

but also because we have done almost nothing here in this Congress, before 2007 when the 110th Congress was sworn in, to really start to work with the competitors of the oil industry, to try to give at least the same benefit that we give to the oil industry to the wind industry, to the solar industry, the geothermal industry, the tidal industry, all of the other energy competitors who ultimately will make sure that we never see another 310 percent, 7-year growth in profits.

□ 1745

And so I think a lot of us are really excited about the direction we're going with energy policy. It's not just the bill that we passed today which shifts that \$18 billion in oil company energy profits to incentives and tax subsidies to individuals and small businesses and governments that are prepared to do the right thing and invest in renewable energy sources. This is also about what we've done to increase the fuel efficiency of vehicles, the first time in 30 years this Congress has passed and signed by the President an increase in fuel efficiency standards so that the average fleet sold here in the United States will now have to be up around the 35 mile per gallon standard, still not what it could be, but a lot better than the level that we've been sitting at for the last 30 years.

A new investment in green technology and green jobs, grants now going to businesses and nonprofit organizations that are going to do the training necessary to teach a whole new workforce how to compete and how to win in a renewable energy economy; and legislation that will say no more going to the store and looking at one product that's energy star or energy efficient rated and another product that hasn't had any improvements on it in the last 20 years, now every appliance, every microwave, every toaster that you buy, by virtue of legislation passed in the House and the Senate and signed by the President will make sure that appliances that you buy are going to meet the highest energy efficiency standards.

We still have to go farther. There's still so much more we can do. We can pass a renewable energy portfolio standard to say that 15 to 20 percent of the energy produced in this country comes from renewable energy sources. We should pass a cap and trade system that limits the amount of pollution and carbon that we emit into the air. But these are monumental steps forward that would have never happened if we didn't have a change in control of this Congress, because you've got a whole new group of people here. Mr. ALTMIRE and I are the two members of the 30-Something Group that are part of this new class of freshman Members of Congress. But you have a new group of Members here, in particular this freshman class, that really had a sense, from spending the last 2 years, 2005 and 2006, out campaigning for office but

just frankly being on the outside of this institution for all of our lives, that the public got it; that the public understood that it was about time that we started shifting our resources, both privately and publicly, into a renewable economy. They understood that energy independence is the Holy Grail of Federal and State energy, of Federal and State policy, period, because it's not just about energy prices, the fact that by investing in renewable energy, increasing volume, increasing research and development, that you will eventually drive down energy prices.

It's also about the environment. We could talk for another hour about the benefit that investments in renewable energy will do to the air that we breathe around us, what it will do to combat the growing trend towards the warming of this planet.

It's also about our economy, as we've talked about. And we may not make rubber balls in this country like we used to. We may not have the large volume manufacturing base that we did 20 to 30, 50 years ago, but we can be the center of research and development for renewable energy technology. There are great strides still ahead of us on cellulosic ethanol, on photovoltaics, on the hydrogen economy. Our economic future here in the United States can be based in renewable energy.

And lastly, folks out there know that it's about national security as well. They know that by creating a dependence on domestically produced energy, rather than on foreign produced oil, that we will make decisions with regard to international policy, based not on our national energy interests but on our national security interests.

And so on behalf of the 30-Something Working Group, we're pretty excited about the bill that we were able to pass today, as we are about the entire trend that's happening here in Congress with regard to energy policy. We have farther to go, but the reason that we, as the 30-Something Working Group, talk about this is because the investments that we make today will pay off in 10 and 20 and 30 and 40 years, when our future children and grandchildren are living in this world. They might not have to deal with the consequences of a Congress that ignored the energy crisis in this country if we make the right decisions over the next several Congresses.

So I appreciate, as we always do, the opportunity for the 30-Something Working Group to come down here. It's a busy day and evening here, so Mr. MEEK was only able to join us for a short period of time. Mr. ALTMIRE had to leave before the hour started. We know when we come back to this floor next week, we'll make sure to have the full contingent of 30-somethings down here on the floor. We miss Ms. WASSERMAN SCHULTZ as well.

With that, Mr. Speaker, again I thank you for the opportunity to speak before the floor today. I thank the Speaker for her engagement with the 30-Something Working Group.

ENERGY ISSUES AND THE OIL AND GAS INDUSTRY

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

Mr. CONAWAY. Mr. Speaker, it's good to be with you this afternoon.

I want to spend most of the next hour talking about the oil and gas business and energy issues in general but specifically about the oil and gas business.

In the interest of full and fair disclosure, I grew up in West Texas, home to much of the oil and gas production from the Permian Basin, and I now have the high honor of representing much of that region in Congress. My dad was in the oil business. He had a service company for the last 25 years of his career. I had oil and gas clients in my professional career. And so I hope the fact that I have some background and experience in this area doesn't disqualify me from talking about things that I know and that doesn't discount what I have to say.

