

ENERGY PRICES AND PRODUCTION

The SPEAKER pro tempore (Mr. LINCOLN DAVIS of Tennessee). Under the Speaker's announced policy of January 18, 2007, the gentleman from Texas (Mr. BURGESS) is recognized for 60 minutes.

Mr. BURGESS. Mr. Speaker, I wanted to come to the floor tonight and I guess continue what has been a theme this evening on both sides of the aisle. The theme is energy. We are hearing a lot about energy as we go home to our districts, and I am no exception. I heard a lot about energy from my constituents, I heard a lot about energy from talk radio, I heard a lot about energy from newspapers back home.

I wanted to come to the floor tonight and talk a little bit about an event that I held in my district that dealt with energy more from the consumer angle, just from the basis of the average everyday constituent back in the district.

I have people talk to me and ask me, well, what is the real villain here? Where is the real problem here? Is it the oil companies? Is it the speculators? Is it the global demand? Where is the problem?

One of the real frustrations from people back home is that it is just very difficult for the average person to go out and increase production on their own. They can't do that. It is very difficult for the average person to do much about energy speculation. It is very difficult for the average person to do much about the global impact on supply and demand.

What they can do, what they can modify is their own behavior and reduce their own demand profile, perhaps only a small amount, but you multiply that over the 300 million people in the United States and suddenly you begin to talk about numbers that are in fact meaningful.

So the purpose of the event we did last week in the district was to provide constituents with some insights as to how to take some personal proactive steps to reduce energy consumption and, in the process, to save some money off their energy bills. And I was impressed, Mr. Speaker. This was a week ago last Saturday. It was a nice Saturday down in Texas. It hadn't gotten too hot just yet. And that morning, nearly 200 Texans, 200 of my constituents delayed their Saturday morning activities, whether it be mowing the lawn or just spending time with their families, because they were interested in hearing about what was available as far as energy savings.

Now, I have done this event for several years and it has grown in popularity year after year. It started out as a relatively small event in one of the hardware stores with some of the off-the-shelf energy efficiency products that were available. We had someone down from the Department of Energy to speak about those things. It was a very, very well attended event for as small as it was. And then the following year we did it on the campus of the

university there. It was much more widely attended. And this year, we did it at one of the local high schools. And I am pleased to say that the attendance was larger this year than it was the year before. And each year at this event it becomes more and more important, and attendance increases, because more people feel the need to be smarter about their energy consumption. They want to take some control of this energy aspect, the stranglehold that it has on their lives and they want to start taking control of their energy costs.

Higher energy prices. Higher energy prices have a way of exerting a behavioral change. High prices at the pump, high prices with home energy, they have caused a slowdown in the economy. They have caused times to become much more stark, even for areas that are relatively blessed like North Texas with economic times that are not as bad as some other areas of the country. But still, in many homes across my district and indeed many homes across America tonight, these high energy prices really have a stranglehold on our American families.

Now, we have heard over and over again tonight. We have heard it from the Democratic side and we have heard it from the Republican side. The lack of congressional action has been underscored many times before, I am going to underscore it again. In the absence of congressional action to increase domestic sources of energy, I want people in my district to know about the tools that they have at their disposal right at their fingertips to help them conserve energy and save money today. This is not something that will happen years in the future. This is money that can be saved today.

So that is what we call the energy expo. That is what the energy expo is all about, learning how to save energy, learning how to reduce energy waste, and learning how to save money along the way.

First of all, we did have someone come down from the Department of Energy. We invited Leslie Drogin who is from the Office of Efficiency and Renewable Energy within the Department of Energy. She spoke about some of the alternative energy advancements that are occurring throughout the country, and particularly in some of my communities in North Texas.

Now, in Texas we are thought of as an oil State, an oil and gas State. Many people are surprised to find out that Texas is the number one State in electrical power generation from wind energy, and we are second in the number of alternative fueling stations. So Texas has been proactive about alternative sources of energy and alternative fuels.

Now, Leslie also stressed that setting goals for energy efficiency and working toward them is not always going to be easy, and it does take to some degree a personal commitment.

Now, in addition to some of the local and national speakers, I did have a

moderated discussion focusing on ways that individuals can squeeze a few more miles out of a gallon and squeeze a few more cooling hours out of that kilowatt hour of electricity in their homes. So the first panel consisted of representatives from AAA Texas and the Alliance of Automobile Manufacturers and the Denton County Transportation Authority.

We first heard from a gentleman named Patrick O'Reilly of AAA Texas. He discussed many of the different maintenance tips and tricks consumers can use to ensure that their vehicles aren't only efficient but perhaps they are a little more safe as well.

Now, the one that everyone talks about and you hear it all the time and I will mention it again is tire pressure. Ensuring that tires are properly inflated can result in a 3 percent fuel economy benefit and equivalent gas savings of up to 12 cents a gallon. Properly inflated tires are safer and they last longer, so you will spend less money on your tires. So, in the long run, it is a real bargain.

Regular oil changes. Now, raise your hand if your dad ever told you to change the oil every 3,000 miles and how many of you let that slip a little bit. Well, keeping that oil changed every 3 months or 3,000 miles is the right thing to do. But we also learned that using the right grade of motor oil for the environment is important as well. For example, using a 10W-30 oil in an engine designed to use 5W-30 can lower gas mileage by 1 percent or 2 percent. And this again translates to 4 cents to 8 cents per gallon of gas savings. You add that 8 cents to the 12 cents of tire pressure, and now we are up to 20 cents savings on that gallon of gas.

Perhaps the most valuable tip that was reported that morning and one of which I was not completely aware, but changing the air filters regularly, which can increase energy efficiency up to 10 percent and save 41 cents per gallon. So now we have saved 20 cents by a combination of tire pressure and using the right grade of motor oil. Adding another 41 cents a gallon, and we are up to saving 60 cents a gallon of gasoline just with these three simple measures that anyone can do as far as automobile maintenance.

