and NHTSA. And still the auto manufacturers are unable to come to the table to support a bill that makes any meaningful change that would save millions of barrels of oil per day, using off the shelf technology.

I cannot for the life of me explain how a great industry such as the auto-

mobile industry in the United States has fallen so far behind when it comes to new technology in fuel economy. Several years ago when Toyota and other Japanese manufacturers came up with hybrid vehicles and hybrid engines, Detroit was dismissive: It is a fad; people don't really want them. They have now sold their 1 millionth Toyota Prius in the United States. There is a strong appetite for cars that get 40, 50, 60 miles a gallon, serve our families, and serve the needs of our economy. Detroit has not registered when it comes to this obvious reality.

My wife and I bought a Ford Escape hybrid, at the time the only hybrid offered by an American manufacturer. I am sorry to report to you, unfortunately, that the hybrid technology in my Ford was made by Toyota. Ford did not make it. They were not up to it. I hope they soon will be when it comes to more fuel-efficient vehicles.

There are opportunities out there. I am afraid if we listen to the automobile manufacturers and continue to wait, nothing will happen. Fuel efficiency will continue to falter, will continue to be dependent on countries that send their oil to the United States.

It is interesting, while we are in this CAFE debate in the United States, other countries have already had their debate. The winners, when it comes to fuel economy, are Japan and the European Union, where automobiles are now getting 40 to 46 miles per gallon. China—China, this fledgling economy—has more fuel-efficient cars than we do, and their fleet is almost at 35 miles per gallon already, as we debate whether the United States can reach that goal in 10 years.

There is a lot of reasons we have fallen so far behind. I will not try to dwell on them, but clearly we have a chance to catch up.

The last point I would like to make is, this is a timely debate as well when it comes to our environment. There are a few of my colleagues on the Senate floor who don't believe in global warming and climate change. They are entitled to their point of view. I happen to think they are wrong. I am sure they believe they are correct. I happen to believe something is happening in this world today: The climate is changing; storms are more violent; glaciers are melting. We are seeing changes already that are going to have a long-term negative impact on the world in which we live.

When I look at my grandchild, who is about 11 years old, and talk about what the world will be like for him, I am sure the day is going to come when he is going to ask me: Did you do what you could to try to avoid the environmental crisis that was looming when you saw it back in the early 21st century?

It is a legitimate question. Each generation has to be able to answer that question. We know now if we don't do something smart when it comes to energy and energy consumption, we are

going to make this world less comfortable for us to live in. That is a fact. I hope by moving toward fuel efficiency we can start doing the right thing.

And I will go a step further. If we fail on the fuel efficiency question, on the CAFE question when it comes to the cars and trucks that we drive, then I believe we will have failed on one of the most fundamental issues in terms of the future of this planet and the future of the United States. I honestly believe we have an opportunity to move forward, and I hope we do it, and do it soon.

Mrs. BOXER. Mr. President, will the Senator yield for a question?

Mr. DURBIN. I will be happy to yield.

Mrs. BOXER. First of all, as chairman of the Environment and Public Works Committee, your words are really like music to my ears. I am so grateful that you, Senator DURBIN, are in the leadership because I think you reflect the views of the vast majority of Americans who see the challenges ahead and know we just can't do business as usual.

I think this bill is a very fair bill when it comes to fuel economy. This bill went through the Commerce Committee, a committee on which I serve, and it was a bipartisan measure. Everyone voted for it. It was fair; it was good.

The question I have for my colleague is, I just wanted to make sure he was aware of another provision in this bill, which is a good one, too, and that is to make sure the Federal Government is, in fact, the model of energy efficiency when it comes to the purchase of new cars. I wanted to make sure my friend was aware because it is tucked away in this bill, a provision we got out of the Commerce Committee, that says from now on, when the Federal Government buys its 60,000 cars a year—60,000 cars a year for its Federal fleet—that it buy the most fuel-efficient car. Is my friend aware of that?

Mr. DURBIN. I am aware because I know the Senator from California has been working on this for quite some time. I might also add that I recently met with the Postmaster General, and the U.S. Post Office has many vehicles bought by the Federal Government. They are trying to focus on how to reconfigure existing vehicles with diesel technology, for example, which is less polluting and uses less fuel. And they need our help. So I hope this bill will be a breakthrough when it comes to Federal vehicles.

I might also add, I am aware the Senator from California has joined me and a few of our colleagues and invited the experts to come and take a look at our office operations. Members of Congress, the Senate and the House, have to lead by example, and I hope the small steps we have already taken, and other steps we will take to have less of what we call a carbon footprint from our operations, may point the way toward more fuel efficiency and conserving electricity even in our own office operations.

Mrs. BOXER. Well, absolutely, I say to my friend, and again I thank him for yielding for another question.

Several of our offices are part of this model project to see how energy efficient we can be. It is a pretty straightforward way for us to lead by example.

The other question I have for my colleague is this: The bill that is on the Senate floor, which Senator REID worked so hard to put together, along with Senator BINGAMAN, myself, and Senator INOUYE and others—Senator KERRY was involved, and I know my friend was involved as the assistant leader. There are other provisions in this bill—which is why I am so hopeful we will get this done—that take this notion of the Federal Government being a model to our buildings as well.