In looking at our overall energy picture, almost every legitimate projection of energy usage in this country, over the next 20-plus years, shows that crude oil and natural gas will continue to be a vital part, an important part of the energy complement for this country for the next 20-plus years, as I mentioned.

There are no breakthrough technologies. There are no scientific advances that anyone can anticipate today that would reduce our dependency, particularly as it relates to driving cars and trucks and airplanes, on crude oil and natural gas. We don't produce enough of it domestically to meet the needs of our existing oil and gas needs, so consequently we import 60-plus percent of the crude oil, natural gas and gasoline products that we use every single day. And that percentage is growing, unfortunately.

Most commentators, and I agree, would believe that this importation of crude oil and natural gas from foreign sources coming from countries whose leadership hate us, whose political schemes are directly opposed to what we would want to do, is not in our best interest and represents a strategic vulnerability that our country has to other parts of the world that in many instances can be far less stable than you would want to count on.

So given the fact that we will be using crude oil and natural gas for the next 20, 30-plus years, and that we don't produce enough of it ourselves, it would seem that it would be in our best interest to promote policies that encourage and incentivize additional production of domestic crude oil and natural gas, policies and incentives like allowing the responsible and environmentally sound exploration of areas in this country which we currently, either by law or by executive order, prevent our crude oil and natural gas exploration companies from having access

to, promoting policies that, to the extent that it is safe and sound, reducing and eliminating unnecessary bureaucratic red tape.

You can look at the reasons we've not built a refinery in this country for a number of years is because of the long lead times it takes to get that done. The approval process, or the bureaucratic nightmare that companies have to go through, all of the money they invest on the front end, they don't get the return on that money until the plant is built and done, and the longer you extend that timeframe between when you start to when you actually begin to refine crude oil adds to your cost, it adds to the carrying cost, it adds to the cost of the money you've borrowed, and is a disincentive to actually entering into that particular business.

So when we on this floor from time to time, today may have been one of those times, when we on this floor from time to time put in place new laws, new regulations, added taxes and other burdens on the domestic and international oil and gas companies, we are, in effect, I believe, cutting our nose off to spite our face, because increased domestic production offsets the need for additional import of crude oil and natural gas.

No one that I'm aware of with any rational thought thinks that we can produce enough domestic crude oil and natural gas to completely wean ourselves from international imports or foreign imports of crude oil and natural gas. So it's not about totally doing away with those, but at least putting ourselves in a position to make ourselves less dependent on those foreign sources of crude oil and natural gas.

My colleagues earlier this afternoon were talking about the high cost of gasoline. And gasoline is high here in the United States. It is higher in other parts of the world than it is here in the United States, but that's scant comfort to the consumers and the folks out there who are, as they stand at the pump and they watch that price ratchet up past \$40 and \$50 for a tank full of gasoline, the fact that there are people around the world paying more for their gasoline than we are is not much comfort as that happens.

I understand that the high cost of diesel, whether it's ag producers or farmers or long distance truckers, whatever it is, adds to their operating cost. The cost of gasoline, of course, has taken an increasingly larger share of the family budget as that number goes up, and that's something that should be of concern to all of us.

The bad news is that over time those costs will simply continue to get higher. Short of a worldwide recession, in which demand for crude oil and natural gas was dramatically lessened or reduced, we are going to continue to have increases in the price of crude oil, an increase in the price of natural gas, and that, of course, will be reflected at the pump.

Our job should be to try to minimize those increases or delay those increases as long as we can, to smooth them out as best we can to allow consumers and businesses to make the accommodations they need to to begin to live with these higher gasoline and diesel prices that we're currently experiencing.

□ 1800

A big jump that we have seen from \$30 a barrel to today, I guess, \$100-plus per barrel has had an impact, a surprisingly limited impact to the extent that the economy that we've enjoyed over the last several years has not gone down as much as most folks had predicted with a rapid increase in crude oil and natural gas prices. But nevertheless, families are paying more out of their family budget each month for gasoline, and that's not going to get any better.

We can make it worse with the policies that we pass on this floor to the extent that as we make it more expensive to find and produce crude oil and natural gas, we will add to the costs and the burdens of families that are unnecessary additions to costs by taking a different tack of promoting and incenting crude oil and natural gas producers to produce more, then we would help go a long way of providing additional supply as the demand goes up.

So I was in Midland, Texas, in 1998 and 1999 when the price of crude oil was \$10, \$11 a barrel, a scant 9 years ago. It's hard to believe that today it's 10 times that number. But there's the yo-yo effect with respect to crude oil and natural gas prices. We have seen those prices go up and down dramatically over the last 40 years.

