

the spending binge and soaring debt that have occurred under this administration and this Congress. In the last year and a half, there has been trillions in new spending, program after program, bailout after bailout. We are about to see another one.

Every time I return home to Arizona from Washington, my constituents remind me of their frustration with Washington's lack of restraint. They know the reckless spending and borrowing cannot go on forever. They are worried about how their kids and their grandkids will pay for all of President Obama's spending priorities and associated debt.

Now, \$260 of new debt has been added to each household every week of the Obama administration. Let me repeat. For every week of this administration, every household has another \$260 of debt. Our national debt has now reached \$13 trillion, much of which is held by countries such as China. More than \$1 trillion has been added to the debt since the majority adopted legislation they called pay-go. These are so-called budget controls which require Congress to pay for what it spends. But, unfortunately for the taxpayers, the emergency designations and other budget gimmicks have been a convenient way for the majority to circumvent these pay-go rules.

Now the President is asking for some more money to spend for yet another bailout. This time it is \$23 billion for teachers' salaries and a total of \$50 billion to defray the cost of State employees' and local employees' salaries. No guarantee that the funding would be used in the case of the teachers necessarily to save jobs, or firefighters, the same. And this comes just 16 months after Congress poured \$100 billion for education into the so-called stimulus legislation, including \$48 billion in direct aid to the States. As for total Federal education spending, it has doubled since the year 2000 to 15 percent of the Federal budget now—not an inconsequential amount.

Besides more spending and debt, I see the continuation of two troubling patterns here. One is the refusal of this administration and the majority in this Congress to encourage State and local governments to economize to live within their means, just as families and private sector businesses must do. The President's latest proposal for this \$50 billion in so-called emergency funding simply bails the States out, the State and local governments that have obligations to their employees.

With regard to education, the Education Secretary, Arne Duncan, says the \$23 billion for teachers is an emergency. But, as George Will pointed out in a recent column, the private sector has lost 8.5 million jobs during the recession or 7.4 percent of workers, while local governments have only lost 141,000 workers or less than 1 percent of their workers. Will writes, "Now this supposed emergency, and states' dependency, may be becoming routine

and perpetual." In other words, the Federal Government just becomes the payor for the salaries of people who work for State and local governments.

Spending \$23 billion is not going to help unemployed private sector workers find jobs; it may actually hurt them. And spending billions of stimulus dollars on State and local governments hasn't helped them to solve their financial problems thus far. How will spending billions remedy their underlying budget problems? It is just a temporary reprieve. But if they don't do anything to address the underlying cause of the problem, we will not have helped them at all.

Education spending has not been neglected during the recession, and at some point local governments have to figure out a way to make do with what they have. The debt and out-of-control spending are the real emergencies we should be dealing with.

The second pattern I would like to note is the administration's habit of supporting legislation that designates winners and losers, especially when it comes to labor unions. They were the beneficiaries of \$85 billion in bailouts to the car companies and special tax treatment of the President's health spending law. Teachers unions are the winners if the President convinces Congress to spend another \$23 billion on teacher salaries. This is not the kind of change Americans had in mind when President Obama took office; that is, political allies getting special status and treatment.

President Obama pays lip service to fiscal responsibility but does so as long as his own priorities do not have to be put on hold; otherwise, he would not talk in the same breath about fiscal restraint on the one hand and another \$50 billion in Federal taxpayer money or borrowing from other countries in order to pay teachers' salaries, firefighters' salaries, and the like. At some point, I believe the President will have to match his rhetoric with action; otherwise, the United States will not be able to avoid unprecedented budgetary and economic crises. Is this really the legacy this administration and this Congress want to leave behind? I think not.

I think when I go home this week and I visit with constituents of mine, including another tea party group, I am going to hear an earful about how they thought Washington was beginning to get the message that we were not supposed to spend so much money we did not have; that they are tired of us going to borrow money from other countries such as China and putting it on the credit card for our kids and our grandkids to pay. I think I am going to have to tell them: Well, I thought folks were beginning to get the message, but now, with the President's new request, it appears we are going to have to deal with the problem again.

