

filling sandbags as fast as they can do it. They are fortifying existing levees and creating levees to protect businesses and homes and valuable infrastructure.

I commend all the residents, volunteers, emergency workers, and the more than 400 members of the Illinois National Guard, who are working to brace our State for these floodwaters. Many people are working around the clock.

That is one of the nice things about this great Nation. I take special pride in the Midwest, which is where my roots are. When an emergency such as this arises, I have watched how people rally around and try to help.

Again, I was with Mayor Spring in Quincy on Friday. People were literally spending their entire day filling sandbags. It is hard work; many times it is back-breaking work, repetitive. But the spirit in that meeting place was as good as anyplace I have ever been. They all felt they were pulling together for their neighbors, their community, their city, and for their State. They felt a special kinship.

It is not unusual, of course, to see the great efforts of the Red Cross. They are always there trying to help people along, providing a sandwich and a bottle of water to the folks who need it when they are working. Also, other volunteers, including folks at a age where they could not pitch in and fill a sandbag, but they were making sandwiches and cookies to bring to the volunteers. It is that kind of a community outpouring that means so much.

The official Government agencies were sure there doing their part, including FEMA and our Illinois counterpart, coordinating the disaster response, along with the Army Corps of Engineers.

Over the weekend, two levees in our State—in the towns of Carman and Keithsburg—failed. Hundreds of residents in those towns have left their homes. Another levee broke last week in the town of Lawrenceville, on the east side of the State, and residents are stranded there without drinkable water.

Floodwaters are starting to seep into other towns along the river. Heavy rains are still falling north of us, pushing the river higher by the day.

Our Governor has already declared 15 counties in Illinois State disaster areas.

At the urging of Senator OBAMA and myself, Governor Blagojevich wrote to President Bush and asked him to declare a number of Mississippi River counties Federal disaster areas. Quincy is preparing for the worst. The river is expected to crest at 32 feet. One of the main concerns there is the water intake plants that provide water for the region. If it goes down, it may take months to restore it. That will be a hardship on a lot of people we hope to avoid.

I was with GEN Bill Enyart, head of the Illinois National Guard, Friday

night. I said: Bill, I hope that as a special project the Illinois National Guard will join with Mayor John Spring to try to protect that waterworks. It is important. Bill answered the call immediately and called Mayor John Spring and sent 100 members of the Air Force National Guard there to start sandbagging around the water treatment plant, trying to save it before the river crests on Wednesday. All those volunteers and emergency workers—even State prisoners released from the local prisons and correction camps—are working side by side to fill sandbags.

I also wish to say a word about State Senator John Sullivan in that area. He rolled up his sleeves immediately and went to work. I was with him Friday. He is roaming up and down the river trying to make sure he gives a helping hand where needed. He calls State and Federal agencies to see where they can be of assistance. He is a terrific public servant, and I was glad to be with him at that time.

Senator OBAMA came to Quincy over the weekend and looked at the situation and pitched in as well, filling sandbags, and he was able to see how our State is being affected.

The volunteers worked through Father's Day. The celebration with family was short-lived. They tried to do their best to tame the mighty Mississippi River. These volunteers are demonstrating amazing spirit. A flood is a devastating prospect to face and envision. But these folks have responded with resolve and determination. I am proud of them, and I am so proud to represent them. Their work may save homes, businesses, and lives. Every sandbag that is filled may make it much easier for communities to get back on their feet when the floodwaters recede.

State and local leaders in Illinois are also working around the clock to prepare for the worst. We know, from looking at neighboring States, that the severity of this flood will be more than the people of Illinois alone can absorb.

The magnitude of this disaster will require action from the Federal Government.

I have stood in Congress for over 20 years, and every time some section of our Nation has been victimized by a disaster, I have always felt that is when we come together as an American family, when we draw on our national treasure and the efforts of American workers across the country to come to the rescue of our neighbors in trouble. Well, now it is time for the Midwest to ask for that help.

I know this Congress and President will be forthcoming. They have done a good job so far. We have to make certain we give them all the tools they need to move quickly back home to prepare for the worst, to try to avoid tragedies that can be avoided, and then to clean up afterwards and get on with their lives.

Senator OBAMA and I will work with the Illinois congressional delegation to

ensure that the communities and the people affected do not face this disaster alone. America and this Congress and Senate will stand with them.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is now closed.

RENEWABLE ENERGY AND JOB CREATION ACT OF 2008—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to H.R. 6049, which the clerk will report.

The bill clerk read as follows:

Motion to proceed to the Renewable Energy and Job Creation Act of 2008, a bill to amend the Internal Revenue Code of 1986 to provide incentives for energy production and conservation to extend certain expiring provisions, to provide individual income tax relief, and for other purposes.