I think the difference this time in this run-up is that China and India are much greater consumers of crude oil than they were in the late 1990s, so we were able to see a price drop to \$10 a barrel. I don't think anyone realistically expects that to happen because you have got additional consumers in the market, and those consumers are China and Japan, as I mentioned. I was in China last April and was told that a thousand new cars a day are being added to the traffic pattern in Beijing alone. A similar statistic for Shanghai. These aren't cars or people that are switching from one car to another. These are folks who are getting off their bicycles and beginning to drive automobiles. So this is a net-plus increase in the demand for crude oil and natural gas that has not been there before.

So while the prices are high, they will fluctuate some, but I don't think we will ever go back to the levels that we have seen 5 and 6 and 7 years ago.

The people who produce crude oil and natural gas, those companies are vilified in the press and, sad to say, with our Presidential candidates from time to time, as well as Members of this House come to this floor and will

say some pretty outrageous things about the companies that supply us with the level of crude oil and natural gas that we have today at these prices as if they are some sort of a bad person.

When we make critical statements, critical statements about corporations, and let's take ExxonMobil, for instance, because they're the easiest target having just released earnings this past week or so, earlier this month, showing that they had set a record for a 2007 profit of some \$40.7 billion. That is a huge number in any comparison, except, perhaps, maybe the total Federal budget. But it's out of context as it is taken most the time. It can be criticized, and some very unflattering adjectives are used such as "outlandish," "unjustifiable," or "appalling" or "ruthless." These words have been used by some of my colleagues to describe ExxonMobil, and that's unfortunate.

Now, I'm not an apologist for ExxonMobil. They're a corporation, and if they've done something wrong, they should be held to high standards of conduct. But to the extent they have played the rules and played the game within the rules that are set for them, the fact that they have been successful, the fact that they have done well should not be held against them simply because the fact that they've done this well. They are not price gouging. Their prices are set by the international market like everybody else's. And the fact that they are big helps them do things that smaller companies simply cannot do.

The investments, the billion-dollar investments that are necessary to explore for and to produce crude oil in some of the more remote areas of this world require huge investments, and it takes big companies to be able to do that. And the fact that ExxonMobil is in that arena and is successful at it should not be denigrated the way it is.

Here is some of the bad things that ExxonMobil does, if you think that making money in the oil business is, in and of itself, bad.

They produce some 4.2 million barrels of crude oil a day, an oil equivalence of some 637,000 barrels a day. So that's a sizable production of things. I don't have the exact percentage of total worldwide percentage that that is off the top of my head, but I think the production is about 80 million barrels a day. ExxonMobil is 4.2. So that is a sizable piece.

When you consider the governmentally owned entities in that 80 million, ExxonMobil is a small player, given the fact that Saudi Arabia and others, as a group owned by the governments, are much bigger producers than that.

ExxonMobil, out of that \$40.7 billion that they earned in 2007, they paid out \$7.6 billion in dividends to their shareholders.

Now, when we denigrate corporations, it's easy to do because we don't

put a face on the corporation. We just think of it as an entity. But the truth of the matter is corporations can't do anything without people, employees, and directors and others at ExxonMobil. So when we make negative and ugly comments about this corporation or any corporation, we are, in effect, talking about the people who work there.

ExxonMobil has some 82,000 employees worldwide. That's 82,000 families who feed their families, feed their kids from hard work and the successful work at ExxonMobil; 82,000 families who own homes, 82,000 families that try to find a way to send their kids to college and pay for health care and take care of the things that they need to do to put braces on their children and all of those kind of things that families do. Those people are no different than anyone else working in America or around this world. They've got the exact same cares and responsibilities that every parent has. And so to denigrate the corporation and, by extension, these 82,000 people is really unfair.

Hidden in the conversation about the profits that ExxonMobil made of some \$40.7 billion was the fact that they paid some \$32 billion in taxes; \$32 billion in taxes. Now, if you added up the bottom 50 percent of all individual taxpayers in the United States, I think that number is some \$27 billion. And so ExxonMobil single handedly paid as much in taxes as half of the individual taxpayers in the United States, actually paid more than that half.

And so as you talk about all of the bad things that ExxonMobil has done, saying they're guilty of some pretty rotten stuff: creating 82,000 jobs, paying out \$7.6 billion in dividends to their shareholders, creating the wealth that relates to what those shareholders do. Those shareholders have bought stock in this company. They bought it expecting to be able to sell it at some point in time in the future for a profit, which is not bad, because when they sell that, they will pay capital gains taxes on that. The 7.6 billion, to the extent it went to taxable entities and not to retirement plans or IRAs, those taxpayers pay taxes on that 7.6 billion.

