

You might say: Why in the world? If the Federal Government is going to guarantee a bond issue, that has a certain cost to it. It does. But this is how it saves the Federal Government money: Because at the end of the day, when the natural disaster strikes, guess who is going to pay for it. It is going to be the Federal Government. So if a large part of those payments has already been provided by private insurance, because we have enabled that through this catastrophe reinsurance fund, then that means that is an additional cost the Federal Government will not have to bear.

I remind the Senate that after Katrina struck New Orleans, that total tab is somewhere in the neighborhood of \$200 billion, and the Federal Government's share of that is well north of \$100 billion, or over half of the total cost. When the category 4 or 5 hurricane hits an urbanized part of the coast—be it in any one of our States—it is clearly going to be a major economic loss, of which the Federal Government is going to come in. If a lot of those damages have already been paid by private insurance, enabled by these reinsurance funds set up by the State governments—enabled because they have a Federal guarantee on the loans—then it ends up being a win-win situation.

Because my colleague from Tennessee is in the Chamber, I hasten to add that, of course, catastrophes are not just hurricanes, but some of the worse catastrophes that could happen are, in fact, earthquakes. An 8-point plus on the Richter scale earthquake, centered on a major metropolitan area, such as San Francisco or Memphis, TN, would be a cost well in excess of insurance losses, well in excess of between \$50 and \$100 billion.

This is a rational way through the private sector marketplace to approach that problem, and I commend to the Senate this bill that I introduce today, the Catastrophe Obligation Guarantee Act. I ask the Senate to favorably consider it.

Mr. President, I ask unanimous consent to have a Catastrophe Obligation Guarantee Act fact sheet printed in the RECORD.

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

COGA FACT SHEET: THE CATASTROPHE
OBLIGATION GUARANTEE ACT
WHY IT IS NEEDED

Many states have catastrophic natural disaster risk so large that the private markets simply can't insure it.

Residential property insurance is vital to post-disaster recovery, because it protects people's most valuable asset—their homes. But in the private insurance market, catastrophe coverage is often very expensive or simply unavailable—this can rob community recovery of much-needed resources.

To bridge this affordability/availability gap, California, Florida, Louisiana, and Texas have created public insurance or reinsurance programs.

These programs need substantial post-catastrophe capital to pay their claims, but for

public entities, the only available form of external capital is debt capital.

Sadly, in severely disrupted credit markets such as those that prevail today, even credit-worthy public entities can't raise enough debt capital to fully meet program needs.

The new COGA approach—Established programs in California, Florida, Louisiana, and Texas have a continuing common need for reliable, adequate private financing. They have come together to advance an innovative approach: Federal guarantees of the State programs' post-event debt. COGA will provide these State programs, and any other qualifying State program, with dramatically enhanced debt-market access, across all market conditions, at much lower borrowing costs.

WHAT IT DOES

COGA would authorize (at pre-set levels) Federal guarantees of State-program debt incurred to pay insured losses from major natural catastrophes.

COGA does not furnish Federal funds to State programs and does not make the Federal government a reinsurer of catastrophe risk.

Upon application by a qualifying State program, the Treasury provides a 3-year COGA guarantee commitment—this gives the State program vital certainty in planning its claim-paying capacity. States reconfirm their qualifications each year.

The guarantee is not actually issued until after an event (when a State program would go into the debt markets), and then solely to obtain funds to pay and adjust losses it cannot otherwise cover with existing resources.

To be eligible, State catastrophe programs must meet stringent criteria, including:

Public purpose and organization, including tax-exempt status, and a board composed of or appointed by public officials.

Proven ability to repay, and an actuarially sound rate structure.

States must have robust building codes and recognize loss-mitigation measures.

WHAT IT WILL COST AND WHAT IT WILL SAVE

Guarantees are only for public organizations with proven ability to repay their obligations.

Under COGA, the Federal government would make payments only in rare circumstances—it is a debt guarantee, not a direct loan. Guarantee fees cover COGA's administrative costs.

States without effective programs will want to form them—COGA-supported post-event funding will provide broad, sensible incentives to qualified State programs.

The COGA guarantees will save Federal dollars: When more people are covered by State catastrophe insurance, the Federal Government's post-event burden is greatly reduced.