We also heard from a gentleman named Clinton Blair who spoke on behalf of the Automobile Alliance, and discussed some of the different concept vehicles and the innovations and technology that we might expect to see now, sooner rather than later. With gas prices being as they are, clearly there is a consumer demand and an impetus for the development of those types of vehicles. And most Americans already know about the hybrid electric vehicles, but that is just one of the many technologies that is going to be available to address both the environmental concerns and the rising fuel prices.

Now, several years ago I had to get on a waiting list, but I got on a waiting

list and I purchased a hybrid vehicle. This was back in 2003. It was actually 2004 by the time I took delivery of the vehicle. And my main concern at the time was air quality issues in my area of North Texas. With hot summer sunshine and particulate matter in the air, we have a big problem with ozone, and I wanted to be part of the solution and not part of the problem. So I got in line and paid the extra money for a hybrid vehicle.

Well, now that gas prices are up to \$4 a gallon, it looks like absolute genius to have done that several years ago. But the reality was, it was the right thing to do from the standpoint of air quality several years ago, and it is the right thing to do today from the standpoint of lowering the Nation's fuel consumption and lowering the amount of oil that has to be imported sometimes from areas of the world that don't particularly like us. And we heard about that extensively during the last hour.

But in addition to the hybrid technology, there are some other new technologies on the road today, and many, many more available just over the horizon. An innovation on the road today is the variable cylinder vehicle. Now, those of us who were around in the Arab embargo of the 1970s remember this type of technology was actually available back in the 1970s. I think it was the Cadillac car that came available with a button you could push for either running on all 8 cylinders, running on 6, or running on 4. And the theory was that when you got up to highway speeds and the engine did not need to develop the same amount of power just to simply maintain the speed, you could drop the cylinder usage to 4 from 6.

It wasn't particularly efficient and didn't really deliver on the promise. The technology at that time was largely mechanical rather than electronic, so it wasn't a big seller. But that concept is coming back, and now there are variable cylinder vehicles that sometimes run as a 6 cylinder vehicle, sometimes run as a 4 cylinder vehicle. And, again, it presents another option for consumers to save gas.

We did hear a lot about new car technology that is just over the horizon, and we hear about it frequently here on the floor of the House, we hear it frequently in the Energy and Commerce Committee, the concept of plug-in hybrids and plug-in cars.

That is an interesting development. In fact, just the other day someone was telling me about the fact that some of the hybrid cars that are now in production, the next generation of hybrid cars may very well have a solar panel on the roof. It is a wonderful, insightful idea, the way to charge that battery while the car is sitting in the parking lot, particularly in a State like Texas where you have got a lot of sunshine beating down on that car. And rather than just heating the interior of the car and making it unpleasant when you sit down, maybe you could use that en-

ergy to recharge the battery and drive farther on the battery than when you start that car up for the commute home, use less fuel in the process, and obviously have a positive impact on air quality as well.

□ 2200

So I was very grateful to hear about that innovation because I've often wondered why it is someone hasn't done that yet when I drive my own hybrid vehicle.

As to other concepts, like the hydrogen fuel cells and the new engineering techniques like regenerative braking systems, some of the hybrids already do that. When you step on the brakes, some of the power then goes to the generator, which recharges the battery, but again, these are technologies that just a few years ago were in their infancy but that are now hitting their stride and are coming into their own, the concept of recovering energy that would be otherwise wasted during stop-and-go driving.

Now, Mr. Blair also discussed the impact of the Corporate Average Fuel Economy standards, which were passed as part of this Congress last year. It will be a few years before we see the impact of those. We can argue whether it's better to have those set by Congress or set by consumers in the market. I think the reality is \$4-a-gallon gasoline is going to do a lot more as far as lowering the Corporate Average Fuel Economy than any act of Congress could have ever done, but we'll wait and see.

That raises an interesting point when people tell us that, if you start tomorrow with increased drilling, you're not going to have that product available to the American consumer for a number of years, maybe as much as 7- to 10-years' time. Yet, last fall, we enacted the increases in the Corporate Average Fuel Economy standards, recognizing that it was going to be—what?—5 years, 7 years, 10 years before those were fully implemented and were fully functional as far as reducing the number of gallons of gasoline consumed, and oh, by the way, you've also got to age out the older fleet, which is now still consuming gas at the older standard. So, if you want to talk about a process that consumes time when you're anxious to get things done quickly, again, the act of Congress to increase the Corporate Average Fuel Economy standards certainly, in my estimation, falls into that category.

That really was not the point that Mr. Blair made at the meeting, but it certainly has been my observation over time.

So hybrid vehicles and Alternative Fuel Vehicles are available. They are currently more expensive than traditional fuel models, and a consumer has to make that estimation and has to make that choice. It is a little bit difficult not knowing what the future is going to bring. Two years ago, if you looked at the price of gasoline and

looked at the cost of a hybrid car or of an Alternative Fuel Vehicle, you might do the math and say, you know, it'll take me 7 to 9 years to recover the investment of the extra cost of this vehicle, and I just don't think it's worth it. Now that the price of a gallon of gasoline has doubled since January of 2007, maybe those mathematics work out more in favor of going ahead and of making the investment in an Alternative Fuel Vehicle or in a hybrid vehicle.

Also, as to the economies of scale as newer technologies are coming on line and as more and more of these vehicles are being produced, this does have the tendency of pushing down the overall cost of the production of those vehicles, and subsequently, the cost on the retail end drops as well.