So there's an additional 7.6. The 82,000 employees that are U.S. citizens pay individual income taxes on their salaries as well. And they're paying the payroll taxes, and ExxonMobil is matching those payroll taxes in a responsible way.

So, as you see, the comments made about the amount of money that ExxonMobil has made, please put it into context with the amount of money that they would have to invest in order to do that. The return on shareholders' investments is in line with other U.S. corporations and other industries within the United States. It should be a good investment. It should create wealth for the shareholders that are able to take advantage of owning that stock having bought it when hopefully

the price is lower than what they could sell it for.

So, as you hear comments, negative comments, if it is about the breaking of a law or something like that, fine. We will deal with that. But if it is just the fact that they're big and the fact that they found a lot of crude oil, natural gas, and produced a lot of it, then those are misplaced. And when you make those comments about what Exxon does within the rules, you are criticizing people. You are criticizing 82,000 folks around this world who are getting up, going to work every single day trying to do the best job they can at providing a resource and a commodity that all of us enjoy each and every single day.

I did not mention the fact that ExxonMobil refines 5.6 million barrels a day worldwide and almost 4.7 million barrels a day here in the United States. So, again, jobs are created up and down the stream with respect to the oil and gas business.

As you look at energy policy, I think that we spend a lot of time in this Hall talking about what we should be doing, and yet we don't listen to each other very well in terms of what the impact is of what we are trying to do. And consequently, we don't have in place rational policy for what we should be doing in this country.

There are two broad areas of energy that we should talk about separately: One is electricity generation and the other is crude oil and natural gas. That is what we use to drive our cars.

With respect to electricity, we have had a dramatic event in Florida yesterday where we had a blackout, an infrastructure failure, overload of some sort that quickly got corrected, but it was a microcosm of a wreck that would happen if we didn't have adequate supplies of electricity.

Now, the growth in this country in terms of population, with it comes an automatic growth in the use of electricity. That's just the nature of the beast. Now, we should be doing all that we can to conserve. We should be using smart appliances and smart light bulbs and doing all of those kinds of things. But the truth of the matter is, as the population of the United States increases, we need more energy, more electricity to be able to meet the needs of this increased population, whether that is lighting their homes, air-conditioning their homes, providing electricity to power the businesses in which they work. That is going to be a demand that is there and is growing.

If we don't continue to invest in generating capacity, then we are going to get caught in a circumstance where our demand has outrun or outstripped our ability to supply that energy, and we will have very sizable increases in the cost of electricity.

You can see what happened a number of years ago in California where they got caught in that exact same wrinkle. They discouraged generating capacity to be built in California, but yet the

demand for electricity continued to increase and they got caught in circumstances where the demand was higher than the supply and they had a dramatic increase in prices. They had some regulatory issues involved that created that problem, but when you have demand that outstrips supply, you have large price increases in that arena. And those kinds of circumstances have the dramatic effect on individuals as well as businesses, because when you are putting your monthly budget together or your business plan for your company, you try to estimate what your costs are going to be over a near-term and mid-term circumstance; and you ought to be able to predict reasonably close what your energy costs should be over the next 4 or 5 or 6 months. And when you get sharp spike increases, as was seen in California, then that wreaks havoc not only in the family budget but also with businesses that are subject to passing on those electrical costs through their products and services ultimately to consumers.

So as we look at the electrical side of this thing, we should be promoting wind, as we see in west Texas, and solar and hydropower. All of these alternative and green sources of electricity should be promoted as well. But the growth in that side of the business cannot even keep up with the growth in the demand. We've got two circumstances: natural gas-generated electricity, we've got coal used to generate electricity, and we've got nuclear that is used to generate electricity. Those are the three main backbones of the current grid.

And so as you look at those plants, they are all getting older every single day. Recently, the Nuclear Regulatory Commission has been able to go through a second round of licensing for existing plants and has been able, because of the good maintenance and upkeep and the proper operating procedures and plans that have been in place at the nuclear plants, have been able to extend the useful life of the current complement of plants we have for another 10 to 15 to 20 years, which is important, because the time frame of which a lot of that production capacity was built, they're all going to fall off the grid in a relatively short period of time, which means the supply is going to dry up if we don't create additional sources of electrical generation that can be counted upon.

□ 1815

So we've got a problem, going forward, with how to generate electricity. The green sources can't keep up with the growth in demand. Natural gas is an expensive commodity. We're not drilling for sources of domestic gas. And because natural gas is hard to import, those prices and costs of generating electricity using natural gas will continue to go up faster than the cost of using coal or nuclear.