Mr. ALEXANDER. Mr. President, I congratulate the Senator from Florida on his comments. He is exactly right, there is a major fault along the Mississippi River near Memphis, TN. There was a massive earthquake in the early 1800s that created Reelfoot Lake. The earthquake was so profound that the Mississippi River actually ran upstream in order to do that. One eyewitness to that was Davy Crockett, who was on a bear hunt that winter up in northwest Tennessee. He wrote about it in his autobiography which was intended to be his Presidential campaign autobiography. It never quite worked out. But we take it very seriously.

The University of Memphis has a center dealing with earthquakes. We will

be very interested in his proposal. I was glad to have a chance to hear about it.

NUCLEAR ENERGY

Mr. ALEXANDER. Mr. President, do you remember a few years ago when our Congress got mad at France and banned French fries in the House of Representatives cafeteria? We Americans have always had a love-hate relationship with the French, which is why it was so galling last month when the Democratic Congress passed a budget with such big deficits that it makes the United States literally ineligible to join France in the European Union.

Of course, we do not want to be in the European Union. We are the United States of America. But French deficits are lower than ours, and their President has been running around sounding like a Republican, lecturing our President about spending too much.

Now the debate in Congress is shifting to the size of your electric and gasoline bills and to climate change. So guess who has one of the lowest electric rates in Western Europe and the second lowest carbon emissions in the entire European Union. It is France again.

What is more, they are doing it with a technology we invented and have been reluctant to use: nuclear power.

Thirty years ago, the contrary French became reliant on nuclear power when others would not. Today, nuclear plants provide 80 percent of their electricity. They even sell electricity to Germany, whose politicians built windmills and solar panels and promised not to build nuclear plants, which was exactly the attitude in the United States between 1979 and 2008, when not one new nuclear plant was built. Still, nuclear, which provides only 20 percent of all U.S. electricity, provides 70 percent of our pollution-free electricity. So you would think that if Democrats want to talk about energy and climate change and clean air, they would put American-made nuclear power front and center. Instead, their answer is billions in subsidies for renewable energy from the Sun, the wind, and the Earth.

Well, we Republicans like renewable energy too. We proposed a new Manhattan Project, for example, like the one in World War II, to find ways to make solar power cost competitive and to improve advanced biofuels from crops that we do not eat. But today, renewable electricity from the Sun, the wind, and the Earth provides only about 1.5 percent of America's electricity. Double it and triple it, and we still do not have very much. So there is potentially a dangerous energy gap between the renewable energy we want and the reliable energy we need.

To close that gap, Republicans say start with conservation and efficiency. We have so much electricity at night, for example, we could electrify half our cars and trucks by plugging them in

while we sleep without building one new powerplant. On that Republicans and Democrats agree. But when it comes to producing more energy, we disagree.

When Republicans say build 100 new nuclear powerplants during the next 20 years, Democrats say, well, there is no place to put the used nuclear fuel.

We say, recycle the fuel—the way France does. They say, no, we cannot.

We say, how about another Manhattan Project to remove carbon from coal plant emissions? Imaginary, they say.

We say, for a bridge to a clean energy future, find more natural gas and oil offshore. Farmers, homeowners, and factories must have natural gas, and the oil we will still need should be ours instead of sending billions of dollars overseas.

They can't wait to put another ban on offshore drilling.

We say incentives.

They say mandates.

We say keep prices down.

Democrats say put a big, new national sales tax on electric bills and gasoline.

We both want a clean energy future, but here is the real difference: Republicans want to find more American energy and use less. Democrats want to use less, and they don't want to find much more.

They talk about President Kennedy sending a man to the Moon. Their energy proposals wouldn't get America halfway to the Moon.

We Republicans didn't like it when Democrats passed a budget that gave the French bragging rights on deficits, so we are not about to let the French also outdo us on electric and gasoline bills, clean air, and climate change.

We say find more American energy and use less—energy that is as clean as possible, as reliable as possible, and at as low a cost as possible, and one place to start is with 100 new nuclear powerplants.

Mr. President, I wish to ask unanimous consent that following my remarks an article from the Washington Post and an article from the Maryville ALCOA Daily Times be printed in the RECORD, which I will describe for a moment.