All of the auto dealerships that attended the Energy Expo event were local, around in the area—James Wood Chevrolet from Denton, Bill Utter Ford from Denton, and Freeman Toyota from Hurst, Texas, which is just down the road.

To an individual, they reported that they could fill all of the orders for hybrid-type vehicles and for ultra-efficient vehicles. They could fill all of the orders and then some. If they had more of these vehicles in stock, they felt comfortable that they could, in fact, sell those vehicles. They have a significant backlog for fuel-efficient vehicle types. In fact, it is almost independent of the sticker price.

Another option for Americans, while they're waiting on Congress to act and while they're waiting on auto manufacturers to produce more fuel-efficient cars, trucks and SUVs, is another alternative altogether, one that I like to call rapid transit—the transit system that we have certainly here in Washington, DC. We don't have quite the same demographics. We don't have quite the same population densities back home as we do here in Washington. The fact remains that, with fuel prices as high as they are, more people now are looking towards transit as an option for cutting down a portion of their fuel bills during their commute.

Now, in Washington, the Metro's ridership is increasing. In fact, the Washington Times this morning was talking about the Metro's being somewhat constrained in adding more cars because they just simply cannot buy any more electricity during peak times. Well, there's an argument to be made for additional nuclear plants or for additional clean coal plants that are producing more electricity. We don't have the electrical generation capacity to actually run the rapid transit that we want to run even with today's numbers. What are we going to do as we add to that?

Still, transit is going to become increasingly important and not nearly as popular in my district, where we like to drive our big pickup trucks and our Dually pickup trucks. It's not nearly

going to be as popular back home as it is here in Washington. The infrastructure, certainly, is not nearly as extensive and is not nearly to the maturational point that it is here in the Washington Metropolitan Area, but I did think it was important for people to hear about what options are going to be available in the future as far as transit is concerned.

We did hear along that line from Charles Emery, who is with the Denton County Transportation Authority, and he discussed some of the resources available to constituents living in the Denton County area, who might consider transit as an option as they go about their daily commute or, in some areas of the metroplex, even just traveling around to shops and to shopping venues much closer to home.

This was useful information. Again, the culture is a little bit different in North Texas than it is in the metropolitan areas. It's different in the suburban areas than it is in the urban areas. It's different in the rural areas than it is in the suburban areas where it's not really the norm to use transit, but at the same time, this is increasing in importance.

The Denton County Transportation Authority, interestingly enough, was formed as a result of authorizing a vote that was taken in the general election in 2002, the same year that I ran for Congress the first time. It was these individuals who had the vision to recognize that at some point, and at that time, it was purely based on congestion and not based on the price of fuel. It was simply to mitigate the problems that they saw down the road with congestion. These individuals had the foresight to go to the voters and to ask for the will of the voter, if you will, on whether or not rapid transit was going to be part of the future of mobility in Denton County. The question was answered with a resounding "yes," and over 70 percent of the electorate that night did vote in favor of starting that transit option in North Texas.

Texans love their independence. They love to have the independence provided by having their own vehicles, but with gas up to \$4 a gallon, some of the worst congestion in the Nation exists in the Dallas-Fort Worth area. A lot of people are beginning to evaluate that trade-off and are coming down on the side that maybe transit is an option that they need to investigate a little further.

In addition, the increase in food prices and other services has, unfortunately, driven some families to the point where they literally have to find an alternative method of transportation because they just simply cannot afford the cost of filling up the family vehicle for that commute to work. They're having to make the choice between filling up the automobile or feeding or sheltering their families. Clearly, transit does provide another option for that.

Now, this panel, the first panel that was convened, was educational. I have

to compliment them on the fact that they were so thorough. These individuals presented a very professional discourse on energy and money savers. Certainly, I want to thank them for coming. Some of them did have to travel to the area. I want to thank them for coming and for participating in that symposium because I think it was, ultimately, very helpful to the end user—the consumer—and was helpful to, perhaps, devise ways to lower consumption, which will help in the supply-demand equation.

We did have a second panel, and the second panel focused on energy conservation in the home. We brought in individuals representing the Texas State Energy Conservation Office, the Home Builders Association, the Home Appliance Manufacturers, and the Home Energy Raters organization.

The first on that panel was Mr. Mike Myers, who currently serves as a project manager for the Texas Energy Partnership, a project of the State of Texas. Now, Mr. Myers previously served in the U.S. Department of Energy, in their program for affordable housing, and he has worked for both New York City and for the city of San Antonio. So he talked about some of the personal behaviors that individuals can adopt around the home that translate into savings when paying the utility bills.

Now, I was kind of surprised to learn about the cell phone charger. Even if your cell phone is not plugged into the charger, the charger still draws power as long as it's plugged in. Most of that power is going to be converted to heat. We're familiar with the fact that, even if a phone is not plugged into a charger and we unplug the charger from the wall, the charger is a little bit warm, but it's obviously drawing electrical energy to generate that heat, not a particularly useful exercise, especially in Texas in the summer. So, as long as the device is plugged in, it's going to draw energy. If you're not using it to charge the phone, perhaps it ought to be unplugged unless it's actually needed for charging.

We heard from several individuals about the importance of air-conditioning duct maintenance. Now, no one in Texas wants to climb in their attics in the summertime, where the heat is probably in excess of 140 degrees, to inspect their air-conditioning equipment and their air-conditioning ducts for leaks, but if there are leaks in the return system, in the system that brings air back to the cooling unit from the household, it pulls that super heated air in from the attic. Again, in a hot Texas summer, an attic's environmental temperature can easily be significantly in excess of 100 degrees. Not only that, you're pulling in dust and mold and, really, things that do not belong within the air-conditioning system. So, in addition to driving energy bills much, much higher, it also poses some health risks, so it is important to have those inspections done, and there

are individuals who are capable and who will provide that service.