Mr. DURBIN. Mr. President, for the record, it is my understanding the time between now and 5:30, when we vote on the motion to proceed to the tax extenders, has been evenly divided between the Republican and Democratic sides.

I ask unanimous consent that all time—even time on the quorum call—be credited to both sides equally during that period.

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

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

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

The bill clerk proceeded to call the roll.

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

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

Mr. KYL. Mr. President, in a couple of hours we are going to be voting again on cloture and we will be making a choice between two different points of view. We did this 2 weeks ago, a week ago last Thursday, and the result was that cloture was not invoked on the House-passed so-called tax extenders package, and I think the same result will end up being the case this evening.

It is essentially a choice between the Democratic leadership trying to do this in a partisan way by simply bringing up the House bill and trying to push that through, or getting together, as we have done in the past, in a bipartisan way, to ensure that the tax provisions we all support and we all want extended into law are done in a way that does not require that taxes be increased in some other part of the Tax Code.

Republicans do not believe it makes sense to keep existing tax policy right where it is by having to raise taxes in another part of our economy, sometimes on the very same people who are paying the tax we are extending. Extending current tax policy is not a tax cut. Extending current tax policy is just that, it is maintaining the status quo, and we don't believe we should have some rule, in effect, that says when we continue exactly what we have in tax rates, somehow or other we have to raise other taxes in order to pay for that. That doesn't make any sense.

It is basically the difference between two philosophies. The Republican philosophy starts with the proposition that money belongs to the people—the people—and we send a certain amount of that back to Washington and to our States to help run a government that we all understand we need to pay for. But originally the money belongs to the people. And the question is, How much can the people afford to give up? In times of economic downturn, such as we are facing today, it is not wise policy to take a lot of money from the private sector. In fact, we made a decision, the President and the Congress, to actually give back some of that money to the taxpayers. It was the tax rebate, the so-called stimulus package. Some people have already received their \$300 or \$600 checks. The idea is when we have an economic situation such as we do today, you don't take more money from the people. If anything, you try to help them keep what they have.

There are those on the other side, however, the Democratic side, who have a different view. They start with the premise that the Federal Government and how much money it has and how much money presumably it needs—and if the Federal Government needs more money because Congress is spending more money—then where else are we going to get it? Well, we have to take it from the people. If the Federal Government has a tax rate or a tax policy, such as a research and development tax credit that expired last year and we want to continue to provide that for this year, these people believe we need to tax the private sector. We need to tax taxpayers more money in order to, in effect, make up for the extension of that research and development tax credit.

Now, we don't think you have to make up for anything. You are keeping it exactly where it is today. You are not cutting taxes, you are keeping taxes right where they are. The other side says, no, we have a rule called pay-go, and it means even if we keep taxes exactly where they are today, we have to raise taxes to, in effect, pay for that. It is a nonsense policy. It hurts the private sector, it hurts businesses, it hurts American families, and it is the last thing you want to do in a time of economic downturn. That is why we have two different philosophies here.

Our philosophy tonight says vote no on this cloture petition, because at the end of the day we all understand we are going to extend the current tax policy, we are going to extend the research and development tax credit and all of the other similar policies, but we don't have to raise taxes to do that. So we are not going to do that. There is an easy way and a hard way, in other words, to get this done.

There are some other things wrong with the House bill. Even if that were the basic debate, there are some other reasons why we wouldn't want to take up the bill that is coming to us from the House in the first place. For one thing, it doesn't do something very important, and that is to extend the relief from the alternative minimum tax, or the so-called AMT. This was a tax originally designed to hit millionaires and it ended up, in effect, hitting everybody else.

In fact, this year there are something like 23 million people—23 million filers—who would be affected by the alternative minimum tax if we did not once again relieve them from that liability. So each year we pass a bill that says you don't have to worry about paying the AMT this year. Actually, last year it was 23 million and this year it is 25 million more taxpayers who will face an unwelcome tax increase, averaging about \$2,000 of tax liability. That, again, is absolutely the wrong policy in a time of economic downturn. Frankly, it is the wrong policy anytime.

There is another thing wrong with the House bill. It includes a \$45 billion tax increase on certain businesses. We want people to be able to do business overseas as well as here in the United States. It is good for us when we have businesses competing abroad. About \$45 billion of new tax increases will be piled on those businesses with two particular provisions of the House bill, in effect amounting to double taxation of the people working for those businesses when they are working abroad.

Without getting into the details of that, we all understand what those two provisions are. They deal with deferred compensation from certain employers who would be treated less favorably than other employers in the United States, and delaying the implementation of some new tax rules that would allow worldwide interest for foreign tax credit purposes.

