

owners, particularly in an area like I represent that I think has some similarities to where you represent as well. And I think it compels all of us to begin to think boldly and innovatively about how we can get this done by looking at that full range of options that we have in our energy portfolio and bridge into that energy future.

Mr. BURTON of Indiana. I want to thank the gentleman for taking this time. I know you have to catch a plane tonight. I think it is important that the people who are watching in their offices and maybe Americans who might be paying attention, that they realize that we are not just talking about oil and gas, we are talking about all forms of energy, and we want to get to that.

But, as you said and as has been said many times, that is going to take a transitional period, and during that transition, while we are trying to encourage more innovation, that we don't sink the ship by not having enough energy to get the job done.

Mr. FORTENBERRY. I really thank you for the opportunity to dialogue on this question and to focus, yes, on the urgency of the moment, while also creatively thinking about where we go. I mean, this is America. This is the land of innovation. We can get that done.

Mr. BURTON of Indiana. Thank you, Mr. FORTENBERRY. Have a nice trip back, and tell the people of Nebraska we said hi.

Madam Speaker, we are about to wrap this up. I just want to say to my colleagues, I see my colleague from down south is waiting patiently for us to end our Special Hour, I just want to say that we all want to work together. We want to solve this problem for the American people. We want to get the price of gasoline down and we want to go to new forms of energy. But it is going to take time. And during that time for transition, it is extremely important that we start moving toward energy independence. And a main cog in that wheel is drilling here at home for oil and natural gas.

So I hope, if I were talking to the American people, that they would talk to their Congressmen and Senators over this July 4th break. They are going to be there for parades and everything else. And I would say to the American people, if I could talk to them, talk to your Congressmen and your Senators. Tell them you want to be energy independent, you want to move toward energy independence, and we ought to drill here in the United States wherever we can.

REAUTHORIZATION OF THE FLOOD INSURANCE PROGRAM NEEDED

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

Mr. TAYLOR. Madam Speaker, let me begin by thanking all the men and

women who work for the House of Representatives. I know that they are anxious to get out of town and begin their 4th of July holiday. But when we come back in July, it will be what I have considered over the course of my life the beginning of hurricane season, and we still have some unfinished business from Hurricane Katrina that affected my district and could potentially affect over half of all Americans, and that is the reauthorization of the National Flood Insurance Program.

If Congress does not act by September, this program that is of vital importance to people in the Midwest from flooding, the people on the Gulf Coast because of hurricanes, the people in New England because of storms, this program is important to everyone, it may not get reauthorized, and I think it would put a lot of Americans in jeopardy. Therefore, I think it is important that we not only reauthorize it, but fix some of the problems that we have discovered in the wake of Hurricane Katrina.

I want to begin with some homes from my hometown. This is one that belonged to Mr. and Mrs. John Hadden in Bay Saint Louis, Mississippi. If you take a look at it, it started about 10 feet off the ground. It had hurricane shutters. It had a low profile roof. It was built to be a hurricane-proof house. It was insured for about \$650,000. This is what it looked like the day before Hurricane Katrina. This is what the family came home to when they could get back to Bay Saint Louis.

I mentioned that they had \$650,000 worth of insurance with their insurance company, State Farm. Almost 2 years to the day of that, they still had not been paid by State Farm Insurance Company. Corky is a financial planner. He thought he had done everything he should do. What he didn't realize is that he was dealing with a company that instead of saying "we are your good neighbor," went out of its way not to pay him.

This is another home, a much more traditional, older home. In fact, it was one of the oldest homes in my hometown of Bay Saint Louis. It belonged to Jody and Betty Benvenuti. They had it insured for \$586,000.

□ 2000

Jody is in the insurance business. He understood the importance of it. He paid his premiums on time. He insured his home for what he thought it would cost to rebuild it. This is what it looked like when he evacuated, as he was ordered to by his Nation, the day before the storm. This is what he came home to. Within a couple of weeks, his good neighbor, the State Farm agent, informed him that he saw no evidence of wind damage, and therefore, he was going to get paid nothing on his homeowner's policy.