I hope that when the President's proposed legislation comes to the Congress, we are able to say to him: No,

not this time, just as we are with the legislation that is on the floor of the Senate this week, the so-called emergency that continues certain tax policies in force, extends certain benefits such as unemployment insurance, but does a lot of other things that are not paid for, that are not offset by cuts in other spending.

I don't think we can continue to just keep piling on more and more spending without finding a way to offset it with savings elsewhere. It is not as if those savings can't be found, but we will never get there if we decide to take on the obligations of State and local governments to pay for all of the governmental workers who are on their payrolls. We have to start looking at the private sector and how to encourage the private sector to begin to put more of their folks back to work instead of taking money out of the private sector in order to keep these government workers employed.

I hope my colleagues will take the message I have heard loudly and clearly from home to heart and begin to apply some fiscal discipline to the spending policies this administration is proposing and will for once say: No, we can't afford this, and so we are not going to spend the money.

I yield the floor, and I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

Mr. INHOFE. 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. INHOFE. Mr. President, I ask unanimous consent that I be allowed to speak in morning business for such time as I consume.

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

CAP-AND-TRADE

Mr. INHOFE. Mr. President, today I wish to speak on where I think this climate change debate is headed after last Thursday's vote on the Murkowski resolution. We got a very clear signal in today's Politico, which reported that President Obama, in his Oval Office address tomorrow night, will seek, as a part of the response to the BP oil spill, to "put a price on carbon."

Let's keep in mind what "a price on carbon" is. That is a tax, a carbon tax, or what we call cap and trade. Quite often people have said: Well, if those individuals really want to charge for carbon, want to stop this economy, why don't they just put a carbon tax on it? The reason they do not is then people would know how much it is costing them. As it is now, with cap and trade, they would not.

But again, he is going to have an Oval Office address. I think this will be

the first talk he will give from the Oval Office since he has been President. Of course, that is Washington-speak for cap and trade—a price on carbon.

This is remarkable. Here we have the most significant environmental disaster in our Nation's history, and the President decides now is the time for cap and trade—a massive new energy tax paid for by consumers, working families, farmers, and small businesses; a massive new energy tax that will destroy millions of jobs, in good measure by sending many of them to places such as China and India; a massive new energy tax that will make a gallon of gas more expensive; and a massive new energy tax that will not do anything to stop global warming but will increase the size of government and give more money to politicians to spend. Just how that will contain the oilspill, mitigate the environmental damage, or help those immediately affected by it remains a mystery. Put simply, it will not do any of those things, but it will damage the economy and make it harder to deal with this crisis.

We have a serious incident on our hands. People died, people's economic livelihoods are at stake, and the environment is being harmed. But instead of Presidential leadership and clear direction, we are getting pure partisan politics. One glaring example is President Obama's moratorium on deep-water drilling—something environmental groups have been seeking for many years. This is an exercise in overreaching that will do far more harm than good. The Louisiana Department of Economic Development estimates that the President's moratorium would kill 3,000 to 6,000 jobs in the next few weeks and over 10,000 Louisiana jobs in the next few months. More than 20,000 jobs are at risk in the next 12 months. That is one example of just pure politics.

Today, in a letter to supporters—we just got this, Mr. President; you may not be aware of this—this is a letter that went out today to Obama supporters all across the Nation, and it says: We are going to have a big meeting at the White House, and we are going to talk about moving forward on legislation to promote a new economy powered by green jobs, combating climate change, and ending our dependence on foreign oil.

Down further in the letter, he says that the House of Representatives has already passed comprehensive energy legislation. Let's remember what that was. That was the Waxman-Markey bill. That was a cap-and-trade bill—one that was very expensive. He says there is currently a plan in the Senate to do the same thing. That is the Kerry-Lieberman bill he is talking about and we are going to talk about.

So the whole idea of this meeting—and I understand the speech that is going to take place tomorrow night is to try to promote an agenda, a very liberal agenda, an agenda that has been rejected. Cap and trade has been re-

jected by this legislative body since the Kyoto Treaty. That was way back in the late 1990s. Then, of course, the 2003 and 2005 bills by McCain and Lieberman that have been cap-and-trade bills were rejected and every one of them since then, including the Warner-Lieberman bill and the other bills we have had. The interesting thing is, every time a cap-and-trade bill comes up here, it is defeated by a larger margin. That is why I have been saying cap and trade is something that is dead in the Senate.