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

(See exhibit 1.)

Mr. ALEXANDER. Mr. President, the article from the Washington Post is written by James Schlesinger and Robert L. Hirsch. James Schlesinger was the first Secretary of Energy, and he established the National Renewable Energy Laboratory. Robert Hirsch is a senior energy adviser today, and he managed the Federal renewable programs. Their article is entitled "Getting Real on Wind and Solar."

Here is the last paragraph of the article I am including:

The United States will need an array of electric power production options to meet its needs in the years ahead. Solar and wind will have their place, as will other renewables.

Realistically, however, solar and wind will probably only provide a modest percentage of future U.S. power. Some serious realism in energy planning is needed, preferably from analysts who are not backing one horse or another.

The other article from the Maryville ALCOA Daily Times on April 27—today—is from my hometown. This is my hometown newspaper, and it is about a plant that means a lot to me. It is an ALCOA plant—the Aluminum Company of America plant. My father worked at the south plant until he retired. I went to school on an ALCOA scholarship. During World Wars I and II, there were as many as 12,000 and 13,000 people in our east Tennessee area who worked at ALCOA with good wages. It changed the lives of three generations of families who lived there. It would have been impossible for us to have the good schools, the good jobs, the good communities we have had without the good wages paid by the Aluminum Company of America.

Here is the headline: "ALCOA hopes new power contract will bring smelting restart."

Ninety-five years after ALCOA Tennessee Operations fired up its first potline—

That is to make aluminum—

and seven weeks after the company shut down its last potline, the question remains: Will aluminum ingots ever roll out of the south plant again?

What will make the difference for these ALCOA plants that have provided good wages and good jobs to thousands of families in Tennessee? The price of electricity.

The newspaper says:

The deal that ALCOA is looking for is a long-range power contract with the Tennessee Valley Authority that will allow the Tennessee smelting operations to be cost competitive when metal prices rebound.

When we talk about electricity, the only cost some people talk about is driving up the cost so we will use less of it. That is the idea of a carbon tax. That is the idea of driving up the price of gasoline so people will buy less of it. But if we drive up the price of electricity in Tennessee—if TVA raises its prices to ALCOA—that plant will never reopen again and those hundreds or even thousands of jobs will never come back again.

I was visited recently by a number of big companies in Tennessee that are concerned about the price of Tennessee Valley Authority electricity. They say they may not be able to stay there unless it gets more competitive. Residential rates are relatively low—average to low—but rates for companies are not low. Ironically, we are celebrating in Tennessee the arrival of two big new industries which make polysilicon, which is the material that goes into the solar panels that you put on the top of your house. Those two new plants, one of which will go in Clarksville, TN, and one of which will go in Cleveland, will each use about 120 megawatts of power when they open. From the beginning, they will be

among the largest customers of the Tennessee Valley Authority for electricity. They will be using, as I said, 240 megawatts of low-cost, reliable electricity produced by coal, nuclear, and hydropower in our region. They could not rely on the one wind farm that exists in the Southeastern United States, which is in Tennessee and which only produces 5 megawatts of unreliable, expensive power—because the wind blows much of the time at night, when TVA already has 7,000 megawatts of extra power. So the solar plants that we need for the renewable energy of the future will have to rely today on coal, nuclear, and natural gas.

It is important, as we debate the so-called renewable electricity standard, as we talk about climate change and clean energy—and I have had legislation on those subjects every congress that I have been a Senator—to realize that cost is important if we don't want to keep jobs from going overseas and if we want people to be able to afford their electric bills. I mentioned that TVA's electric rates are average to low, but last December, 10 percent of the electricity customers of the Nashville Electric Service said they couldn't afford to pay their bills. When we come down here and start talking about proposals that are going to drive up the cost, and when we say we are going to deliberately drive up the cost, I think that is the wrong policy.

We are an inventive country. We can conserve. We can double the number of nuclear powerplants we have. We can double the energy research that we are doing on solar and other renewable energies, and we can do it with the objective of having low-cost electricity. That is the way to keep our jobs. That is the way to avoid poverty. That is the way to produce the largest amount of clean electricity for the future. We need a bridge to a clean energy future. Yes, of course, that includes renewable energy, but it is only 1.5 percent of what we have today. So to talk about driving the price up and relying on a national windmill policy, for example, to drive this big productive country is unrealistic.