Another home in South Mississippi, more of a typical South Mississippi home, belonged to Mr. and Mrs. Pat Street. \$250,000 worth of insurance.

Prior to the storm, prior to all of the inflation that has taken place since then, that probably would have been a very good amount to be insured for. It certainly should have covered the cost of replacing it should something bad have happened. Again, they were ordered to evacuate. So this is what their home looked like as they were leaving before the storm. That's what they came home to. Again, they were told by the insurance company we see no evidence of wind damage. Notice the tree is knocked over to different angles. So, therefore, we're not going to pay you the \$250,000. We're going to pay you \$9,000 on this policy.

Madam Speaker, in South Mississippi, we asked the United States Navy to model what happened that day on August the 29th of 2005. What the Navy told us, I found, as a life-long resident of the gulf coast, to be pretty interesting. It's that we've always thought of maximum wind and maximum water occurring at the same time, but in the case of Hurricane Katrina, as you can see, category 2 and 3 force winds, which is up to 140 miles an hour, actually occurred several hours before the water showed up. When I asked the Navy to explain that to me, they said it's pretty simple. You can push air a lot faster than you can push water. The storm was moving ahead of the water.

So, basically, what it translates to is that homes like I just showed you were subjected to anywhere from 2-to-4-hours' worth of hurricane-force winds before the water ever showed up. As a matter of fact, it's not just that area that we're talking about, but as to the entire State of Mississippi, the insurance companies actually paid claims on wind damage all the way from down here on the Mississippi gulf coast all the way up to Memphis, Tennessee. They paid claims in every county in the State of Mississippi.

What was particularly interesting and what should be particularly interesting to the 53 percent of all Americans who live in coastal America is that the claims they chose not to pay were right down here where the winds were the strongest. They somehow would tell people that no, no, no. Your damage was not the result of wind. It was the result of water.

This is in fairness to them. These are the areas in South Mississippi that were affected by both wind and water. This is where the flood went. For those of you familiar with that area, this is I-1 to I-10. It was designed to be a hurricane-proof road, and by and large, the designers did a very good job. They came close to doing that, but there were some areas north of I-10 that flooded.

Our Nation has a plan to help people protect themselves in the event of a hurricane. Most prudent people whom I know, based on the fact that we have had other hurricanes in my lifetime—Hurricane Betsy and Hurricane Camille—don't know whether it's going

to be the wind. They don't know whether it's going to be the water. So a prudent homeowner buys a homeowner's policy. It's supposed to protect you in case of wind damage. If you buy a flood policy, it's supposed to protect you in case of flood.

So the way the claims process should have worked is our Nation should have hired the insurance industry to go out and adjust a claim. If the wind did it, it should have, therefore, been covered under the homeowner's policy. The company would then pay out of its pocket those people who suffered wind damage. If the water did it, then folks who would be covered by the National Flood Insurance Program would have the Nation that would back that program. The Nation would pay the insurance industry to sell the policy. The Nation would pay the insurance industry to go out and adjust the claim. That way, we wouldn't have to have a lot of Federal employees who would be doing all of these things.

Up until Hurricane Katrina, the program worked pretty well. With Hurricane Katrina, though, we saw a very different set of circumstances because what should have happened didn't happen. That insurance company that we were counting on to go out and adjust the claim and to make a fair, proper adjustment of the claim, in many instances, looked after its own best interest against the interest of the homeowner and, by the way, against the interest of the American taxpayer.

Now, why is that?

The law calls on the insurance companies to do a proper adjustment of the claim, and we give them total discretion as to who is going to adjust that claim. Think about it. I can't think of anyone else in America who can send a bill to the United States of America for \$250,000 for the cost of that claim, another \$100,000 for the cost of the contents, and no one second-guesses it, and no one looks over his shoulder and sees if it's a proper claim. In this instance, it was the case. So some insurers interpreted the law to allow them to blame everything on the water.

What does that mean?