Instead of Presidential leadership, we are getting rhetoric of the worst kind. A case in point came last week. We heard that the Murkowski resolution is a "big oil bailout" that will allow oil companies such as BP to pollute the air. That must be news to thousands of groups across the country because they certainly were very much in support of her resolution. I am talking about people such as the American Association of Housing Services for the Aging, Family Dairies USA, the Farm Bureau, the National Federation of Independent Business, the Brick Industry Association, the National Association of Manufacturers, the Associated Builders and Contractors—the list goes on and on of the people who realize they do not want to have this massive government takeover.

Let's keep in mind that when you talk about cap-and-trade legislation and then you talk about what the EPA is talking about doing under the Clean Air Act, it is essentially the same thing. It is just that since they could not get it passed legislatively, they are going to try to do it administratively. That is what the whole Murkowski resolution was about. It was about stopping that from taking place. Incidentally, it got 47 votes, and I am going to talk about those votes in a minute.

Well, do some Members really believe these groups have been duped, that what they are really supporting is nothing more than a sop to BP and big oil? This is simply insulting to the citizens across the country who supported the Murkowski resolution for one simple reason: It will stop the greatest bureaucratic intrusion into the lives of the American people in history.

I am confident we will keep hearing this refrain as we get closer to November. The story in today's *Politico*—and this is interesting; it just came out today—talks about a survey by a guy named Joe Benenson. He is President Obama's campaign pollster. He is an Obama guy. They are doing it for a very liberal group. Among other things, Mr. Benenson found that, based on his interpretation of the survey results, pushing for cap and trade and tying opposition to it to big oil is a "potent political weapon" for Democrats against Republicans this fall. Purely political. No one can argue that.

Well, it is my view that we should be capping that well and not the economy, but apparently the President sees it

differently. I suppose some of this was driven by last week's 47-to-53 vote on overturning the EPA's endangerment finding. The motion to proceed to the Murkowski resolution failed, but the President should not let those numbers obscure the hard political reality: there is a bipartisan majority in the Senate that supports either a delay of or an outright ban on the Obama EPA's job-killing global warming agenda.

By preventing a debate on the Murkowski resolution, the Democrat-led Senate voted last week to expand the reach of government into our daily lives. But the reason this bureaucratic intrusion will continue is that a deal was cut just prior to the vote.

Now, listen to this. It was exposed in a front-page story in the *Hill* the day of the vote. I am going to read from that story, the *Hill* story:

Democratic leaders are scrambling to prevent the Senate from delivering a stinging slap to President Barack Obama on climate change. They have offered a vote on a bill they dislike in the hopes of avoiding a loss on legislation Obama hates. The president is threatening to veto a resolution from Sen. Lisa Murkowski that would ban the Environmental Protection Agency from regulating carbon emissions. But if the president were forced to use his veto to prevent legislation emerging from a Congress in which his own party enjoys substantial majorities, it would be a humiliation for him and for Democrats on Capitol Hill. So Senate Majority Leader Harry Reid and other Democratic leaders are doing what they can to stop it. They are floating the possibility of voting on an alternative measure from Sen. Jay Rockefeller, a Democrat from the coal state of West Virginia, which they previously refused to grant floor time. . . .

This is all quoted from the article.

It appears at least seven Democrats took the deal offered to them. What is the deal? The deal is: I know you guys want to vote for the Murkowski resolution. All your people back home want you to vote for it. It is a very popular resolution to stop this overwhelming takeover. Yet, in order to keep them from getting to 51 votes, you are going to have to vote against it.

These are seven Democrats. At the same time, those same seven Democrats could use the Rockefeller amendment for cover. The Rockefeller amendment is the same as the Murkowski resolution, except it just delays it 2 years. Frankly, it accomplishes the same thing. I am for either one of them. Either one would be good. The problem with that is the Rockefeller bill would take 60 votes. So it is saying we know they can get the 51 votes, but if you seven won't vote for Murkowski, we will let you go ahead and vote for the Rockefeller thing and they won't get it anyway because it would take 60 votes.