The backbone of the grid, for certainly my lifetime and perhaps even

my children's lifetime and beyond, will have to be nuclear and clean coal burning technologies. I don't think realistically there is any other way to generate electricity on the scope that we're going to have to generate it on and get it done.

If you don't acknowledge that, if you put your head in the sand, then you develop policies that will not promote a rational, orderly, thoughtful process of how to provide electricity for this country over the next 50 or 60 years, and that is an unfortunate circumstance that we see ourselves in.

None of the alternative sources can fully replace everything that's going on, and yet we seem to be placing great reliance, or hope, that we can develop these alternative sources, green sources of electrical generation in time to offset the loss of the nuclear power plants that ultimately wear out, the coal-powered plants that ultimately wear out, and the natural gas that is a commodity of seemingly infinite supply. But that's wrong, too, because crude oil and natural gas are finite resources. There will be a day, a long time from now, when the last barrel will be produced and the last MCF of natural gas will be produced because it is such a finite resource and takes so long, millions of years, to create it underground.

The argument about nuclear is that it's unsafe and unsound. It's dangerous. I had the opportunity to visit the Comanche Peak Nuclear Power Plant that's just on the eastern edge of my district. It's not in my district, it's just outside on the eastern edge. Quite frankly, I had never been to a nuclear power plant, and so it was an eye-opening experience for me. Everybody had the little meters on, DOSA meters on that will show whether or not you've had an exposure to radiation that is inappropriate.

We actually, as a part of that tour, went into the storage facility for the spent fuel rods, the spent rods that they've used over the years to create the nuclear reactions. And I'll admit to being a little apprehensive. You simply walk through this door and you're standing in front of what appears to be a giant swimming pool. At the bottom of this pool of water are these spent rods. And I kept kind of glancing at my DOSA meter to make sure that I wasn't getting a dose of radiation. Sure enough, I was not. It's perfectly safe. But I didn't know that. Ahead of time, if you would have said that this spent fuel is stored underwater like that in an open arena pool, I would have been a little bit skeptical about how safe that was. But our nuclear industry is a safe industry and deserves to be exploited as we look at ways to generate electricity.

The argument is that spent fuel creates a hazard and a problem for disposal and storage, and that's the case. But you have to weigh that against the way electricity is produced everywhere else. If we continue to use coal, until

we learn how to capture the CO₂ and sequester that CO₂, the equivalent amount of electricity between producing with coal versus nuclear, the coal will have produced X tons of carbon dioxide that would have gone into the atmosphere, versus on the nuclear side, a small, relatively containable and handleable spent fuel that we have to deal with.

So you look at the two. And clearly, given the emphasis on global warming and climate change, the folks who are proponents of that argue that CO₂ and climate change are the single biggest things threatening our lives. Well, if CO₂ is the biggest threat to our way of life, why not deal with that by using nuclear? I mean, nuclear waste has to be way down the list of things that are dangerous for us to deal with.

I'm not a Pollyanna. I understand that when you build a nuclear plant, that it is subject to being somebody's target to do something stupid. But we have done a good job the last 7 years, since 9/11, protecting the nuclear plants, we'll get better at it, and assessing the risks to those power plants and understanding the opportunities that some bad guys might want to do at a nuclear power plant. But getting exposed to it, which is probably not a good word, but at least understanding and becoming more informed about how the nuclear power plants work and how the controls are in place, the systems they have in place for fail-safe circumstances, in addition to developing new generation or next-generation power plants which use a different model than in and of itself is a safer model of a way to generate electricity, and approaching that in a rational, thoughtful manner is going to be in all of our best interests.

And yet there are still an awful lot of people out there who are apprehensive to the point of not wanting to use nuclear because they believe that the risks are too great. We need to have these conversations between the folks who believe it's too risky and the experts who understand exactly what it is and how it works and where those risks are and where those risks aren't, to get those to come together and help us understand how we mitigate the risks and how we adjust them and go forward with a source for the grid that is clean, zero emissions, and is going to be one of those sources of electricity generation for the U.S. that is important to our grid. It's important already in France, and other countries of the world are using it safely without incident. And certainly we're as good as the French are at doing things, I would expect, and should be able to handle nuclear power in ways that are responsible, both to the areas where the plant would be, as well as to how we handle the spent fuel and the waste that is an issue, and where we store that. All those kinds of things can be solved and should be solved if we can begin to deal with the issue, and first dealing with our irrational paranoia about it, get-

ting past that and dealing with the realities that the experts and the scientists could certainly help us understand that.