It means that, for starters, a typical homeowner's policy says that, if your—the homeowner's—house gets hit by a meteor tonight or if your house catches on fire tonight or if a trucker loses control of his vehicle and, unfortunately, plows into your living room and your house is uninhabitable, a typical homeowner's policy will not only pay to get your house fixed; it will pay to put you up for up to 24 months until your house can be repaired. But when the insurance company walks onto your property and says, "We see no evidence of wind damage. We're not going to pay your homeowner's policy," then they escape those things. They don't fix your house, and they don't pay the cost of putting you up.

Again, the law calls on them to call for the proper adjustment of a claim, but what had happened in the case of

Katrina and what I fear could happen to you if you live in coastal America is that the policy is that the companies do what they did in South Mississippi, which is, within days of the storm, they send their adjusters notices that say, when you see wind and water both occur, blame it all on the water.

What that means is, as I've told you, that there were 4 hours of hurricane-force winds at homes like the Benvenutis' and the Haddens' and at others. They had substantial damage because of the wind, but the insurance company took the policy that if there was one 2-by-4 left standing after 4 hours of hurricane-force winds and then a wave came along and knocked down that last 2-by-4 that they had escaped all liability for what the wind did and that the taxpayer would pay all of the cost of getting this fixed, that they would escape all liability of rebuilding that home, all liability of putting that family up until their house could be repaired. The taxpayer was going to foot the bill. Well, flood insurance doesn't cover cost of living expenses. So, right off the bat, that cost was borne by the taxpayer.

How do they get away with this?

Well, buried in a typical 25-page contract, that was the norm for State Farm Insurance Company. On Page 10 of a 25-page contract, buried in there despite a contract with America that calls for a fair adjustment of the claim, they told folks we do not insure any coverage for any loss which would not have occurred in the absence of one or more of the following excluded events:

We do not insure for such loss regardless of: A, cause of excluded event, B, other causes of the law, C, whether other causes acted concurrently or in any sequence with the excluded event to produce the loss or, D, whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces or occurs as a result of any combination of these.

If you are confused, don't feel alone. A Federal judge, Judge Lou Guirrola in South Mississippi, ended up suing his insurance company because they told him he couldn't read his policy. The former president of the United States Senate, Trent Lott, also an attorney, was told "We're sorry, Senator. You can't read your policy," which leads to the question:

If a U.S. Senator and a Federal judge can't read their policies, what chance do you have? What chance does a high school football coach, a corrugated box salesman or a housewife have if those guys are told "you can't read your policy"?

That goes back to the conflict between the law that says you can do a fair adjustment of the claim and a company that says, if both things happen, we're not going to pay.

I'm quoting from the National Flood Insurance Program regulations, section 44 CFR. "The primary relationship between the 'write your own company'"

that's your insurer—"and the Federal Government will be of a fiduciary nature; i.e., to ensure that any taxpayer funds are accounted for and are appropriately expended.

"The entire responsibility for providing a proper adjustment for both combined wind and water claims and flood-alone claims is the responsibility of the 'write your own.'"

In effect, our Nation said we're trusting you, State Farm. We're trusting you, Nationwide. We're trusting you, Allstate, to do a fair adjustment. If the water did it, Nation pays. If the wind did it, you pay.

So how did the insurance industry respond to being given this huge leeway?

Within days of the storm, within about 13 days to be exact, State Farm was writing their adjusters and was saying, where wind acts concurrently with flooding to cause damage to insured property, coverage for the loss exists only under flood coverage. What does that translate to? The homeowner gets screwed out of his policy, and you, the taxpayers, get stuck with the bill.

This is an internal e-mail from an engineering firm, one of the ones that was hired by State Farm to go out and adjust these claims. It had been fired by State Farm for actually doing what the law said to do, which was to say this much wind damage, this much water damage, but now they have reached an agreement with State Farm, saying, "Okay. We'll go back and revise those things." Meaning, we'll scratch out all efforts to say that the wind did it, because we're going to now say the water did it, and the taxpayer pays. So this is from Randy Down to Bob Kochan. This is an internal memo that we've been given access to:

"I have serious concerns about the ethics of this whole matter. I really question the ethics of someone who wants to fire us simply because our conclusions don't match his or hers. In my opinion, we need to find a more rational and ethical client other than State Farm to be dealing with. They have already contradicted themselves regarding the reports, wanting percentages stated, and his counterpart calling a few days later and telling us to resubmit two reports that had shown percentages and saying that SF," State Farm, "absolutely does not want them shown because they would then have to settle for the portion that was reportedly caused by wind."