I thank the President, and I yield the floor.

EXHIBIT 1

[From the Washington Post, Apr. 24, 2009]

GETTING REAL ON WIND AND SOLAR

(By James Schlesinger and Robert L. Hirsch)

Why are we ignoring things we know? We know that the sun doesn't always shine and that the wind doesn't always blow. That means that solar cells and wind energy systems don't always provide electric power. Nevertheless, solar and wind energy seem to have captured the public's support as potentially being the primary or total answer to our electric power needs.

Solar cells and wind turbines are appealing because they are "renewables" with promising implications and because they emit no carbon dioxide during operation, which is certainly a plus. But because both are intermittent electric power generators, they cannot produce electricity "on demand," something that the public requires. We expect the

lights to go on when we flip a switch, and we do not expect our computers to shut down as nature dictates.

Solar and wind electricity are available only part of the time that consumers demand power. Solar cells produce no electric power at night, and clouds greatly reduce their output. The wind doesn't blow at a constant rate, and sometimes it does not blow at all.

If large-scale electric energy storage were viable, solar and wind intermittency would be less of a problem. However, large-scale electric energy storage is possible only in the few locations where there are hydroelectric dams. But when we use hydroelectric dams for electric energy storage, we reduce their electric power output, which would otherwise have been used by consumers. In other words, we suffer a loss to gain power on demand from wind and solar.

At locations without such hydroelectric dams, which is most places, solar and wind electricity systems must be backed up 100 percent by other forms of generation to ensure against blackouts. In today's world, that backup power can only come from fossil fuels.

Because of this need for full fossil fuel backup, the public will pay a large premium for solar and wind—paying once for the solar and wind system (made financially feasible through substantial subsidies) and again for the fossil fuel system, which must be kept running at a low level at all times to be able to quickly ramp up in cases of sudden declines in sunshine and wind. Thus, the total cost of such a system includes the cost of the solar and wind machines, their subsidies, and the cost of the full backup power system running in "spinning reserve."

Finally, since solar and wind conditions are most favorable in the Southwest and the center of the country, costly transmission lines will be needed to move that lower-cost solar and wind energy to population centers on the coasts. There must be considerable redundancy in those new transmission lines to guard against damage due to natural disasters and terrorism, leading to considerable additional costs.

The climate change benefits that accrue from solar and wind power with 100 percent fossil fuel backup are associated with the fossil fuels not used at the standby power plants. Because solar and wind have the capacity to deliver only 30 to 40 percent of their full power ratings in even the best locations, they provide a carbon dioxide reduction of less than 30 to 40 percent, considering the fossil fuels needed for the "spinning reserve." That's far less than the 100 percent that many people believe, and it all comes with a high cost premium.

The United States will need an array of electric power production options to meet its needs in the years ahead. Solar and wind will have their places, as will other renewables. Realistically, however, solar and wind will probably only provide a modest percentage of future U.S. power. Some serious realism in energy planning is needed, preferably from analysts who are not backing one horse or another.

[From the Daily Times]

ALCOA HOPES NEW POWER CONTRACT WILL BRING SMELTING RESTART

(By Robert Norris)

Ninety-five years after ALCOA Tennessee Operations fired up its first potline and seven weeks after the company shut down its last, the question remains: Will aluminum ingots ever roll out of the South Plant again?

"For some, the question is not so relevant anymore. After the announcement that the

plant was being closed, more than 130 ALCOA employees accepted the company's severance package. Others were laid off—245 hourly workers and 80 of the salaried workforce.

The London Metal Exchange price for aluminum is half what it was one year ago, so prospects for any immediate change is nil. The demand for the 1.3 million pounds of molten metal that the smelting plant can produce does not exist in the current marketplace.

Still, leadership at the company is hopeful that when the economy rebounds, Tennessee Smelting Operations will be in a position to be restarted.

"We're in the standard, ready position," said Brett McBrayer Tennessee Primary Metals location manager. "The employees have done such an incredible job of preparing the plant to have it in as much a ready state as possible."