Again, given the fact that we are in an economic downturn right now, why would we want to raise taxes, particularly on those industries we are encouraging to do business abroad to help bring more revenues into the United States? Again, these two provisions would make the United States less competitive, not more competitive.

Incidentally, the administration has indicated it would veto the bill if these tax increases are in there. Obviously, we want to get these tax extenders done, and therefore don't need the delay of a Presidential veto, Congress

sustaining the veto, and having to start all over again.

Another thing wrong with the House tax package is it only extended the expiring provisions, such as the research and experimentation tax credit, for 1 year, notwithstanding that we prefer that be done for 2 years—for the year in which they have already expired and for next year as well.

It also included some new tax earmarks. What are some of these tax earmarks? One is it requires that projects financed with the so-called new clean renewable energy bonds be subject to the prevailing wages requirement of the Davis-Bacon Act. What this, in effect, says is if you have a Federal project here, you are going to have to pay a much higher wage rate to the people doing the work. The net result of the construction project is it is far more expensive than it would be if you could simply bid it out under normal bidding processes.

Many reputable studies have estimated that Davis-Bacon inflates Federal construction costs by anywhere from 5 percent to 39 percent. I have seen that right in my own home State of Arizona. Rather than paying the Davis-Bacon wage rate for a small Federal facility in southern Arizona, they decided to use existing mobile homes—which was totally inadequate, but at least it saved money from having to do the Davis-Bacon construction add-ons. So if we are going to create an incentive to build more renewable energy production, I am not sure why at the very time you would want to intentionally increase the project's costs by subjecting it to Davis-Bacon.

Another problem with the bill—a new tax earmark, in effect—is it creates a new standard deduction for property taxes, but it is essentially an indirect transfer because it does not prohibit local governments from raising their taxes, entirely offsetting any benefit to local taxpayers. In other words, it says you can offset certain State taxes. It doesn't prevent the States from increasing those taxes, so that in effect all of the taxpayers around the country are subsidizing the State that raised its taxes. The CBO suggests that, in general, the deduction for State and local taxes is a subsidy to wealthier communities. It deters States from financing local services with nondeductible things like user fees that are much more efficient.

Another thing the House bill does, another one of its tax earmarks, is to include an unprecedented tax earmark for New York. Tax credits are, by design, intended for individuals and businesses that actually pay taxes, not cities that do not pay taxes. But in this bill, there is an explicit tax credit for the city of New York, which does not pay taxes. How does it work? What they propose to do is give a tax credit of \$2 billion to build a new rail line from Lower Manhattan, even though New York has no Federal income tax liability. What they would do in effect

is relieve the State from its payroll tax liability. All employers have to pay a payroll tax. What this would do is, when the city of New York pays payroll taxes for people on its payroll, the Federal Government would pay back the city. That is a very bad precedent, and it should not be included in this legislation.

But my favorite of all—we have not done enough for trial lawyers. It seems we need to help the poor, struggling trial lawyers, whose faces we have seen frequently, recently, in publications such as the Wall Street Journal, because they have been indicted and are going off to jail. But we need to help these trial lawyers because it seems it costs them a lot of money when they prosecute these class actions, on which they make hundreds of millions of dollars. They have to hire witnesses. They have to put out other money as expenses. That used to be a violation of ethics. When I went to law school, it was called champerty and maintenance. You couldn't do it. It was unethical for lawyers to pay the upfront expenses of these lawsuits because lawyers were explicitly not deemed to be businesses but, rather, professions. I do not know when the law profession failed to be a profession, but apparently it has because now the trial lawyers want a usual and ordinary business expense deduction for the expenses of these contingent-fee lawsuits. It is \$1.6 billion. I don't think the American taxpayers need to be subsidizing trial lawyers to the extent of \$1.6 billion, but it is in this bill, and it is another reason we should not agree to take up this bill—that is to say we should deny cloture on this bill.

There is a perfectly good alternative here; that is, bipartisan negotiation that would do similar to what we did last year, to provide the expiring tax relief here another year or two of extension, to extend the alternative minimum tax, to do these things without raising taxes either on the same taxpayers or on other taxpayers. We could provide tax relief for members of the military and veterans, incentives for charitable giving, a deduction for higher education expenditures and teacher classroom expenses, do the subpart F active financing and look-through exceptions. These are provisions that are very important for American businesses to be competitive.

All these things are in the Republican alternative. I believe that because they represent good tax policy, they would be agreed to on a bipartisan basis. Certainly, the chairman of the Finance Committee has been supportive of, I think, all of these provisions as well. It would also extend and improve the expiring energy tax incentives for alternative energy production and solar power that Senators CANTWELL and ENSIGN added to the housing bill. It would do all of these things without raising taxes.