In the House of Representatives, we have passed language to try to correct this. The people who have objected to this have been, by and large, from the insurance industry. The insurance industry, in their claims, will tell you that they had settled 95 percent of the Katrina claims within the first year. What they will not tell you is that there were hundreds of thousands of wind-only claims in Louisiana, Mississippi, Alabama, Florida, Tennessee, and Georgia where there was no flooding. So in any place they couldn't

blame flooding, in any place they could not put the bill on the government, they had no choice but to pay.

So, yes, they did pay thousands of claims. Disputes over wind and flood damage were confirmed to the portions of the coastal counties and parishes that experienced both flooding and the most severe wind damage.

Bob Hardwick of the Insurance Information Institute testified in Congress: "A claim was completely excluded, for example, because it was not covered under the policy to begin with, which wouldn't be in these statistics to begin with. We consider a claim when there is some damage that is compensable under the insurance policy. In other words, these statistics don't consider all of the claims filed, only those that the insurer decided to pay."

To put it simply, the claims of the three folks that I showed you when I first walked in would have been considered by the insurance company to have been settled because they were told "no." Maybe in State Farm's mind that case was closed. It certainly was not in the case of those three families, and it was not just three families. I could bring thousands of similar photos before you with thousands of similar sad stories.

So those families were screwed out of their policies, but the point I want to make to you, to the taxpayers of America, is that you got stuck with bills. The Nation got stuck with bills that the insurance companies should have paid.

I think there was fraud. The insurance companies tell you there was no fraud, but the Government Accountability Office, the GAO, finds "an inherent conflict of interest exists when the same insurance company is responsible for determining the extent of the flood damage that the National Flood Insurance must pay and the extent of the wind damage that is the responsibility of the company, itself. FEMA, a parent organization of National Flood Insurance, cannot determine the accuracy of flood insurance payments because it does not require companies to explain how they divided wind and flood.

□ 2015

"Property owners with separate wind and flood policies cannot buy insurance and know in advance what hurricane damage will have been covered."

The Inspector General of the Department of Homeland Security went on to say because FEMA oversight on wind-water claims is minimal, the inspector general subpoenaed records from 15 insurance companies to investigate their proceedings. Adjusters working for the insurance companies, or for the companies, have a conflict of interest when handling flood claims.

Concurrent causation. Remember, that's what we talk about, page 10 of a 25-page document. Language in the insurance policies creates the potential to bill flood insurance for damage that is caused by both wind and flooding.

Let me make it perfectly simple. You are a claims adjuster, you're 25 years old, you have a mortgage. You have kids in school, Christmas is coming up, and you have the opportunity to walk on that property and do a fair adjustment which says my company has to pay some, the Nation has to pay some, or you have the opportunity, in fact you have been instructed by your boss to say when there is wind and water, stick it to the government.

What do you think they did? And as we saw from that internal company memo, the ones who did it right were threatened with being fired.

Not only does the insurer not pay for the house to be rebuilt, they don't pay the living expenses for the property owner who would be entitled to them if the claim was approved.

So who pays? You pay. In the case of south Mississippi, let me start by saying we are eternally grateful to the American people for the kindness and generosity that they have shown us because at one point there were 42,000 families just in south Mississippi living off the generosity of the people of America. They were living in what has now been called a FEMA trailer, a 28-foot travel trailer that our Nation was generous enough to buy and put on their property, hook up to water and sewer, but not without a cost. In fact, the cost of those 42,000 trailers turns out to be, that we paid on the average \$15,000 per trailer to buy them, and \$16,000, which I know is an outrageous cost, to put them on that property. That was a no-bid deal to one of the President's buddies, Bechtel, Incorporated.