So, Mr. Speaker, the national energy policy, we've had several attempts at it over the years. We currently don't have one that's rational, I don't think. We continue to penalize the oil and natural gas industry with added taxes, as we did this afternoon, with red tape, with regulation that prevents them from being efficient. We lock away vast areas of the United States to prevent domestic production of crude oil and natural gas. We don't have a thoughtful, rational approach to electrical generation and how we're going to get that. Clearly, clean burning coal and nuclear have to be exploited and explored. Yes, continue to work on the wind and solar and other ways of generating electricity, but the truth of the matter is that those are going to be at the margin of the electrical grid.

Every American alive today, when they walk into a room and flick the switch on, expects the lights to come on. They don't know how that happens, but they expect it to happen. And except for yesterday afternoon in Florida, most all the time it does. When it doesn't happen, like what happened yesterday in Florida, it shows how vulnerable we are to not having electricity, what impact that has. You saw the traffic grids, the traffic parking lots across Florida because the traffic lights went out. You couldn't move traffic the way it normally moves. And all the people trapped in elevators and all that kind of anecdotal excitement that happens when that goes on helps give us a little bit of a sense of what a world without all the electricity that we need to produce and to use is not readily available at our fingertips at the flick of a switch.

With respect to crude oil and natural gas production, again, as I mentioned earlier, we are going to be using it for a long, long, long time. If it's imported from countries that are not operating in the same thought patterns that we are with respect to human rights and women's issues and other kinds of things, if it creates a strategic vulnerability to this country to import crude oil and natural gas, then it seems logical to me that we would put in place policies and regulations that would promote the domestic production of crude oil and natural gas as opposed to hindering them.

To reduce domestic supplies is wrongheaded. And when we increase taxes on the oil and gas business, that is money that is taken away from the exploration for new sources and new supplies of crude oil and natural gas.

The mechanics of an oil and gas company typically says that when you find, through the exploration process, through drilling and finding it, you understand that there's a reservoir of crude oil or natural gas underground. Through scientific estimates and from petroleum engineers, you can determine what the value of those reserves

are once you've drilled a well and begun to produce those.

Typically what happens, the independent producers in particular then go to the bank with the reserve report that shows what they think the estimated value of that crude oil and natural gas is in the ground. They go to the bank and use those reserves as collateral to borrow additional dollars to drill with and to explore that field further or to increase production. And so each dollar that goes somewhere else other than back into production is a multiple of that dollar that is not used to explore for and to produce crude oil and natural gas.

Most of the independents that I represent in West Texas are trying to drill in the United States. Statistics show that independents, as that term is defined, typically reinvest 600 percent of their profits back in the ground. In other words, they borrow six times as much money as they earn in a year in order to continue to grow their reserve base to replace the production that they've already produced and to continue to do the things that they do best. Major oil companies, such as ExxonMobil, are generally well above 100 percent. I think it's 170 percent of their profits go back into the ground to explore for and to produce additional crude oil and natural gas, much of that is worldwide, which in a commodity such as crude oil and natural gas, there is really no distinction between the oil produced around the world versus domestic production as far as creating supply against the demand that is out there and is a growing demand as well.

So a broad-based national energy policy that encompasses electricity production, how we drive cars and fly planes and drive trucks and those kinds of things, I think it is awfully important that this Congress come to grips with.

I have not mentioned conservation, but that is a huge piece of the pie as well. We can use less per person than we currently are, and that's less electricity and certainly less gasoline in our cars.

I have introduced a bill that would create a public-private partnership in order to help remind consumers that they have a direct role in energy usage in this country. The partnership would point out things that we can do individually, by choice, to reduce our own demand. Our own use of gasoline is an example. And it doesn't have to be draconian. I'm not talking about giving up your automobile and riding a bicycle to work. That's not rational. We're not going to do those kinds of things. But there are some small things that each one of us can do and choose to do on our own that would have a dramatic impact across the system. As an example, if we would arrange our affairs next week to use one gallon of gasoline less than we used this week, that would have a dramatic effect if everybody decided to do it. If the millions and millions of consumers and drivers out

there would just simply use one gallon less, you would see a dramatic increase in inventories. When inventories go up, the folks who are in the business of retailing gasoline are very price sensitive, and their prices move around, up, and they also come down. But if their inventories begin to grow unexpectedly because we just simply used a little bit less individually, but if collectively across all the United States, you would see a big rise in inventory.

Now that does two things. One, you would save the cost of that one gallon of gasoline. And at \$3.50 a gallon, you may think, well, that's not all that much. But if you look at the impact that that savings would have across the system, you would save \$3.50 per person, but you would also see a drop in the price of that gasoline because the supplies and inventories would go up. That means that collectively all of us would be better off.