For all air-conditioning systems and for all air infiltration systems, this individual recommended a few simple steps: First off, when building a home, get the right sized unit for the house. Obviously, choose a high-efficiency model. There are many more models of higher efficiency that are available today than there were even just a few years ago. Indeed, some cities have ordinances as to the efficiency rating that can be installed in a house. I know my home city of Lewisville has such a requirement, but do get the right efficiency, the right sized unit for the area that's going to be cooled and the highest efficiency model that is available that will fit the budget, and then make certain that the duct right-of-way and the duct sealing is all done properly for the proper amount of energy conservation.

We then heard from another individual who had actually been at one of my previous summits, Mr. Dan Fette of the Home Builders Association. This individual has won numerous awards for not only building homes but for the design of homes, affordable homes, in an energy-efficient fashion. He talked about the ways that a home could be built to be friendlier to the environment and friendlier to the energy consumer's wallet.

In Texas, we've got a lot of big homes and a lot of big homes with a lot of big, open spaces that sometimes aren't protected from the elements. Now, Dan specializes in maximizing comfort and in minimizing environmental disruption and energy waste. He utilizes features in the design of the home that include relocating windows that are exposed to direct sunlight.

Now, in Texas, when I was a kid, we used to have things that were called cisterns. They collected rainwater off the roof of the house, and it ran through the gutters and into a holding tank into the ground. Now they're called rainwater catchment systems, and they're capable of meeting landscape and irrigation needs. Obviously, they're dependent upon rainfall to fill the reservoir up, but it is a way of holding water that is otherwise going to just simply go into the storm water drainage system, holding onto water to meet the water needs of landscaping, and of course, he recommended using native landscapes that are lower in their water usage.

He emphasized the importance of selecting proper plumbing fixtures and appliances that are appropriate for the household. Building energy efficiency into a home can reduce the need for expensive repairs in the future, and it can reduce the need for undergoing the expense of an energy audit in the future, but we'll kind of leave the discussion of energy audits to just a little bit later on.

Now, also participating in this panel was Mrs. Casey Hege. She was a representative from General Electric's Appliance Division. She discussed selecting the appliance options that would reward the homeowner with better performance and with lower bills.

One of the biggest energy users in anyone's home is of no great surprise—the refrigerator. Older model refrigerators use more energy. In fact, they are one of the largest consumers of energy within the household. So one way to reduce energy consumption, if it fits the family budget, is to replace the old refrigerator with a higher energy-efficient model.

Now, one thing that she found was that people who were buying the higher efficiency refrigerators were then coming back and were saying, "You know what? I'm, in fact, using more energy today than I was before I purchased this high-energy model." It took her a while to figure out what was happening.

In Texas, a lot of times what we'll do is we'll take that old refrigerator out to the garage, and we'll plug it in, and we'll use it for our excess capacity. Well, if you do that, obviously, you're not getting any energy savings from buying that more efficient, new refrigerator.

□ 2215

So always dispose of the old refrigerator, dispose of it properly, dispose of it carefully. Many of these older models contain Freon, and there are going to be municipal requirements that are going to have to be met for their disposal, but obviously you're not going to save money in your home if you buy a new, highly efficient refrigerator and take the old one out to the garage and store whatever beverage you want to store in your garage. Having two refrigerators does ultimately cost more money and cost more energy.

Finally, that morning we heard from Mr. Steve Gleaves—he's a home energy auditor and a founding member of the Texas Home Energy Raters Organization—who talked about what to expect with a home energy audit. Now, when to seek an audit and what you can expect to find in your house were the topics of discussion for the home energy audit. He talked about how common it is—and again, this was a recurrent theme that we heard several times that morning—he talked about how common it is for home air-conditioning systems to have leaks in the intake system and around the ventilation grills.

Again, he emphasizes the point that one thing you can do from a heating and air-conditioning standpoint to improve energy efficiency in the home is to have those ducts inspected.

The other aspect that he talked about, and it was mentioned by one of our previous presenters, select the right size unit for house. A unit that is too big for the area that it is cooling will never come up to maximum effi-

ciency. It's always turning on and off, and the unit will use its maximum of draw, its maximum amount of power when it switches on. So a unit that's switching on and off frequently will never achieve that high energy efficiency rating that was the reason you bought the larger unit in the first place. So it is important to have the architect or builder right size the equipment for the home that's being built.

And again, having the ability or having someone investigate the integrity of the air-conditioning ducts so that those leaks which draw in that superheated attic air into the return vents, so that that doesn't happen under the best of circumstances on a hot day; the best an air conditioner is going to be able to achieve is a 20-degree difference between the outside air and the air inside. Well, if you're drawing in to the air-conditioning unit air that's heated to 140 degrees, it's going to be hard to get much measurable cooling off of that.

Now, in addition to the panelists, we had a number of local businesses and organizations who had set up displays around the area, and we did have good participation of the constituency that showed up that morning in looking at the displays, Home Depot, Lowe's Hardware, Peterbilt, which has a manufacturing plant in my district in Denton, NewCon Steel, which is located in Denton, the Agrilife Extension Office of Denton County, the Texas State Energy Conservation Office, obviously several automobile dealerships which I previously mentioned, and the Denton County Transportation Authority all had either booths or displays to help consumers understand about energy consumption and provide some information about energy-efficient products and services.

Peterbilt, for example, bought two trucks: one was an over-the-road model that we're all familiar with, a type of 18-wheeler that we see on our highways, but it was a diesel hybrid electric and, as a consequence, achieved about a 10 percent savings on the open road. The other model was, again, a diesel-electric hybrid, but this was more of a delivery truck, the type of truck you might see around town, the type of truck that might be in stop-and-go traffic, the type of truck that might be periodically caught in a traffic slowdown caused by congestion. And these vehicles actually achieved about a 25 percent overall savings.