But the fact of the matter is it did happen and it will happen again next time. And the combined cost of this for those 42,000 families, our Nation, you and I, pitched in \$31,000. The cost of that just in Mississippi alone was \$1.3 billion that the Nation paid that in most instances an insurance company should have paid. But because they said there was no wind damage, we are not paying on your homeowner's policy, so somebody got stuck with the bill. Our Nation did.

You would like to think that maybe they did that because funds were tight or maybe it threatened the survivability of those companies. That certainly wasn't the case. In 2005, even after paying the Hurricane Katrina claims that they did, the insurance industry made \$48.8 billion in profits.

In 2006, we were fortunate to have fewer hurricanes, they made \$67 billion in profits.

Last year, \$65 billion in profit.

We have before us a situation where it is the perfect storm of everything that can go wrong for the consumer.

Number one, you would think why isn't Congress doing something about this. For starters, you can open the Federal Code from the first page to the last code and you won't find one word of regulation of the insurance industry. It gets worse. The insurance industry,

the same folks that are supposed to be our good neighbor, we're supposed to be in their good hands, they're supposed to be on our side, it turns out that they are exempt from the antitrust laws that regulate every other business in America. It is perfectly legal for State Farm to call Allstate to call Nationwide and say, You know what, let's raise everybody's rates. So be it your health insurance, your automobile insurance, or your homeowner's insurance.

It is also legal for them, as I am pretty well convinced they did after the storm, to call each other up and say: You know what, if you don't pay claims, State Farm, and I don't pay claims, Allstate, and Nationwide doesn't pay claims, there won't be anybody saying they are getting screwed, because they're all getting screwed; but it's just the way it is.

If any other business in America did that, they would go to jail. But the insurance industry is exempt from the antitrust laws. Congress has not addressed that, but I want you to be aware of it. They were given this exemption based on a Supreme Court ruling in 1944 that says, wait a second, you're doing interstate commerce, you have to be regulated by interstate commerce. Instead, Congress came back in 1945 and passed something called the McCarran-Ferguson Act which in effect is granting an immunity from the antitrust laws to the insurance industry. I had hoped we would address that. We didn't. But Congress did do something.

First, I would like to tell you I'm sure some of you are thinking, that is just a Mississippi problem. Why are you boring us? I will tell you it is definitely a Mississippi problem. State Farm won't sell property insurance policies in Mississippi. Farm Bureau will not renew wind coverage. Allstate, no new wind coverage sold in south Mississippi. Nationwide, no wind coverage sold in south Mississippi. But it is not just our problem, it is America's problem.

Massachusetts is a long way from south Mississippi. Since 2003, ten insurance companies have dropped homeowner coverage in Cape Cod, affecting 44,000 homeowners.

In New York, Allstate stopped writing new homeowners' policies for single-family homes in New York City, Long Island, and Winchester County. Allstate held 26 percent of the market share for homeowners in these counties in 2006.

In Maryland, the second largest homeowner insurance in the State, Allstate, Allstate will stop writing new policies in many coastal areas.

North Carolina, the North Carolina State Insurance Plan, the beach plan, saw liability increase by over 260 percent, so that is a State-run system picking up for the fact that the private sector has pulled out.

In Virginia in 2006, State Farm stopped writing insurance business. Travelers Insurance stopped selling and

renewing residential insurance in Virginia Beach.

South Carolina insurance companies have dropped the last 16,000 homeowners' policies since 2006.

In Florida, State Farm has announced it will stop writing residential renters and commercial properties on March 1, 2008.

Texas, Allstate won't write new homeowners' policies in 14 coastal counties.

Louisiana, the State insurance plan that jumped in to take the place of the private sector is now the third largest homeowner's insurance.

In Alabama, State Farm won't write policies to cover the beach towns.

The point is that although the coastal counties of America constitute only 17 percent of the total land mass, it represents 53 percent of all Americans. That is why this is a problem that affects every one of us, at least half of us. Every one of us who lives in a coastal State, half of all Americans.

Unless we change the law, Congress will allow this system to continue and taxpayers to continue to foot the bill when the next hurricane strikes.