These are provisions that I suggest we could negotiate as soon as cloture is rejected on this bill.

Let me conclude by making the point that delaying further is costly to taxpayers. Enacting the bill solely last year prevented more than 13 million taxpayers from being able to file their returns and delayed their refunds for several weeks into the filing session. We need to get on with this. We need to get to the bipartisan discussions. We can negotiate a bill, and we can get it passed in a matter of days if we do that.

Businesses need to be able to tell those with whom they do business, their stockholders and the people they get money from, whether they can take advantage of these important tax benefits such as the R&D tax credit. The fact that this tax credit has already expired should be enough to convince us that we need to do this as soon as possible. This helps keep American businesses competitive. It is one of the key things we can do. For example, France has a 50-percent R&D tax credit, and China offers a 150-percent deduction for R&D expenditures. Clearly, the United States needs to get back in this game.

As I said before, we need to provide the AMT relief. The bickering between the two Houses on this is doing nothing but hurting American taxpayers. I think we should recognize right now it is not going to be subjected to pay-go. There are not going to be new taxes raised in order to provide relief from the AMT. I think everybody knows that.

We might as well get to the job of negotiating a bill and getting it done. We have already voted three times in support of this policy, once at the end of last year—that vote was 88 to 5. Last month, we extended the energy tax extenders, 88 to 8. And last week in the cloture vote that I indicated, that failed 50 to 46. I think it is clear we can get to the end of this. Everybody agrees we need to do so. It is just a question of how and a question of time. We can do it the easy way. We can do it the hard way. We can either get it done now or we can take a lot of time. I think most of us and most of our tax-paying constituents agree it would be better if we can get it done now, if we can do it the easy way, and they can begin planning for their futures.

I urge all our colleagues at our 5:30 vote to vote no again. We took this vote before. The vote should not be any different. Once that is done, we can get down to the bipartisan negotiations that will actually result in legislation that we can pass and the President can sign and that will be to the advantage of American taxpayers.

Mr. President, I suggest the absence a quorum.

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

The bill clerk proceeded to call the roll.

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

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

(The remarks of Mr. WEBB pertaining to the introduction of S. 3140 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for 20 minutes as in morning business.

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

ENERGY

Mr. DORGAN. Mr. President, I was on one of the Sunday weekend shows and was joined by one of my colleagues on the Republican side. The discussion on that program was about oil and gas prices and energy development. My colleague on the Republican side quite predictably said: Well, the problem is the Democrats do not want to produce any more oil. They stand in the way of producing oil.

It is such a canard. I wanted to come to the floor to talk about that a bit and also to talk about the fact that we are going to vote at 5:30 today on energy tax credits for renewables. Then we will see who in this Chamber does want to produce some energy, because we have had chances before, and the Republican side of the aisle, the minority side, has blocked our ability to produce.

I want to talk a little bit about that. I know they tend to think that unless you are sinking a hole in the ground someplace and sucking oil out someplace on the planet, you are not producing. Well, I happen to believe there are plenty of places to begin producing additional oil in this country. But drilling alone is not going to solve our problem. There are other things we must do that represent change that my colleagues on the other side of the aisle simply cannot embrace; that is, being aggressive on renewable forms of energy, wind energy, solar energy, biomass, and biofuels. It goes on and on. They do not consider that additional production, I guess.

Let me talk first about this issue of the alternative and renewable forms of energy. In 1916 this country put in place robust, permanent tax incentives to say to people: If you go looking for oil and gas, good for you, we want you to do it. We are going to give you some big tax breaks. That was put in place almost a century ago.

Here is what this country has done for renewable energy. In 1992 they put in place a production tax credit, a short-term, fairly shallow tax incentive if you want to produce renewable energy. It has been extended five times

since 1992, short term. It has been allowed to expire three times. So we have had the stutter-stop, stutter-start approach to dealing with the production tax credit for renewable energy.

This chart shows what happens every single time it has not been extended. The investment falls off the shelf. Last year, last June, we had a bill on the floor of the Senate that said, let us extend this for a long period.

I have a bill I introduced that said, I think the Congress and this country should say here is where we are headed. For 10 years we have been so dependent on the Saudis, the Kuwaitis, the Iraqis, the Venezuelans, and others for oil. Sixty percent of our oil comes from off our shores. We need to be less dependent, and one way to do that is to produce renewable energy right here at home.

So last June we put a bill on the floor of the Senate that said, for 5 years you can count on the production tax credit to pursue incentives for wind and solar and all of those kinds of renewable energies that are available to us. Here is the tax incentive for you for the next half of a decade.

Guess what. Thirty-four Republicans voted against it and killed it. They did not want to do that. Now they are talking about how much they want to produce energy. Well, let me talk about this production of energy. I happen to think, one voice here, we ought to produce in the eastern Gulf of Mexico.