I know it is heavy lifting. It is complicated, but that is what is going on around here. In other words, for the Democrats to ensure that the EPA can micromanage farms and other institutions in America, they have to develop a scheme to give cover to Democratic Members who should oppose the EPA takeover. I wish to emphasize that I

believe these Members are conflicted about what to do. I think they understand the economic harm and what an unfettered EPA bureaucracy could mean for their constituents—fewer jobs, more regulations, higher taxes, and a slower economy—but they were pressured by the President and the base of the Democratic Party. They were warned against defying the President on one of his top initiatives, so they turned to the Rockefeller bill as an alternative, which is a 2-year delay for implementation of this bill; in other words, not allowing the EPA to micromanage our lives at least for 2 more years, giving us a little breathing time. But it is not the end of the road.

As I see it, the Rockefeller bill should not be used as political cover. It is merely an alternative means of achieving a similar goal sought by Senator MURKOWSKI to stop the EPA from deciding our Nation's energy policy. We ought to get a vote on Rockefeller one way or another, and if it happens, I trust these seven Members—and possibly others who voted no on Murkowski—will vote with their constituents for the Rockefeller bill and against EPA taking jobs, businesses, and energy out of our struggling economy.

Let me be blunt. EPA's growing regulatory regime will lead to one of the greatest bureaucratic intrusions into the lives of the American people. Peter Glaser, an attorney with Troutman Sanders and one of the foremost Clean Air Act attorneys—the Clean Air Act passed many decades ago—said that the EPA's endangerment finding will lead to Federal regulation of schools, hospitals, nursing homes, commercial buildings, churches, restaurants, homes, hotels, malls, colleges and universities, food processing facilities, farms, sports arenas—all of these things. That is virtually everybody—and it would be a very expensive proposition.

If you look at what happened throughout the history of this endangerment finding, the debate over the Murkowski resolution began even before the resolution was introduced in January. It began with the creation of the Intergovernmental Panel on Climate Change, the IPCC. That was at the United Nations back in 1989. That led to the Kyoto Protocol, and we voted on the intent of the Kyoto Protocol right in this Chamber 95 to nothing. The question was this: We will reject any treaty that comes from the Clinton-Gore White House to us if it either hurts our economy or doesn't treat the developing nations the same as the developed nations. Of course, that is exactly what we did. That was 95 to 0.

Then, later on, as I mentioned, we had all of these different bills, including the Lieberman-Warner bill, the McCain-Warner bill, and all of these were cap-and-trade bills and they all died. All of this led to the EPA's endangerment finding. What that said

was—and this is the President: In the event that the House and the Senate refuse to vote in favor of some kind of a cap-and-trade bill, as has been mentioned, then we will go ahead and do it under the Clean Air Act. The Clean Air Act was set up to attack real pollutants such as SO_x, NO_x, and mercury. So they were saying we will go ahead and do it with this regulation.

Make no mistake. Despite testimony to the contrary by senior officials, the Obama administration was not forced by the Supreme Court to choose endangerment. As I noted, they had a choice. They made the wrong choice. They could have either voted not to consider CO₂ as endangering to health or they could do it or ignore it altogether. They decided to do it, and it didn't surprise me a bit.

So the IPCC put together this thing and we now—I can remember so well when we had Lisa Jackson, who is the Administrator of the Environmental Protection Agency, before our committee. We talked about the fact that I thought—this is before the endangerment finding. I said: Administrator Jackson, I think you are going to have an endangerment finding, and when you do, you have to base that on science. What science are you going to base it on? The answer was: The IPCC or the United Nations.

We know what has happened to the credibility of that science since that time. It has been totally debunked.

The other defense people use in trying to justify voting against the resolution as expressed by a few Democrats was that overturning endangerment would mean removing the authority from the National Highway Traffic Safety Administration—that is the NHTSA—to set Corporate Average Fuel Economy standards, CAFE standards. More specifically, some argue it would undo the historic auto deal reached last May by the two auto companies, the White House, and the EPA, DOT, and California. The only problem with this argument is that it is wrong. Ask the Obama administration. According to a February 19 letter by Kevin Vincent—that is the NHTSA's general counsel:

As a strictly legal matter, the Murkowski resolution does not directly impact NHTSA's statutory authority to set fuel economy standards under the Energy Policy and Conservation Act, as amended by the Energy Independence and Security Act of 2007.