I am not sure my friend is aware of the exact number, but the Federal Government either runs or operates 8,000 buildings—8,000 buildings. When my friend talks about global warming, it is a fact that in America 39 percent of the greenhouse gas emissions comes from buildings. So if we can set the tone here, and we can move forward with a bipartisan vote—we were able to pass a lighting efficiency bill for the Federal Government, which is included. This also has a component where grants will be given across this country to cities and counties to make their buildings energy efficient in terms of lighting. It will save money, and it will reduce the carbon footprint.

Then, with the help of Senators LAUTENBERG and WARNER, we got another piece of legislation included in this bill, which is called the green buildings bill, which also impacts all new and existing Federal buildings and also requires the EPA to come out with a model of green buildings for schools. So we will help our schools because you are so right when you talked about your 11-year-old grandson. I have a 12-year-old grandson, as you know. They are going to ask those tough questions, and they may well ask it of the schools they are in too.

So I wanted to make sure my friend knew, since we really are talking more with the leadership of Senator BINGAMAN, who has been working on the most contentious amendments, that there is so much in the underlying bill that came out of his committee, my committee, and other committees that is strong, and that is why we would hate to see this derailed. This would be an enormous setback.

The people want us to reach across party lines and take care of business, and an energy policy is going to take care of business.

Mr. DURBIN. I might just say to the Senator from California that it wasn't that long ago we used to hear about all the California laws, rules, and regulations. It was a source of amusement to many of us in the Midwest that you had your own design in automobile engines, and we thought: What is going on with these crazy people in California? We learned our lesson because

in the period of time that you led the Nation in thinking about these things, you proved something: that you could keep economic growth moving forward in California and conserve energy in the process.

That is a lesson the Nation needs to learn. We don't want to sacrifice jobs, business growth, or opportunity in America. Instead, we want to create opportunity in a reasonable, wise, environmentally sensitive way.

I thank the Senator from California for her leadership on this issue.

Mr. President, I yield the floor.

VETO OF STEM CELL RESEARCH ENHANCEMENT ACT OF 2007

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. REID. Mr. President, I ask unanimous consent that the veto message on S. 5 be considered as having been read and that it be printed in the RECORD and spread in full upon the Journal. I further ask unanimous consent that the message be held at the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The veto message of the President is printed in today's RECORD under "Presidential Messages.")

Mr. REID. Mr. President, let me briefly say I have had a conversation with the distinguished Republican leader and this will be brought up at a later time. We will fully consult with the distinguished Republican leader, and we will do it at a time that is more appropriate than today.

Mr. DODD. Mr. President, in 6½ years in office, President Bush has picked up his veto pen only two times. Today he adds a third; and once more, he is standing against hope for thousands of Americans afflicted with deadly diseases. His veto of the Stem Cell Research Enhancement Act is a grave moral error.

Embryonic stem cell research may one day provide relief to more than 100 million Americans suffering from Parkinson's, diabetes, spinal cord injury, Lou Gehrig's disease, cancer, and many other devastating conditions for which there is still no cure. Today, Federal funds are only allowed for work on 21 stem cell lines that existed as of August 9, 2001, all of which are contaminated. Scientists understand that access to more stem cell lines would significantly expand the scope and possibility of their research. That is why the Stem Cell Research Enhancement Act expanded the number of embryonic stem cell lines available for federally funded research by allowing the use of stem cells derived through embryos from in vitro fertilization clinics. Stem cell research turns embryos that would otherwise be discarded into the seeds of life-giving science.

Of course, the decision to dedicate embryos to research is a heavy one. We

have never argued otherwise. That is why the Stem Cell Research Enhancement Act contained strict ethical requirements. Under this legislation, the only embryonic stem cells that can be used for federally funded research are those that were derived through embryos created for fertility treatment purposes and donated for research with the written, informed consent of the individuals seeking that treatment. Any financial or other inducements to make this donation are prohibited under this legislation. These ethical standards are stronger than current law—possibly stronger, in fact, than the standards attending the creation of the 21 approved lines.

Stem cells from embryos have a unique potential to reduce human suffering—and for precisely that reason, embryonic stem cell research is supported by a strong majority of Americans. Today, President Bush set himself against that potential, and against that majority; he set himself in the way of our scientists, and our suffering patients. I hope that, when he has left office at last, he will come to regret his choice. If not, history will regret it for him.

Mr. KYL. Mr. President, once-terminal diseases such as leukemia, aplastic anemia, cerebral palsy, and sickle-cell anemia are now treatable, if not curable, by using stem cells derived from bone marrow and umbilical cord blood. Early this year, scientists at Wake Forest University School of Medicine found stem cells in amniotic fluid. These stem cells are particularly exciting for their pluripotency—the characteristic that enables the stem cell to turn into multiple bodily tissues and thereby be useful in a variety of medical treatments.

In the last few weeks, just as the House was engaging in a partisan effort to pass this bill that the President rightly vetoed, scientists discovered that human skin could one day be used to create limitless lines of stem cells that are virtually indistinguishable from embryonic stem cells in their characteristics. Already such newspapers as the Washington Post are glowing with reports about how this discovery could "revolutionize stem cell research and quench one of the hottest bioethical controversies of the decade." At the same time, the highly trumped benefits of stem cells derived from the destruction of a living embryo have yet to be demonstrated, despite considerable private and public funding.

All members of this body share a desire to find cures or successful treatments for horrible illnesses. Fortunately, such an opportunity has been presented in the way of adult stem cells. Even with all of the tremendous potential that adult stem cells hold for treating serious medical conditions, some of my colleagues are unwilling to support legislation that funds the development of ethically acceptable and medically beneficial adult stem cell research. This body should recognize the