If you take a look at where the oil is, the hood ornament for their discussion is always "ANWR," one of the most pristine areas in America, set aside in legislation signed by Dwight D. Eisenhower. The other side always says, well, ANWR, we have got to produce in ANWR.

Even JOHN MCCAIN votes against producing in ANWR. JOHN MCCAIN said, I do not think you ought to produce in the Everglades, in the Grand Canyon, I do not think you ought to drill in ANWR. So enough about that.

If you take a look at where the oil is, on the outer continental shelf in the Gulf of Mexico, off the west coast, off of Alaska, by far the most significant reserves of oil are in the Gulf of Mexico, both the western gulf and the eastern gulf.

The area off of Florida in the eastern gulf ought to be open, in my judgment. But even more interesting are the Cuban waters just south of Florida. Many countries have leases to drill off Cuba's coast, including Spain, Canada, India. China is actually drilling onshore in Cuba, but we expect China to be wanting to drill offshore also. Our oil companies want to drill there. There is estimated to be half a million barrels a day production off Cuba. But we cannot produce there. Our companies cannot go in because we have this embargo with respect to Cuba, and the Bush administration is insistent on tightening the embargo rather than loosening the embargo. So there are

half a million barrels a day of production there that our companies cannot go get.

Now, my colleagues introduced a piece of legislation on the Republican side for additional production, but it does not include producing in the eastern Gulf or off of Cuba. They do not want to produce there. So are they for production? Is that what they are talking about, or is this a big sham? We know they do not want to produce sustainable amounts of renewable energy because they have voted against it. They say they are voting against it because the bill increases taxes.

Let me tell you what it increases. It says to big hedge fund managers that they should invest in renewable energy because the government is going to invest in them over the long-term. By the way, the person who runs hedge funds and made the most income last year made \$3.7 billion. If you are wondering, that is going home to say: Honey, I had a pretty good month, I made \$308 million this month. That is making enough so that 4 minutes of work equals the average working man's salary for an entire year.

By the way, they get to pay a 15-percent income tax rate, which I think is an outrage. But even more than that, they have a game in which they defer a portion of their income tax by moving it offshore.

This legislation shuts that down and thereby raises the money to pay for some of our investment in renewable energy. The other side is upset about that. We are shutting down a tax scam for the wealthiest individuals. It is pretty unbelievable. I don't want to hear any more noise, deep sounds from the chest masquerading as thoughtful symbols from the brain, about production. The fact is, I believe in production. That is one part of addressing the issue. One part of it is producing oil. But a much more important part is renewable energy because we need to change the way we have been doing things.

We are so unbelievably dependent on Saudi oil and oil coming from troubled parts of the world. It makes no sense. We have an enormous appetite for oil. We sink little straws in this planet every single day and suck oil out. We suck out 85 million barrels a day, and we use one-fourth of it in a little place called the United States. Sixty percent of what we use comes from off our shores, much of it from troubled parts of the world, and almost 70 percent of that we use in vehicles.

We need to do a lot of things here, and we need to do a lot of things right to make us less dependent on foreign sources of oil. We need to make our vehicles more efficient, to conserve energy in every single way, to make all of our appliances more efficient. There is so much we have to do right, including produce more renewable energy.

We will have a chance in an hour and 15 minutes to vote once again on funding renewable energy. Most of my col-

leagues voted against it just days ago. I hope they have had some kind of epiphany recently and will decide that was the wrong vote and today they will cast the right vote.

Let me talk for a moment about what people are doing today as they drive up to the gas pump with their vehicles. They are driving their car up to the pump trying to figure out: How much can I afford? I have to stop at the grocery store on the way home. Or: I just bought medicine. How much can I afford to put in the gas tank?

They put whatever they can in that tank. And by the way, the OPEC nations smile all the way to the bank as they deposit our money. The big oil companies smile all the way to the bank as they deposit the rest of our money. But there is no justification for the current price of gas and oil. None. This market system is broken. It doesn't work.

There are three things that are making oil more expensive: No. 1, we have OPEC which is a cartel. That would be illegal in our country. But a bunch of oil ministers get together in a closed room and make judgments as a cartel. No. 2, we have big oil companies—much bigger because they were all given the green light to merge in recent years. They all now have two names—ExxonMobil, ConocoPhillips. They are bigger and stronger.

Finally, what I want to talk about is the issue of the futures market, which is the third piece that is simply broken. The futures market is an unbelievable carnival of speculation. It is supposed to be an orderly market by which people can hedge who are involved in the oil business. Now we have hedge funds, investment banks. We have all kinds of speculators, who will never be interested in ever taking delivery of oil, engaged in the futures market and driving up the price of oil and gas in a way that makes it at least 20 to 30 percent higher priced than a normal supply-demand market would justify.