So we are hearing that this resolution will revoke the new CAFE standards and increase the amount of oil we consume. It is patently false to assert that NHTSA said they can't continue to work on, and then implement, as they are doing today, the CAFE standards. So that argument is a phony argument.

Cap and trade. During the debate last week, I spoke briefly about the collapse of the science behind manmade global warming. I said the vote last week was not based on the science but, rather, on stopping a liberal job-killing

agenda. It is interesting because there are several people—all of the Republicans supported the Murkowski resolution. Yet there are some Republicans who actually believe that anthropogenic gas is a major cause of global warming. I am not one of those. I am at the other extreme. But there are some here who don't agree. So that wasn't what the vote was about. It was about whether they should take over control of our lives as they are talking about doing. There is no doubt that there is a wide spectrum of beliefs about the science in the Republican Party, but I am pleased that last week we stood united for protecting American jobs. That is all 41 Republicans. That is very rare. They always say Democrats are much more disciplined than Republicans are. That is where the phrase "herding cats" came from. That is why you try to get Republicans all together. It is a very unusual thing, but we were. We were all together last week.

The Clean Air Act is a monumental mistake that will shackle the American economy with job-killing regulations and higher energy taxes.

Let me now take a little time to discuss both the current state of cap and trade in the Senate and the latest science behind global warming. First, let me state the obvious. Despite the best efforts by many in the more extreme liberal wing of the Democratic Party, global warming cap-and-trade legislation is dead. It is dead. I stated that 2 months ago, and there is no way they are going to be able to bring it back. We will have to wait and see. In fact, just the term "cap and trade" is so toxic these days in the Senate, my Democratic colleagues refuse to even use the term anymore. They don't use "cap and trade." Last week Majority Leader HARRY REID said:

We don't use the words "cap and trade" . . . That's something that's been deleted from my dictionary.

Further, RollCall reported last week that Democrats in the House had a similar response to cap and trade. RollCall reported:

Both Speaker Nancy Pelosi and House Majority Leader Steny Hoyer bristled at a question about Senate Minority Leader Mitch McConnell's declaration that the House's cap-and-trade energy proposal is dead. The House passed a bill that includes the proposal last year, but the issue has stalled in the Senate. "That's not the bill they have in the Senate," Pelosi told reporters. "They don't have a cap-and-trade bill. That's not the bill they have in the Senate."

That is the bill we have in the Senate. It is cap and trade. All of those are cap and trade. The current bill, the Kerry-Lieberman bill, is cap and trade. They may change the name of it, but it is still cap and trade. They cap emissions and then they start trading around and the government picks winners and losers and tries to convince everyone that he will be the winner.

It wasn't long ago that the author of the cap-and-trade bill in the Senate tried to suggest that his bill wasn't cap and trade either. He said:

I don't know what "cap and trade" means. I don't think the average American does. This is not a cap-and-trade bill, it's a pollution reduction bill.

It is a cap-and-trade bill.

In fact, when Senators KERRY and LIEBERMAN finally introduced their bill, we soon learned that it was worse than cap and trade because it was cap and trade, but it also included a gas tax increase.

No matter the word games employed or the extent to which the Democrats wish to hide the truth from the American people, cap and trade will mean more job losses, more pain at the pump, and higher food and electricity prices for consumers. Despite the postmodern denial of "the truth" in which words can mean whatever one chooses, the next version of "putting a price on carbon" will be cap and trade, pure and simple. And if the House Waxman-Markey bill is any guide, it will showcase massive expansion of government mandates, spending, taxes, and energy rationing for America.

Now let me turn to cover the flaws of the science on which the EPA's endangerment is based. Lisa Jackson is President Obama's EPA Administrator. She admitted publicly that the EPA's finding of endangerment is in good measure a conclusion of the UN's IPCC. She told me in a public forum live on TV that EPA accepted those findings without any serious independent analysis to see whether they were true.

After climategate and the admission of errors by IPCC, we now know that the process was flawed all along. In a Senate report I released earlier this year on climategate, the report found that some of the world's leading climate scientists engaged in unethical behavior and possibly violated Federal laws. Many of those scientists appeared to have manipulated the data—this is what came out of the report—manipulated the data to fit preconceived conclusions. In other words, IPCC says, What do we have to show to come to the conclusion we have already come to 7, 8 years ago that anthropogenic gases are causing global warming. They obstructed Freedom of Information requests and dissemination of climate data—and by the way, they did show that was true in Great Britain, but the problem is the statute of limitations had already run and the IPCC had colluded to pressure journal editors against publishing scientific work contrary to their own.