So a significant savings in fuel for the company that was operating those vehicles, and I was very grateful to Peterbilt for having those units there.

Overall, I think the event was important. I think it was successful. I think each of us making a personal commitment to use energy wisely, to use energy efficiently is—it's not the entire solution to our energy problems, but it certainly can be a part of the solution. And most importantly in my mind, it puts the consumer back in control of

some of these parts of the energy equation in which they feel entirely powerless to impact: the supply/demand curve, they feel entirely powerless to impact the globalization that has occurred; if speculators are causing a problem, the end consumer has very little they can do as far as modifying the behavior of the speculator, the futures trader. But they can modify their behavior, and they can become more savvy consumers, and they can become more efficient consumers.

So all of these were benefits that I witnessed at the local level, and I think I would classify this event as a successful event. Again, this was the third year that it has happened. It has grown in popularity each year that it has occurred. I have actually had other areas in my district, other than cities in my district, who have inquired about the possibility of having a second event in their locations. And the acceptance by the public and the enthusiasm with which the public approached this was, I found, particularly gratifying, and I don't think there is any question that we will repeat this next year.

I wish it wouldn't be necessary, that prices would be down so low that energy was no longer a consideration, but the reality is that's a world to which we probably will not return, at least during my natural lifetime.

Now, we ask our constituents to be more savvy consumers, and they will step up and do the job that is asked of them, but while we're asking them to make some of the personal changes in their energy demands, we've heard it again and again on the floor of this House tonight, we heard it a week ago before we went home for the break, the July 4th holiday, we in Congress have to take some action as well. And we, like any other hard problem, like any other complex problem, you need a short-term, mid-term, and long-term approach to how you're going to deal with this.

In the short term, we've got to make sure that our energy is traded in markets that are fair and transparent, that the proper oversight exists from the proper regulatory authorities and the proper Federal agencies, to the extent that that hasn't been happening, it has to happen. And I don't think there is anyone in this body that would want to go home and try to justify to their constituents why that is not important. To the extent that there is manipulation in the market, it has to be ferreted out, stopped, corrected.

Now, last month, on June 23 in our Committee on Energy and Commerce, our Subcommittee of Oversight and Investigations, we had an investigative hearing. The hearing was titled "Energy Speculation. Is Greater Regulation Necessary to Stop Price Manipulation?"

Now, it was really an interesting hearing, and there was a lot of information, some information that I was not aware of prior to the hearing. Some

information that, yeah, we've all heard a lot for a long time. But I think one of the things that became very apparent during that hearing is that the scope and the magnitude of the number of dollars that are being invested in the energy futures markets is greater today than at any time in country's history. And that even if the motives are pure, it is just the sheer volume of dollars that are being invested that is driving the price of these futures contracts higher and higher, and that obviously impacts the cost of a barrel of crude oil. And it is driving the market much higher than you would see just based on the cost of—the marginal cost of production and certainly more than would be based on simply factors mediated by supply and demand.

Now, the shift into the futures market and the shift into oil speculation by institutional investors has been called the financialization of oil prices. Today, over 70 percent of the participants willing to buy and sell contracts for the West Texas intermediate crude on the New York Mercantile Exchange are speculators, and they're not participants looking to hedge changes in the price of oil before they take the physical delivery of the product. And often times these purchases on these contracts are made with what is called a margin, sometimes it's only pennies on the dollar, 5 percent down, and you own the futures contract until the time of delivery, but oh, by the way, you never intended to take delivery because you're going to sell the contract to someone else who will pay more money for it. Take your cash and run before you get to the end of that.

Now, there was a lot of discussion about some of the noncommercial traders who hold contracts only for a very short period of time. They don't have a place to store the product if they were to have to exercise the contract. And instead, they're simply riding that increase wave as it goes up to derive profit from the financial instrument itself, not from the actual product that was pumped out of the ground and put into a barrel and to be sold on the open market.

So we did hear from the Commissioner of the Commodities Future Trading Commission, Mr. Walter Lukken. That body is responsible for the oversight over the New York Mercantile Exchange, the NYMEX, and we heard from many of the participants how we could—well, the question that was asked of Mr. Lukken by myself is we see what some of the problems are here. What tools do you need that you don't have today, what tools do you need from Congress, what legislative activity do you need from Congress to stop this practice, to get your arms around this and to be more along the lines of a supply-demand market, not a frenzied financial futures trading market.

Certainly some of the advice we got was perhaps the margin investment needs to be increased. Five percent

may be too low. Maybe it needs to be 30 percent, 35 percent. Some people even suggested 50 percent. I'm not an expert in petroleum financial futures, but clearly 5 percent as a margin does seem low to me, and I would certainly be willing to hear the discussion of should these margins be higher.

What about the person who buys the futures contract and never intends to take delivery? And we're not talking about an airline who's hedging against higher prices by speculating and buying on the market and could take delivery of that product if they were required to do so. We're talking about people who have no way. There is no storage tank anywhere near them that would allow them to put this oil in a tank and take delivery of the product.

So clearly, they are only dealing in the financial instrument. Again, they have no interest in the actual commodity that's being traded.

So could the Commodities Futures Trading Commission, could it increase margin requirements? Could it put in place a requirement that at least in a certain percentage of that futures contract there must be a place to store it if it were actually delivered to the person who had purchased that contract?