In every month but one since January of this year, our crude oil stocks have increased. Let me say that again. In every month but one since January of this year, our inventory of crude oil stocks has increased. So supply is increasing.

On the other hand, people are driving slightly less, and there is a decrease in demand. So since January, you have both an increase in supply and a decrease in demand. What has happened to the price of oil and gas? It has gone up like a Roman candle. That means the market is broken.

Let me talk a little bit about what I think is happening in this market. Let me put up a picture of NYMEX. This is where they trade some of these oil commodity stocks. Some of it is what I call dark money, traded on exchanges that are not regulated or over the counter and can't be seen. This is the way it looks.

Let me quote Clarence Cazalot, CEO of Marathon Oil. He said last year:

\$100 oil is not justified by the physical demand in the market.

Stephen Simon, senior vice president of Exxon said:

The price of oil should be about \$50-\$55 a barrel.

Right now oil is flirting with \$140 a barrel.

Let me say, when Exxon is going to the bank with our money to make a deposit, they have to be happy. But they are not using that money to invest in new production. In 2007, they used \$31 billion of profit to buy back their stock and only \$15 billion to invest in new drilling. They used twice as much money to buy back their stock in the stock market as they did to explore for new oil.

From the New Jersey Star Ledger:

Experts, including the former head of Exxon Mobil, say financial speculation in the energy markets has grown so much over the last 30 years it now adds 20 to 30 percent or more to the price of a barrel of oil.

A man named Fidel Gheit, who testified before the Energy Committee, has worked for 30 years with Oppenheimer Company. He is the senior energy person at Oppenheimer. He says:

There is absolutely no shortage of oil. I'm absolutely convinced that oil prices shouldn't be a dime above \$55 a barrel. I call it the world's largest gambling hall . . . It's open 24/7.

Unfortunately, it's totally unregulated. This is like a highway with no cops and no speed limit and everybody is going 120 miles an hour.

With that backdrop, here is what has happened to the amount of speculation in the commodities market. It has gone up, up, and up just exactly like the price of oil and gas.

The question is, should the Congress do nothing about this or should the Congress do something? If the answer is the Congress should do something, then what? My belief is we have a responsibility to do something. Many of my colleagues believe it as well. There is nothing wrong with speculation. Markets often work with speculators. But when speculation becomes excessive, there is something wrong because the market then doesn't work.

Will Rogers described this sort of thing 80 years ago. He described people buying things they will never get from people who never had it and making money on both sides of the transaction. I guess that is all right if the speculation is not doing something that damages the American economy or injures most American consumers. But these are not free markets. There is no free market. I hear all these folks talking about: You have a free market. What you really need is more production. Sink a few wells here and there.

But they are not even genuine about that, as I just described to you. They are not very interested in sinking wells off the coast of Florida, for example. Let me show that chart again. I know why, when the minority party put up their proposal, they didn't want to sink wells in the Eastern Gulf of Mexico,

which offers a significant opportunity. One of their Members, one of their Senators, is concerned about drilling off of Florida, so they leave that off their list. I know why they don't want to suggest that we should be able to drill for oil off of Cuba. Spain has a lease to drill off of Cuba. Canada also has a lease. India has a lease to drill off of Cuba. I know why the minority isn't pushing to allow American companies to drill off of Cuba. President George W. Bush is the one who says we can't do that. So they don't want to talk about subjects that are uncomfortable. They just want to bleat about the issue of "production" from their standpoint.

Production means a number of things. Production means, yes, producing some more oil. The largest assessment in history of the lower 48 States of recoverable oil was made 2 months ago by the U.S. Geological Survey at my request. They studied what is called the Bakken shale in Montana and North Dakota. There is dramatic new drilling and a lot of additional production there right now. They concluded that 3.6 to 4.3 billion barrels of recoverable oil, using today's technology, exists. I support drilling in the Bakken. We are drilling. We have some 70 to 80 drilling rigs active in the Bakken shale right now. But we are going to vote at 5:30 on another question of production. Then I want to see who comes to the floor to talk about production in the future.

Do they really want to produce enough renewable energy to help us reduce our dependence on Saudi Arabia and Kuwait and Iraq and Venezuela? I hope so.

We have to get over this notion that the only kind of production that matters is sinking a well someplace. We could produce, and have been producing, billions of gallons of fuel for vehicles in farm fields. We are now up very close to 9 billion gallons, and we are headed much higher than that. We also can produce substantial electricity from wind, except that when we try to do anything other than increase the production tax credit by 12 months, the other side objects. Again, whether it is a production tax credit for wind or solar energy or other renewable energy sources, this Congress and this country ought to not just talk about 12 months. We ought to say: Here is where America is headed. We understand this is a serious problem. We believe we are going to produce substantial amounts of renewable energy. Other countries have done it.