The U.K. Government has already found that scientists from the Climate Research Unit, or CRU, who are at the center of this scandal, violated its Freedom of Information Act.

Importantly, the Senate report shows many of the scientists involved in this scandal worked for the UN's IPCC, the Intergovernmental Panel on Climate Change. They helped compile the IPCC's 2007 Fourth Assessment Report. That is important because that report is a primary basis for the EPA's endangerment finding for greenhouse

gases. The media has uncovered several errors and mistakes in the report which undermine the credibility of the IPCC's science.

The things I am going to list right here were found both in Al Gore's movie as well as the IPCC report. They are all in this thing together. They said it would melt the Himalayan glaciers by 2035. That is just flat not true. They admit that is not true. They said it would destroy 40 percent of the Amazon's rain forest. That is not true. They said it would melt the ice in the Andes, the Alps, and in Africa. That is not true. They said it would drastically increase the cost of climate-related natural disasters. That is not true. It would drive 20 to 30 percent of the species to extinction. That is not true. It would slash crop production by 50 percent in Africa by 2020. All of these things have been fabricated and since proven not to be true. Yet that is the science on which the endangerment finding has been based. Oh, yes. The IPCC said the Netherlands is 50 percent below sea level. That is not true, either, as we well know. There is even more, but I think we have made our point here.

The fact is that the EPA accepted the IPCC's erroneous claims wholesale without doing its own independent review. So EPA's endangerment finding rests on bad science. The EPA minority report provides further proof that EPA needs to scrap the endangerment finding and start all over again. By the way, anyone interested in this can look at my Web site where we cover all the details and all the documentation on everything I have been saying.

The Obama administration, however, is pressing ahead. We have been told that the science still stands. We have been told that IPCC's mistakes are trivial. We have been told that climategate was just gossip e-mails between scientists. Yet global warming alarmism has been sold on the very notion that manmade greenhouse gases are causing environmental catastrophes, such as the Himalayan glaciers melting and all that stuff. So the science is certainly not so.

Further, the challenges to the integrity and credibility of the IPCC merit closer examination by the Congress. The ramifications of the IPCC spread far and wide, most notably to the endangerment finding.

The EPA's finding rests on the IPCC's conclusions, and the EPA has accepted them wholesale, without independent assessment.

Remember how the Telegraph of London referred to all this? That is one of their largest publications, the London Telegraph. They said climategate and the IPCC's errors amount to "the greatest scientific scandal of our time." That is a publication that was very favorable to the IPCC before climategate came along. Climategate—even though it happened this last December, if anybody wants to document how far back this was first discovered,

I made a speech at this podium on the Senate floor 4 or 5 years ago that documented all these scientists coming in and saying how they were rejected from the process of the IPCC because they would not verify their conclusions.

At this pivotal time, as the Obama EPA is preparing to enact policies potentially costing trillions of dollars and thousands of jobs, IPCC's errors make plain that we need openness, transparency, and accountability in the scientific research financed by U.S. taxpayers.

Mr. President, let me conclude with this: As the most conservative Member of the Senate, as ranked by the National Journal, I have spent the past 2 years speaking out against the unprecedented liberal agenda coming out of Washington. I have stood up and spoken out about massive out-of-control spending in Washington, increased government intervention into our daily lives, the gutting of our national defense, and of the costly global warming agenda.

In the midst of these challenges, we also face an unprecedented environmental catastrophe in the gulf. Today, as the American people continue to face high unemployment and a struggling economy, we must remain focused on finding every opportunity to stand on the side of the American worker and create opportunities.

In the gulf, we all have to work together and stay focused on mitigating and containing the environmental impacts and providing assistance to the gulf's affected commercial and recreational industries and investigating the causes so we can prevent a disaster of this kind from happening again. Staying focused will help us make prudent decisions.