Cranes are being moved up and down to keep them operational, and preventive maintenance is being done so the plant will be prepared if and when the call comes to restart.

"I can't say enough about the employees. The way they faced the tough call and the way they responded says a lot about the character of the employees in this region. That drives me even harder in discussions with TVA to get a deal done," McBrayer said.

The deal McBrayer is looking for is a long-range power contract with the Tennessee Valley Authority—the current contract expires next year—that will allow Tennessee Smelting Operations to be cost competitive when metal prices rebound. That has happened at ALCOA smelting plants in other regions where the company has negotiated more flexible prices with electricity suppliers.

"We've been in discussions with TVA for quite some time. It always seems more complicated than it needs to be, but there are a lot of issues," McBrayer said. "The sooner we get a deal done, the stronger candidate we'll be for a restart. The longer negotiations drag out, it seems to become harder. An agreement can't happen soon enough."

TVA issued a statement indicating its desire to reach an equitable agreement with the aluminum company.

"ALCOA has long been a valued customer of TVA's and we are working diligently to reach agreement on a long-term power contract for the future. While these contract negotiations are confidential, we are working to reach an agreement that will allow ALCOA to operate its Tennessee facility while, at the same time, not disadvantaging other Valley ratepayers," said Jim Allen, a TVA spokesman.

Brickey Beasley, president of United Steelworkers Local 309, said he looks forward to the day the South Plant Smelting Operations reopens and also in maintaining the North Plant rolling mill. The Tapoco Division of ALCOA—the four-dam hydroelectric project on the Little Tennessee and Cheoah rivers—should give Tennessee Operations an edge over other locations, according to Beasley.

We hope that TVA can help out some and the economy can help some," Beasley said. "We've got a great workforce that's idle right now."

McBrayer, who is chairman of the Tennessee chamber of Commerce and Industry Board of Directors, said the impact of the shutdown goes beyond the employees immediately affected.

"Being from Blount county and this are a—recognizing the impact on East Tennessee—there's more than just the families impacted from the layoff. The impact multiplies exponentially," Beasley said.

"Hopefully, when we obtain the power contract, it will just be a matter of waiting for the market to pick up again. The good thing about aluminum is that it is used in more and more applications. It's going to be around for a long time."

GUANTANAMO BAY

Mr. JOHANNES. Mr. President, I rise to speak about the detainment facilities at Guantanamo Bay Naval Base.

At the end of January of this year, the President signed an Executive order indicating his intention to close Guantanamo. Unfortunately, the Executive order was very short on detail. We do know the Justice Department is reviewing the cases of individual detainees. We know the President would like to move these detainees somewhere else. Unfortunately, 3 months after the release of the Executive order, that is about what we know today.

If the President still plans to close Guantanamo Bay within a year, the clock is ticking, and we only have 9 months until the deadline laid out in the Executive order. Indeed, the President's supplemental request for Iraq and Afghanistan includes \$80 million to close Guantanamo. We know that \$30 million would go to the Justice Department to shut down the facilities, review detainee procedures, and to fund future litigation. The other \$50 million would go to the Department of Defense, primarily to support the transfer of the detainees and the associated personnel. However, we do not know—and neither does anyone else within the administration or outside it—where the detainees would go. I am troubled by this insubstantial approach and what appears to be a haphazard approach. This is a matter vital for national security.

Memories have dimmed and we forget the days surrounding September 11. We remember the day itself quite well—the shock in the morning—but we seem to forget the resolve that came after that. The resolve was born of our understanding that there was a global network of violent extremists with substantial international support dedicated to attacking the United States and its allies. Make no mistake about it, these terrorists are highly dangerous. By now, most Americans are probably familiar with the name Khalid Shaikh Mohammed. He is a Guantanamo resident. Before his capture in 2003 and later transfer to Guantanamo, he was one of al-Qaida's top agents and mastermind behind the September 11 attacks. I believe this man belongs in Guantanamo. With his contacts and his terrorist expertise, he would be a menace to the United States and its allies should he ever be set free.

But he is only the operational face of this contagion. Also in custody at Guantanamo is Ramzi Bin al-Shibh, a lead operative in the September 11 plot. This terrorist could not obtain a U.S. visa to get into this country. That