Brazil is an example. We are going to do this in a way that allows all of us to understand we must be less dependent on foreign sources of oil.

We can do that. We went to the Moon in 9 years. Do you think we can't find a way to be less dependent on foreign oil? I believe we can. But we can't do it, if at 5:30 today the minority still objects to having hedge fund managers who make billions pay their fair share of taxes and objects to what we would

use that money to pay for, and that is extending the renewable energy tax credits so that we become less dependent on foreign oil and produce more energy from renewable forms of energy. That is just a fact.

At 5:30 today we will have plenty of opportunity to see who really supports additional production. I hope, on a bipartisan basis, we might be joined by the minority and see if we can't put this country on a track to produce much more energy from renewable sources.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

TRADE POLICY

Mr. BROWN. Mr. President, the goal of trade policy is to lift up workers at home and abroad. Americans support trade, plenty of it, but trade that allows small businesses and manufacturers to thrive. Wrong-headed trade pacts following the failed NAFTA model have too often betrayed middle-class families from Lima to Zaynesville, from New York to California, and destroyed communities in rural and urban areas. In my State, more than 200,000 manufacturing jobs have disappeared since 2001. Many of them, most of them, have gone overseas. Across the country, more than 3 million manufacturing jobs since President Bush took the oath of office have been eliminated. Trade policy hurts communities such as Ashtebula and Middletown, Toledo and Findlay, and Mansfield and Tiffin. That is why voters in Ohio have sent a message loudly and clearly demanding a new direction, a very different direction for our Nation's trade policy.

Over the last 8 years, we have had, at best, a fractured approach to trade. In the last 2 years, since voters elected candidates who support smart, fair trade—not this orthodox free trade which clearly has not worked—Congress has reasserted itself in trade policymaking with some—I underscore "some"—improvements to proposed deals with Peru, Panama, Colombia, and South Korea. We have also chosen on behalf of workers not to grant President Bush a renewal of fast track, of trade promotion authority so the President can continue his failed trade policy.

The American public said no in 2006. This Congress—the Senate and across the building in the House—said no to this continued failed trade policy. Yet these improvements we have made have not rebuilt a consensus on good trade policy. We have opposed bad trade policy. We need to build a consensus on a different direction.

Now more than ever Americans reject the current model. It is time to learn from our mistakes, to make plans to fix them in future agreements. The Trade Reform, Accountability, Development, and Employment Act—the TRADE Act—which Senator DORGAN, Senator FEINGOLD, Senator CASEY, Senator WHITEHOUSE, and I introduced this month—is a step toward that change.

This legislation serves as a template for how to craft a trade agreement that works for workers, for business owners, for our neighborhoods, for our communities, and for our country.

This legislation mandates a Government Accountability Office review of existing trade agreements and will require the President to submit renegotiation plans for those agreements before negotiating any new agreements—basically a timeout before we pass more of these NAFTA-style, NAFTA-modeled trade agreements.

The TRADE Act will create a committee comprised of House and Senate leaders who will review the President's plan for renegotiation. The bill spells out standards for future trade agreements and will protect developing nations from exploitation by drug companies, energy companies, and financial institutions.

The TRADE Act also sets out criteria for a new negotiating process—one that would do away with the fundamentally flawed fast-track trade promotion process and return power to Congress, which is what our Constitution says, when considering our Nation's trade pacts.

No more charging the President, if you will, with negotiating these trade agreements behind closed doors, with lobbyists for financial interests and banks and insurance companies and oil companies and pharmaceutical companies standing outside the door, passing notes to these trade negotiators.

We take for granted our clean air, safe food, and safe drinking water. But these blessings are not by chance. They result from rules and laws about wages, about health, about the environment. Flawed trade policy, as we now know, accelerates the importation of toxic toys, contaminated toothpaste, and poisonous pet food—ingredients that kill people in drugs such as heparin.

It does not have to be this way. We have a choice. We can continue a race to the bottom in wages, worker safety, and environmental and health standards. We know what that race to the bottom means. It means lost manufacturing jobs. It means the stagnation of wages. It means importing toxic toys from China. It means importing the ingredients that come to us in heparin and other drugs that have literally killed Americans. Or we can use trade agreements to lift up standards abroad and in this country—not threaten workers and consumers.

We can continue down the path of the failed NAFTA model or we can negotiate trade agreements that result in the creation of manufacturing jobs, increased wages, and a reduction of the trade deficit by providing fair and transparent market access.