So what's the solution? The solution is what the House of Representatives has already passed that the Senate has not passed that we will go to conference in the next month on, and that I would hope as a result of this that the American people would encourage their Senators to help us find a risk-based, actuarially sound national pool to allow property owners to purchase coverage for both wind and water, a revocation of the insurance industry's antitrust exemption that allows them to fix prices.

The multi-peril bill that passed this House with the help of Speaker PELOSI and Chairman FRANK, Chairwoman WATERS, and a lot of other folks, including a number of my Republican colleagues, would allow property owners to buy both wind and flood coverage through the National Flood Insurance Program.

It would increase the coverage, and I am one of the many people who lost my home that night, and I for one was shocked at the incredible cost of replacing my house. And, quite frankly, the \$250,000 that the National Flood Insurance covers, I would have told you 5 years ago was a lot of money. Based on my experience of building a 1,400 square foot house, I realize now it really doesn't cover enough. So we have increased the coverage up to \$500,000 per structure, \$150,000 for contents. For non-residential, it's a million for the structure and \$750,000 for contents.

Property owners would be able to buy insurance and know in advance that hurricane damage will be covered without disputes. That you don't have to hire an engineer to say whether the wind did it or the water did it, you don't have to hire a lawyer, and you don't have to wait 2 years to get justice. If you leave your home, if you evacuate the way your Nation told you to get out of there, and you come home

to a substantially damaged home, or if you come home to nothing, which is what thousands of my friends and neighbors did, you know that if you paid your policy, if you built your house the way you should have, that you are going to get paid.

The premiums for this new coverage would be risk-based and actuarially sound. Under the new rules of the House, under the Democratic majority, we can't start any new program that doesn't pay for itself. That's the way it should be. So the premiums would be more than enough to cover the liabilities and so there would be, unlike the present situation where \$1.3 billion went to pay for FEMA trailers by folks who got screwed by the insurance companies, where billions of dollars went for homeowners' grants in Louisiana and Mississippi to pay people who didn't get paid by the insurance companies, in these instances those people who had the policy who paid the premiums who built the houses the way they should, they're going to be covered and you, the taxpayer, will not have to subsidize this by one dime.

Wind storm insurance would be available where the local governments adopt and enforce the international building code or equivalent.

The Federal multi-peril program will spread the risk geographically. If you think about it, Mississippi has a fairly small coastline so it is fairly safe to say that if a storm hits, the entire coastline is going to get hit. That is not spreading the risk. On the other hand, if 53 percent of all Americans live on the coast, the chance that every coastal community is going to get hit by a storm that year is minuscule. In fact, it would probably be called Armageddon, and we hope that doesn't happen.

Taxpayers would benefit where more damages are covered by the insurance industry instead of the inefficient governmental disaster assistance programs. Insurance companies could return to coastal communities to sell fire, theft, and liability coverage and excess coverage above the \$500,000 that this policy would cover.

A multi-peril bill was introduced in the House in February. It had 33 cosponsors, 27 Democrats, 6 Republicans. Ms. WATERS, the chairman of the subcommittee, included the text in the National Flood Insurance Program. It passed this House by a vote of 263-146. It did not get a lot of help in the United States Senate. It will go to conference this summer.

If you live in coastal America, I would give you a couple of words of advice.

Number one, if you have a homeowner's policy, break it out. See if it has the words "concurrent causation" in that policy because if it does, that becomes the same excuse that the insurance companies used to screw thousands of south Mississippians out of their money. Demand a clarification from your insurance agent as to what

that means for you. Does that mean you are going to find an excuse not to pay me? Or does that mean that you're going to come through like a good neighbor, like I'm going to be in your good hands, like you're supposed to be on my side.

The second thing I would ask you to do, if you belong to the home builders or the realtors or the bankers, encourage those organizations to back this program because, again, for 53 percent of all Americans, they are in peril at the thought of not being able to cover their home for wind damage.