□ 1830

Now, how do you save a gallon of gasoline? You do some simple things like you keep your tires aired up to the proper limit. You take the extra weight out of the trunk of the car so you're not hauling it around. You think each day about what are the trips I'm going to make today. How can I drive a few miles less today than I drove yesterday, and just be smart about it. You can be a safer, more polite driver to the extent that as you accelerate your car, if you're not aggressive in accelerating it, if you don't slam the accelerator down and race away from red lights and stop signs, if you drive a little friendlier than some of us are used to, that uses less gasoline as well.

So there are a lot of things that you and I can choose to do. It doesn't require a government mandate. It doesn't require a bureaucracy to administer. It's just simply all of us working in our own best interests to save a little bit of gasoline. And, again, 1 gallon this week less than I used last week would have a dramatic impact on those prices, and we would all collectively benefit because we would be doing what we ought to be doing, and that is conserving the resources that we've got responsibility for.

The same thing applies to electricity. Using less electricity, you could do a lot of things, and we all can do that, to reduce the growth in the demand for electricity. Again, you're not going to read at night by candlelight or campfire or lanterns. We're not going to do those kinds of things, but we can have a dramatic impact on electrical uses.

I had a client when I was with Price Waterhouse back in the early 1970s, Recognition Equipment. Recognition Equipment made some pretty, at that time, sophisticated optical readers, and they had a very complicated cost accounting system in which they would allocate their indirect costs, heating and air-conditioning and lighting and all those kinds of stuff, would allocate

those to their products that were being produced. As you remember, in 1973 we had the Arab oil embargo and prices shot up from \$3 a barrel to 30 bucks a barrel. There was a big push to use less electricity, to use less energy. REI went all through their plant and did everything they thought they could do rationally to reduce their electrical usage; things like they went to every other light in the hallways and all kinds of things. They were able to so dramatically reduce their electrical usage that it screwed up or messed up their indirect cost allocation to their products, and they had to go back through and readjust the amount of money that they were applying to come up with the cost of their products through their process. So we can do those kinds of things when we have to. Typically when we have to is when the prices get so exorbitant that we are forced to do it. We can choose to do those things ahead of time without being forced to.

I currently represent a chain of convenient stores in west Texas where I know the folks who run it, and we were talking about gasoline uses. They make a lot of money selling gasoline at these convenience stores. And 2 years ago when the price first started going over 3 bucks a gallon, they could see a dramatic difference and a change in their consumer patterns when the price of gasoline was above \$3 versus when it was below. Consumers would immediately react to that. Now we have become desensitized or less sensitive to the \$3 number, and that new number is somewhere north of that where we would feel the pain enough where we would be willing to make some changes in our own personal life to do that. We don't have to wait for that price to go up in order to motivate us to do those kinds of things. There should be plenty of motivation for us to be able to take the kinds of conservation steps that each one of us individually could do as a free-will choice that would help this issue tremendously as we move forward.

In conclusion, Mr. Speaker, there are no magic bullets. There's no magic wand that we could wave across this problem and instantly fix it. It requires thoughtful compromise across a lot of folks who are in this arena, folks who have legitimate concerns, legitimate worries, legitimate issues. Working through those, working off of sound science, looking at rational approaches to things and not taking the extremes is going to be important as we as a society continue to move forward with an energy policy that makes sense.

Calling each other names, talking about the producers of crude oil and natural gas like ExxonMobil in some very unflattering terms is counterproductive to the system. Beating up ExxonMobil makes absolutely no sense if you think that the product that they are producing is something that we need. Now, you may not like the prices that they're producing it at, but those

82,000 people who work for ExxonMobil are human beings. And when they hear their company denigrated by folks in this Chamber and Presidential candidates and others because they have been successful working within the rules and within the laws, that sends a really bad message to folks who are providing a service, providing a commodity to us that we simply can't get along without.

So thank you, Mr. Speaker, for allowing me this time tonight. I would encourage my colleagues to thoughtfully think about the words they use, the adjectives they use as they describe this problem. This is not a Republican issue. It's not a Democrat issue. This is an issue that's important to every single American out there. It's one that deserves our best, thoughtful consideration. It deserves our listening to each other and hearing the concerns each of us have and working toward a solution and actually putting it into place.

ENERGY

The SPEAKER pro tempore (Mr. WILSON of Ohio). Under the Speaker's announced policy of January 18, 2007, the gentleman from Florida (Mr. KLEIN) is recognized for 60 minutes.

Mr. KLEIN of Florida. Mr. Speaker, it's a pleasure to be here. I'm going to be joined by a number of the members of the freshmen class, and I appreciate the Speaker being one of our Members from Ohio. We have a great group of Members from all over the United States who were elected a year ago on certainly a campaign of change and bringing some new ideas, new energy. And energy is going to be the subject tonight because a lot of us have a lot of it.