We can use our trade laws as a chit in negotiations or we can preserve the ability of the United States to enforce domestic trade laws to address the negative impacts of currency manipulation, financial instability, and high debt burdens on U.S. trade relationships.

We can continue to use trade deals to lock in—to lock in—protections for Wall Street, the drug companies, and the oil companies or we can create a predictable structure for international trade without providing corporations with overreaching privileges and rights of private enforcement that undermine our laws.

Middle-class families, American manufacturers, farmers, and community leaders across this country know we need a very different direction in trade. The TRADE Act is supported by more than a dozen labor unions, both the AFL-CIO and Change to Win. It is supported by the Sierra Club, the National Farmers Union, and the National Family Farm Coalition.

We know a different direction in trade policy in this country is supported by a coalition of religious leaders, human rights activists, advocates for children and families, environmental groups, family farm groups, and labor groups.

I am going to ask my leadership and my caucus to work with me on this legislation. I look forward to working with my allies on the other side of the aisle to work with me in restoring our trade policy—fair trade, smart trade, a very different direction for our country.

THE ENERGY INDEPENDENCE AND TAX RELIEF ACT OF 2008

Mr. CARDIN. Mr. President. I must say I am puzzled why a Republican minority voted last week to prevent the Senate from even proceeding to the consideration of a bill—H.R. 6049, the Energy Independence and Tax Relief Act of 2008—designed to bring down sky-high oil and gasoline prices, promote clean and renewable energy, create good jobs here in America, and put our Nation on a path to energy security. I am equally puzzled at the opposition to the provisions being paid for by closing a tax loophole on offshore income made by hedge fund managers. The American people need our help and we have a bill that would provide much needed relief to American families and yet we can't even get enough votes to legislate on the bill.

The price of crude oil on the spot market is approaching \$140 per barrel, nearly double the price of 1 year ago. When President Bush took office, a gallon of regular gas cost \$1.46 and a gallon of diesel fuel cost \$1.53. Today, those prices are at all-time highs, with regular gas costing \$4.02 per gallon and diesel fuel costing \$4.77 per gallon. A new poll indicates that 60 percent of Americans are reducing spending on other priorities because of rising gas prices. One-half of all households with incomes below \$20,000 say they face severe hardships because of soaring gas prices. Clearly, the status quo is intolerable, but the minority won't even let the Senate consider bills to address these problems, much less pass them. As I said, I find that puzzling. Gen-

erally speaking, the legislative process works best when we are actually legislating.

Last week, the Senate fell 10 votes short of invoking cloture on the motion to proceed to H.R. 6049. I am pleased to see that we are going to try again to invoke cloture; I hope we prevail this time. In addition to promoting our Nation's energy security, this bill provides critical tax relief for families and businesses, which is why I am a cosponsor of substitute amendment Senator BAUCUS hopes to offer to this bill if we can get to it.

The Energy Independence and Tax Relief Act of 2008 provides approximately \$18 billion in tax incentives for investment in renewable energy, energy efficiency and conservation, carbon capture and sequestration demonstration projects. One provision of the bill specifically authorizes \$2 billion for new clean renewable energy bonds. These bonds are essential in helping finance facilities that generate electricity from alternative resources like: wind, small irrigation, geothermal, hydropower, and landfill gas or trash combustion facilities.

The bill also provides tax credits for renewable energy production, solar energy and fuel cell investment and tax credits for energy-efficient commercial buildings. Buildings account for over one-third of America's consumption, 49 percent of sulfur dioxide emissions, 25 percent of nitrous oxide emissions, and 10 percent of particulate emissions, all of which damage urban air quality. They also produce 38 percent of the country's carbon dioxide emissions—the chief pollutant blamed for climate change. By changing the way buildings operate, we can change our "carbon footprint" on the Earth.

In addition to helping companies explore the use of alternative fuels and energy saving products, we must also act individually. Recognizing this, Senator BAUCUS's legislation also provides incentives for individual taxpayers. The bill incorporates tax credits for energy efficient appliances in homes and energy efficient improvements to existing and new homes. If just 1 in 10 homes used ENERGY STAR-qualified appliances, a joint program between the U.S. Environmental Protection Agency and the U.S. Department of Energy, the effect would be like planting 1.7 million new acres of trees. Additionally, by making homes more energy efficient, we generate less air pollution and reduce high energy bills. Most of the energy used in our homes often comes from the burning of fossil fuels at powerplants, which contributes to acid rain and smog. By improving your home, whether by the appliances you choose or energy efficient remodeling, you take an important step forward in protecting the environment.

The bottom line is that we have to conserve oil by using it more efficiently, and we have to find domestic alternatives to oil. The benefit of doing that, in addition to bolstering national