But I will take this a step further. It has come to my attention recently that there has been as much tornado damage around the country for the past 20 years as hurricane damage. Tornadoes happen to be very fierce in a smaller area, but the cumulative effect of all those tornadoes has caused as much damage dollar-wise as the hurricanes have.

In fairness, we ought to cover that, too. In fairness, those people who are waking up in Indiana and Ohio and Iowa from the devastation of those floods and from the devastation of those tornadoes, they need to know that they are protected, too.

I would hope that as this bill goes to conference that our Nation would step forward and assume the responsibility and provide every American the opportunity to purchase multi-peril insurance. Hopefully we can start out with hurricanes because we know the present system isn't working there. But I think every American ought to know that if they build their house right and pay their premiums and something terrible happens to them, that their Nation is going to be there for them. And yes, they have paid into a fund that will help cover that cost when it happens.

We will have that opportunity next month, and I would hope that every American, no matter where you live in America, would see the value of this and would ask their Senators to agree to this, and that we can do something that's good, not just good for my State, not just good for Alabama and Louisiana, not just good for Maine and Massachusetts and North Carolina, but good for every American.

The insurance industry let us down. The insurance industry makes huge money. The insurance industry is exempt from the antitrust laws. The insurance industry has the most favorable tax treatment of any industry in America; and the truth of the matter is, instead of having all of those benefits and turning around when the people were down and saying yes, we are going to help you, they screwed the people of south Mississippi.

□ 2030

What I don't want is them to do that to you.

This is not going to be an easy fight. This is truly a case of the citizens against the lobbyists. In 2004, the insurance industry donated \$36 million in

political contributions. In 2006, \$31 million. Most of that money went to Republicans, but in fairness, now that the Democrats are in the majority, they're probably writing checks to Democrats, too.

They're doing this because they want to hang on to their greedy practices. They want to hang on to their anti-trust exemption. They want to hang on to the fact that they can collude. They want to hang on to the fact that they can turn around and have the lowest taxes in America and that they have zero Federal regulation, that there is nothing that the Federal law can do to stop them from these practices.

But you know what? We have right on our side. We have the best interest of the homeowner, whether he's in Kansas, Massachusetts, Mississippi, California, when we think that there's better ways to offer an all-fairness insurance, backed by our Nation, that's going to be there when we need it.

So Madam Speaker, with that in mind, I'm going to yield back the remainder of my time. And for the very, very patient staff of the House of Representatives, I kept you here as late as I did, but I appreciate this opportunity to speak to the people.

PEAK OIL

The SPEAKER pro tempore (Mrs. BOYDA of Kansas). Under the Speaker's announced policy of January 18, 2007, the gentleman from Maryland (Mr. BARTLETT) is recognized for 60 minutes as the designee of the minority leader.

Mr. BARTLETT of Maryland. Today oil, I think, went to its highest price ever, about \$140 a barrel. So all of America is now thinking about energy and oil, and I would like to start this evening's discussion by referring to some comments made in a speech 51 years ago, the 14th day of this past May, by Hyman Rickover, the father of our nuclear submarine, to a group of physicians in Saint Paul, Minnesota.

I would encourage everyone to pull this speech up, a Google search for "Rickover" and "energy speech" and it will pop up. Or you can go to our Web site, and you will find a link there to it.

Hyman Rickover was a very perceptive person, and every time I read this speech I am again amazed at how prophetic and insightful he was. He says in this speech 51 years ago, Remember now, there is nothing man can do to rebuild exhausted fossil fuel reserves. They were created, he says, by solar energy 500 million years ago and took eons to grow to their present volume. In the face of the basic fact that fossil fuel reserves are finite, the exact length of time these reserves will last is important in only one respect—and this is 51 years ago—the longer they last, the more time do we have to invent ways of living off renewable or substitute energy sources and to adjust our economy to the vast changes which we can expect from such a shift. This was counseled 51 years ago.

What he's saying is that it's obvious that oil cannot be forever. That it is finite; one day it will run out. He noted that at this time we were about 100 years into the age of oil, which he called "this golden age," and he noted that how long it lasted was important in only one regard: that the longer it lasted, the more time would we have to plan an orderly transition to other sources of energy which will, of necessity, be renewable sources of energy.