I know Americans are looking for some new ideas on how to solve our problems with energy and how to move our country forward. And the reason it's important, particularly important today is because today this House Chamber took a bold, new step, and we passed the Renewable Energy and Energy Conservation Tax Act of 2008. And as I said, many freshmen, and many Members, Democrat and Republican, ran on a platform of change and new ideas. Energy is that idea. It's that platform.

And if you're old enough, you'll remember the Manhattan Project. I know I'm speaking to people who are listening in this Chamber tonight that are familiar with that Manhattan Project. It was that great ingenuity that Americans came together and knew what they had to do in order to win World War II. It was done in secret, but it produced the results that were necessary to save lives at the end of the day.

More recently, again a number of years but more recently, we had something called the Sputnik that Russia sent up, a little tin can that went up into space. And for those people who were alive at that time, they were

frightened, rightfully so, that the Russians had gotten ahead of us and had put something in space that could potentially give the Russians the control, the Soviet Union control, of the space above our heads and maybe they would rain down on us weapons and have other kinds of threats against the United States.

And President John F. Kennedy, at that moment in time when Americans looked up and saw that can, that little flash in the sky, and realized that it wasn't the United States that put that up there but a country that at that time was viewed as in competition and the Cold War was just developing, what happened at that moment was John F. Kennedy said we are going to take this moment, capitalize on the concern, and channel that into a new program, a space program that was going to put a man on the moon by the end of the decade. And, boy, that was something that was incredible. It was unheard of. Could we do it? I mean, the Moon is up there, and it would take a great amount of technology and science, and maybe it was a dream that our philosophers and other scientists years ago had, but to actually accomplish that in 10 years?

And lo and behold, in 1969, in July, I remember the moment. I was in a camp at that time, and I remember watching with my friends. In July of 1969, Americans put a man on the Moon and landed a man on the Moon. What an incredible accomplishment. And today we are still receiving the dividends from a space program that has just had so much impact not only on American ingenuity in terms of the space program and all the great things that have come out of that, but in consumer products, microwave ovens and a whole lot of other things that we take for granted today that came out of the science, and the math and the science and all the great things that went on in our schools to create the future leaders and the science program and the space program that has continued through today.

This is that moment. This is that time when Americans need to seize this crisis that has been developing for quite some time, and we need to do something about it. And there are three groups of people in the United States that are all coming together behind renewable energy and making sure that America becomes energy self-sufficient over the next number of years.

We have had many people in this country from the environmental community that for years have said that the pollution caused by various types of fossil fuels have clouded our air and damaged and polluted our waters, and it's not only in the United States but throughout the world. The environmental community has been very concerned about this and has tried to build bridges and coalitions, and they've really worked hard on that. And they are now joined by two other groups.

All Americans join in the notion that as a matter of national security, and I certainly believe this and I know the Speaker does too, and many of the men and women in this room and most Americans understand this, that for too long we in America have made foreign policy decisions based on where the next drop of oil is coming from. And what a mistake. What a mistake. We've done it over and over and over again, whether it's dealing with Iran in our past history, dealing with Iraq presently, dealing with Venezuela, or any number of other countries in the Middle East, some of whom at best, at best, may not be our friends and, at worst, are our enemies. And yet every time you go to the pump, you're putting money not necessarily in an American company, but you are putting money that is eventually getting into the pockets of some of the owners of these oil wells in these countries that are damaging our interests and in many cases are funneling to the terrorists and the people around the world that are really putting our men and women at risk, whether it's in Iraq or anywhere around the world. This is a very dangerous prospect and it's unacceptable.

The third group, of course, and I think this is one of the most exciting things, is the new economy that is developing out of this energy discussion. The job opportunities, the great innovators, the scientists, the American men and women at our universities, our business entrepreneurs that understand that not only is this good for America in terms of our environment and our national security but we could be very successful at it from a business point of view. We can create new technologies. We can do lots of things that create jobs, create revenue, create income, make our standard of living higher and greater. And we cannot only take that and build for America, this can be the next economic boom that exports our technology, our products, our sciences to other countries around the world. It's pretty exciting.

And I really believe very strongly that the great notions that have come out of today's bill recognize the fact that a few years ago when President Bush was inaugurated as President, oil was at \$26 a barrel. Think about that. That's \$26 a barrel. Today it's hovering around \$100 a barrel. And I know that every American should say shame on all of us, not only as elected officials, but also as American consumers, shame on us for allowing that to happen. That's not just a political thing; that's literally our responsibility. We have our own responsibility to make a decision and make a difference here.

So what we have done today, and I am joined by other members of our freshmen class and others and we are all going to talk about this for a few minutes, is pass a bill that does what we were talking about. It puts the emphasis, it puts the incentives, economic