Now, Commissioner Lukken answered the question that the Commodities Futures Trading Commission does currently have the authority to increase margin requirements and add position limits. So they have them, but they're only to be used under emergency conditions. As I pointed out to Commissioner Lukken, just in the month of May we had three airlines go bankrupt in a weekend. We had a day where the price of crude rose \$11 a barrel in one trading day. We had the Speaker of the House talking about pulling oil out of the Strategic Petroleum Reserve. Are we not in an emergency situation already? What other evidence do you need of an emergency to invoke these emergency powers that would allow you to rein in some of the—if there is cost that's being driven by speculation in the financial market, what other evidence do you need?

If you have the power to do it in an emergency situation, I submit you don't need another study. I submit you don't need another law. Go ahead and take the activity which you are empowered to do by virtue of the fact that the Federal agency has the ability under emergency conditions to exercise those powers, go ahead and do it and we will deal with the studies, we will deal with the cumulative effects afterwards. But the situation is so dire at this point, it's so important at this point that I think you ought to do it.

Now, Congress was poised to take some action on that to perhaps make it a little more authoritative that the Commodity Futures Trading Commission would in fact be required to do that, but we kind of fell short of that. And Thursday right before we all left for the week of the July 4th break, we passed a bill that was a sense of Con-

gress, a sense of Congress telling the Commodities Futures Trading Commission that maybe you ought to look at exercising your emergency powers. I liken this to sending a "get well" card to the American energy consumer. We really didn't do anything. It made us feel better because, by golly, we passed a bill and we told the Commodities Futures Trading Commission what they need to do their job.

Well, the reality is they knew they need to do their job. They were told that in the committee hearing. I can't imagine why they haven't taken those steps already, but I certainly don't think that a sense of Congress resolution passed by this Congress 2 weeks ago was really going to impact them much one way or the other.

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Now, that's the short term. That's the short term to deal with some of the aspects of financial trading or futures trading.

What about the intermediate steps? We heard during that panel that some people believe there's a supply-demand problem today. Others say it's being overblown and it's really the futures market that is the problem; the supply-demand problem does not exist to the level at which it should drive the prices as high as we have seen them.

I don't know who's correct on that, but to a person throughout several panels that day, we heard over and over again, by the year 2015, demand is going to so vastly outstrip supply that we will be in serious trouble, serious trouble, not that we're not in serious trouble, but we'll be in real serious trouble by 2015 if we do not take the steps necessary to increase production to meet those increased demand requirements.

Now, we have heard it again tonight from both sides of the aisle. There are different approaches and different thoughts about it, and we're not talking about drawing oil from the Strategic Petroleum Reserve. That's a very short-term solution, if indeed it's a solution at all, and we've heard some discussion as to the wisdom of that particular exercise, but things like drilling in the Alaska National Wildlife Refuge, things like drilling on the Outer Continental Shelf, off the east coast, off the west coast, development of the oil shale in the inner mountain west.

Last December, on our so-called energy bill that really didn't have any energy in it, in our so-called energy bill last December, we prohibited recovering oil from Canada in the Alberta tar sands because we're worried about the effect of something down the road. Well, for goodness sake, Canada is probably our largest supplier of foreign oil. Here is a readily available source where they could increase their production, but we don't want any part of that because we don't know what that's going to do to our carbon footprint down the road.

Well, forget about down the road. The time is here and now that we need to get that increased production. So this so-called energy bill that we passed last December, in addition to banning the incandescent bulb, we also banned a type of petroleum from our neighbor to the north, Canada, which could result in an immediate increase in the amount of crude oil available to our markets here. So we really did ourselves double harm during that exercise, but nevertheless, what's past is past. Let's get beyond that point.

We have to look at where we're going to get the increased supply that demand is going to require by the year 2015, 7 years away. We hear it talked about on the presidential trail. Well, you're talking about drilling in ANWR; you're talking about drilling in the Outer Continental Shelf; you're talking about deepwater drilling in the Gulf of Mexico. That product is 7 years away. Well, yeah, that's right, it's 7 years away, and if we don't start today, guess where we're going to be in 7 years. We're going to be in tall grass because we haven't done what is necessary to affect that increased supply.

And we all know the demand is coming. We all hear it every day, China and India and all of the other components of the global economy that are drawing energy into their economies while we literally fiddle as Rome burns here in the United States.

It is time for us to get past that point, get on with the development of new supply. If it takes 7 years, that's about the timeline we've got, and if we don't start this year, we're going to be a year later than we should be, or we're going to be 2 years later than we should be.

It really begs the question: When is this Congress going to wake up and understand the importance, the dire importance of that day when demand vastly outstrips supply in 2015?

Now, that issue is pretty clear-cut to me, and I think it's pretty clear-cut to most Americans. I think any polling you do on that subject would show that most Americans are in tune with the fact that they understand that allowing the production of American energy within America's borders is important for our national security, it's important for the future and the sustainability of our economy.

What about the long term? What about some of things you have heard tonight on the development of the techniques for cellulosic ethanol? It will be a wonderful day when we get there, but we're not there yet, and we cannot let our enthusiasm for the technology get ahead of our ability to deliver that technology. For the foreseeable future, for the 7- to 15-year time frame, our energy needs are going to be met by petroleum-based products: natural gas, oil, coal. There's literally no other way around it without simply cratering the American economy.

And reality is, do we do anyone any good here in this country or around the

world if we allow our economy to languish, if we allow our economy to falter, because we do not have the institutional courage to accept the fact that we're not quite ready to go on to all alternative types of energy? I wish we'd been building nuclear power plants for the last 10 years but we weren't. We should now because nuclear can provide that base load of electricity that you need.

Remember, Texas is the number one wind producing State in the Nation. That's a great thing for Texas. We're going to get to sell a lot of power, and it's power that comes from the wind. How cheap is that? But the reality is that even in West Texas, where the wind seems to blow incessantly, there are days when the wind doesn't blow. There are hours in the day when the wind blows less ferociously than other hours. And typically, those days that the wind doesn't blow or those hours when the wind production is diminished is summertime, late in the afternoon. But when is the number one electricity demand time in Texas because of air conditioning? It's summertime; it's late in the afternoon. So you can't depend on wind energy to deliver that constant load of electricity that's needed to keep the grid alive. You need something to deliver the base load.