Then this last little paragraph here is one that I really like. It is so perceptive and so prophetic of what our attitude has been. Fossil fuels, he says, resemble capital in the bank. A prudent and responsible parent, that is the leaders of the world's countries, will use this capital sparingly in order to pass on to his children as much as possible of his inheritance. A selfish and irresponsible parent will squander it in riotous living and not care one wit how his offspring will fare.

The next chart is an additional quote from this same speech. He says, I suggest this is a good time to think soberly about our responsibilities to our descendants. We really haven't done that, have we? I have 10 kids and 16 grandkids and two great-grandkids, and I think a lot about our responsibility to our descendants, those who will ring out the fossil fuel age. Hyman Rickover noted that in 8,000 years of recorded history that the age of oil would be but a blip in the history of man.

We might give a break to these youngsters by cutting fuel and metal consumption so as to provide a safer margin for the necessary adjustments which eventually must be made in a world without fossil fuels.

Our behavior has in no way indicated that we recognize the inevitability of reaching a maximum production of oil and then less and less and less oil until finally there is none of it left. Obviously, it is not infinite. Obviously, one day it will be gone. Where are we? Where are we in this long sequence of events from the discovery of oil, its massive use, and finally the waning use of oil until we finally transition to other fossil fuels?

The next chart shows what's happened in our country, and we need to go back 52 years ago to kind of put this in perspective because 52 years ago, the 8th day of March, in San Antonio, Texas, an oil geologist by the name of M. King Hubbert gave a speech to a group of executives and other oil people assembled there in San Antonio. And he told them that in just 14 years, the United States—which was then, I think, king of oil, producing more oil, consuming more oil, exporting more oil than any other country in the world—he said in just 14 years, our country is going to reach its maximum production of oil. And after that, no matter what we did, the production of oil was going to fall off, as you can see from the chart here which shows the production of oil in our country.

And he was predicting the lower 48, Texas and the rest of the U.S.A., and to him the rest of the U.S.A. was the rest of the 48 States. And in 1956 at this point he was predicting that in 1970, just 14 years later, that we would reach a maximum oil production. After that, it would fall off.

Now, we found a lot of oil in Alaska, and we found some oil in the Gulf of Mexico, and we learned to get more natural gas liquids; but in spite of this huge discovery in Alaska and through that 4-foot pipeline—and I've been to Dead Horse, to Prudhoe Bay and seen the beginning of that pipeline—through that for a number of years flowed 25 percent of our domestic production.

In spite of that, except for this little blip, it's been down, down, down. And now in the lower 48 we produce well less than half of the oil that we did in 1970.

We have tried very hard to make M. King Hubbert out a liar. We have drilled more oil wells than all the rest of the world put together. We are really, really good at finding oil. We're really, really good at pumping oil.

The next chart shows that another prediction M. King Hubbert made has, in fact, almost certainly come true. In 1979, that's just 9 years after we peaked in our country, using his same analysis technique, he predicted that the world would be peaking about now.

Just a word about his analysis and how he did it. It's no magic. He observed that in our country that an individual oil field increased its production until it reached a maximum production, at which time about half the oil had been pumped, and then the last half of the oil, as is reasonable, was harder to get and so less and less was pumped. So you had a little bell curve produced by that.

And he reasoned that if he knew how many little bell curves there were in our country and how many more fields we would find, that he could then predict when we would be reaching our maximum oil production. And using that technique, he predicted correctly that we would reach our maximum production in 1970, just 14 years after he made that prediction.

Using that same technique, he looked at the world and the world fields and all of the countries producing oil, and he calculated that we should be reaching the world maximum production, called "peak oil," about now.

On this chart are two curves. These are data collected by the two entities in the world that probably do the best job of keeping track of the production and consumption of oil, and of course they're the same. We use what we produce. This is the IEA, it's an international organization, and the EIA, the Energy Information Administration, a part of our Department of Energy. And both of these, as you can see, have oil production essentially flat for the last 36 months.

Now, what's happened with this flat oil production for the last 36 months is