Now, natural gas fills the bill for a lot of Texas right now. Natural gas electrical generation plants, so-called peaking plants, are present in my district. I've visited them. I think they provide a wonderful backstop to some of our energy requirements during the summertime in Texas, and I'm grateful that we have them. But many of these plants are older. They need to be refurbished. They're not nearly as efficient. We're not allowed to build anymore coal plants. That's off the table.

So where are the nuclear plants? And I ask my friends on the other side, when are we going to be serious about what we do with the development of nuclear in this country to allow that production, that base production of electricity? And yeah, we might be able to get over and above that from wind, we might be able to get over and above that from solar, but those sources of energy are not dependable enough. And we don't right now have the technology for the proper storage of electricity from those technologies that we're going to depend on something to provide that base load of electricity that we need to fire up the grid, certainly in the State of Texas and I suspect in other parts of the country as well.

You know, this is a situation where I think we've heard it eloquently from both sides of the aisle tonight. We need all hands on deck. We need all possible technologies that are available, we need them to be developed. We need them to be in the process of being developed. We need them to come online quickly. All hands on deck. And yet a lot of times, this Congress behaves like it's every man for himself. And the American people don't get that. And

believe me, I heard that over and over and over again when I was home in the district this last week.

Now, growing and strong economies are better prepared to mitigate some of the effects of disease, hunger, natural disasters, but if we hurt our economy, if we devastate our economy by some of the policies that this Congress has pursued in the last 18 months, our ability to deal with those problems has become woefully constricted. And who's going to suffer? Who's going to suffer? It's going to be the American middle class, the lower middle class, America working poor are going to suffer disproportionately because of the lack of preparedness for dealing with those effects on our economy. This Congress has the responsibility to create the right type of environment to facilitate the right type of growth in the energy sector.

Now, I'm going to borrow a poster from some of the previous speakers. I had a copy of today's Politico that I was going to read a paragraph or two from. We've all heard this over and over again, how the cost of energy has risen since January of 2001, but if you really look at that line, if you look at that line on what's happened with energy prices, what you see is, yeah, there's some bumps and some ups and downs and a general upward tendency of that trend line. You see a big peak for Katrina, see a drop-off after the recovery from Katrina when the refineries came back online much more quickly than anyone anticipated. You see some peaks and valleys for the summer driving season.

But what really stands out when you look at those graphs is how the cost of energy has significantly risen since December of 2006, January of 2007. If you look at the number of futures contracts that have been sold, and yes, there are more dollars going into those future contracts today than in almost anytime in the Nation's past, when you look at how the numbers of futures contracts and when you look at the dollars invested in futures contracts, yeah, there's been a general trend line that goes upward from 2000 until about December of 2006, and then it goes straight up.

Well, quoting from Politico, one of the magazines that we all get in our offices up here in Washington, D.C., there's an article on the front page that's entitled: "New Boogeymen: Oil Speculators," and it has a picture of the Speaker of the House giving a talk and a quote here from the Speaker of the House. "Oil speculators are making money by betting against the American consumers at the pump," House Speaker NANCY PELOSI said before the Independence Day recess."

Well, wait a minute, let's go back to this. The price of crude, the price of gasoline, gradually drifting upward, but it really takes a spike upward December of 2006, January of 2007. The number of futures contracts really

takes a spike up December of 2006, January of 2007. The number of dollars invested in the futures market really takes a spike up December of 2006, January of 2007.

Well, what happened between December of 2006 and January of 2007? Well, the 109th Congress ended and the 110th Congress started. So here we had a quote from our Speaker today: "Oil speculators are making money by betting against the American consumers at the pump."

Well, is that really the case? Maybe it is the speculators betting on Congress to continue to make dumb decisions about the energy policy in this country. And it looks like they started that about December of 2006 and January of 2007, and guess what. They bet right and they were rewarded.

So, until we do something that sends a signal to those speculators that Congress is through making the dumb decisions, the dumb decisions that it has been making in the past 18 months and is now going to make smart decisions for the American public and the American economy, we're likely not going to see that growth curve go anywhere but up.

So it is time. And I call on my friends on my side of the aisle and the other side of the aisle, we've got to approach this problem sensibly. We just cannot simply be blaming the current bogeyman du jour. We've got to face the fact that it's our policies, starting in about January of 2007, that have driven this market through the roof and, as a consequence, has damaged the purchasing power of the American consuming public.

And just going a little further into the article, a point I made a few minutes ago, "Before legislators left town, the House overwhelmingly approved legislation that would require a Federal regulatory agency to employ its rarely used emergency powers to crack down on any "excessive" speculation in domestic commodity markets." Again, that power already existed. I don't know why Commissioner Lukken did not equate that with the emergency with all of the signs and symptoms he had around him of an emergency in the American energy market.

Congress passed—not meaningful legislation last week. We sent a "get well" card to the American consuming public and hoped that someone wasn't paying attention and would perhaps mistake our activities a week ago Thursday for something meaningful. I somehow doubt that that occurred.

Let me finish up, Mr. Speaker. And I want to read a letter that was printed in the Dallas Morning News on July 4, 2008, "Oil Independence Day"—and again, this did run on Independence Day in the Dallas Morning News. "Tired of unfair laws and unreasonable taxes, American colonists proclaimed freedom. As we celebrate liberty today, it seems ironic that our country has evolved from declaring independence from foreign oppression to now depend-

ence on oppression from foreign oil. In fact, a slow rebellion against reliance on foreign oil began when OPEC left Americans sitting in lines to buy gasoline from stations with dry tanks in the 1970s. Today the price stands at \$4 a gallon for gasoline, and it shows up in everything from the food we eat and clothes we wear to the vacations we can no longer afford to take.

"We've proposed 15 ways to cut the cost of energy for working American families by giving them access to American energy, the American energy that they want and need. The problem is that the House Democratic leadership keeps blocking that legislation. There is no better time than America's Independence Day for Congress to stop arguing about the problem and to start fixing it."

Respectfully submitted, JOE BARTON, R-Arlington, MICHAEL BURGESS, R-Lewisville.

It is time that we can get past what was previously described as a bumper-sticker mentality and that we get to work about solving the serious problems that face the American consumers.

Mr. Speaker, you've been very generous with the time tonight.

HOUSE BILLS APPROVED BY THE PRESIDENT

The President notified the Clerk of the House that on the following dates he had approved and signed bills (of the House) of the following titles:

April 9, 2008:

H.R. 1593. An act to reauthorize the grant program for reentry of offenders into the community in the Omnibus Crime Control and Safe Streets Act of 1968, to improve reentry planning and implementation, and for other purposes.

April 18, 2008:

H.R. 5813. An act to amend Public Law 110-196 to provide for a temporary extension of programs authorized by the Farm Security and Rural Investment Act of 2002 beyond April 18, 2008.

April 23, 2008:

H.J. Res. 70. A joint resolution congratulating the Army Reserve on its centennial, which will be formally celebrated on April 23, 2008, and commemorating the historic contributions of its veterans and continuing contributions of its soldiers to the vital national security interests and homeland defense missions of the United States.

April 30, 2008:

H.R. 1119. An act to amend title 36, United States Code, to revise the congressional charter of the Military Order of the Purple Heart of the United States of America, Incorporated, to authorize associate membership in the corporation for the spouse and siblings of a recipient of the Purple Heart medal.

May 6, 2008:

H.R. 4286. An act to award a congressional gold medal to Daw Aung San Suu Kyi in recognition of her courageous and unwavering commitment to peace, nonviolence, human rights, and democracy in Burma.

May 7, 2008:

H.R. 3468. An act to designate the facility of the United States Postal Service located at 1704 Weeksville Road in Elizabeth City, North Carolina, as the "Dr. Clifford Bell Jones, Sr. Post Office".

H.R. 3532. An act to designate the facility of the United States Postal Service located at 5815 McLeod Street in Lula, Georgia, as the "Private Johnathon Millican Lula Post Office".

H.R. 3720. An act to designate the facility of the United States Postal Service located at 424 Clay Avenue in Waco, Texas, as the "Army PFC Juan Alonso Covarrubias Post Office Building".

H.R. 3803. An act to designate the facility of the United States Postal Service located at 3100 Cashwell Drive in Goldsboro, North Carolina, as the "John Henry Wooten, Sr. Post Office Building".

H.R. 3936. An act to designate the facility of the United States Postal Service located at 116 Helen Highway in Cleveland, Georgia, as the "Sgt. Jason Harkins Post Office Building".

H.R. 3988. An act to designate the facility of the United States Postal Service located at 3701 Altamesa Boulevard in Fort Worth, Texas, as the "Master Sergeant Kenneth N. Mack Post Office Building".

H.R. 4166. An act to designate the facility of the United States Postal Service located at 701 East Copeland Drive in Lebanon, Missouri, as the "Steve W. Allee Carrier Annex".

H.R. 4203. An act to designate the facility of the United States Postal Service located at 3035 Stone Mountain Street in Lithonia, Georgia, as the "Specialist Jamaal RaShard Addison Post Office Building".

H.R. 4211. An act to designate the facility of the United States Postal Service located at 725 Roanoke Avenue in Roanoke Rapids, North Carolina, as the "Judge Richard B. Allsbrook Post Office".

H.R. 4240. An act to designate the facility of the United States Postal Service located at 10799 West Alameda Avenue in Lakewood, Colorado, as the "Felix Sparks Post Office Building".

H.R. 4454. An act to designate the facility of the United States Postal Service located at 3050 Hunsinger Lane in Louisville, Kentucky, as the "Iraq and Afghanistan Fallen Military Heroes of Louisville Memorial Post Office Building", in honor of the servicemen and women from Louisville, Kentucky, who died in service during Operation Enduring Freedom and Operation Iraqi Freedom.

H.R. 5135. An act to designate the facility of the United States Postal Service located at 201 West Greenway Street in Derby, Kansas, as the "Sergeant Jamie O. Murgans Post Office Building".

H.R. 5220. An act to designate the facility of the United States Postal Service located at 3800 SW 185th Avenue in Beaverton, Oregon, as the "Major Arthur Chin Post Office Building".

H.R. 5400. An act to designate the facility of the United States Postal Service located at 160 East Washington Street in Chagrin Falls, Ohio, as the "Sgt. Michael M. Kashkoush Post Office Building".

H.R. 5472. An act to designate the facility of the United States Postal Service located at 2650 Dr. Martin Luther King Jr. Street, Indianapolis, Indiana, as the "Julia M. Carson Post Office Building".

H.R. 5489. An act to designate the facility of the United States Postal Service located at 6892 Main Street in Gloucester, Virginia, as the "Congresswoman Jo Ann S. Davis Post Office".

H.R. 5715. An act to ensure continued availability of access to the Federal student loan program for students and families.

H.R. 3196. An act to designate the facility of the United States Postal Service located at 20 Sussex Street in Port Jervis, New York, as the "E. Arthur Gray Post Office Building".

May 18, 2008:

H.R. 6051. An act to amend Public Law 110-196 to provide for a temporary extension of