The bottom line is, for the sake of our Nation, we must be willing to put aside the costly liberal agenda of the left and not allow them to use the gulf tragedy to advance their cap-and-trade energy tax, which is completely unrelated to stopping the spill and helping the people in the gulf. There is no relationship between cap and trade and the gulf disaster. There is no relationship between what the EPA endangerment finding would allow one bureaucrat to do and the gulf tragedy. By their own admission—to say they can parlay this into their own agenda is something we cannot let happen.

Twenty years ago, a very similar thing happened with the Exxon Valdez. It was tragic, and I went up there. The environmental extremists were up there celebrating and saying: We are going to parlay this into retarding the exploration and production on the North Slope. I made the statement there—it is all in writing—how can you figure this out? How can you stop oil production domestically in Alaska by using this issue?

Well, the issue was a transportation issue. It wasn't an oilspill or a production accident. It was a transportation accident.

I said: If you stop our production, we are going to be more dependent upon other countries for our ability to run this machine called America. They are going to have more transportation and a greater possibility of transportation accidents. That is what we are faced with now.

Clearly, I appreciate the two statements that were made by President Obama's old director of the EPA that the endangerment finding is based on the science that we now know is false science. By the way, even though it is not the end of the world that the Murkowski resolution failed, four key lawsuits are filed challenging the law on which they are basing this endangerment finding.

Even if we were to pass any of the cap-and-trade bills, it would not reduce worldwide emissions any. It would only affect the United States. I argue it would increase CO₂ emissions because as we lose jobs in the United States with cap and trade and force a lot of our manufacturers to other countries—they would go to countries such as China, India, and Mexico where they don't even have strong emissions standards.

With that, let's not politicize this any more. If they want to bring up cap and trade, let's do it, and we can defeat it like we have done over the past 10 years.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. INHOFE. 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.

OIL AND GAS PRODUCTION

Mr. INHOFE. Mr. President, there doesn't seem to be anybody else here, so I will make one comment about amendments coming up that are closely related to the subject we just discussed. It is Sanders amendment No. 4318. I knew this would happen—that the bill would be used to pass another agenda. Sure enough, that is what is happening.

The Sanders amendment is aimed at stopping oil production altogether. It does three things: It repeals expensing for tangible drilling costs, it repeals percentage depletion for marginal oil and gas wells, and it repeals the manufacturing deduction for oil and gas production.

I predicted the spill in the Gulf of Mexico would be used as an opportunity to shut down domestic oil and gas wells owned and operated by independent oil and gas producers throughout the country. That is what is happening with this amendment.

Repealing expensing of intangible drilling costs eliminates the ability to

expense intangible drilling and development costs, called IDC, which would force at least a 25- to 30-percent reduction in drilling budgets, leading to lost jobs, lost production, and higher prices for consumers. We have not talked much about higher prices to the consumers.

With cap and trade—if they were successful in that—we would feel that in a matter of weeks. Despite the rhetoric, IDC expensing is firmly grounded in sound accounting practices and principles, and it has been in the Tax Code since 1913. IDC expensing is similar to expensing by other companies for technology, wages, and fuels which other industries expense for operations. So they are singling out the oil and gas industry, just willfully, to stop them and put them out of business.

Likewise, since 1926, small producers and millions of royalty owners have had the option to utilize percentage depletion to both simplify and account for the decline in the value of minerals produced from a property. It is complicated, but percentage depletion recognizes that oil and gas reservoirs are depleted by production, so it is the amount which small producers can expense to reinvest in production. Percentage depletion is particularly important for the production of America's over 600,000 low-volume marginal wells.

I am particularly interested in this because in my State of Oklahoma we have mostly marginal well production. Marginal wells produce less than 15 barrels a day. It is a smaller type of production. The average marginal well produces barely two barrels a day—we have been talking about millions of barrels in the gulf—yet, cumulatively, they account for nearly 28 percent of domestic production in the lower 48 States.

Since every on-shore natural gas and oil well eventually declines into marginal production, the economic lifespan and corresponding production of nearly all natural gas and oil wells would be reduced through the elimination of percentage depletion.

Finally, Congress has already frozen the manufacturers' tax deduction specifically for only oil and natural gas companies less than 2 years ago. All other domestic manufacturing can deduct income at a higher rate than oil and gas companies. Repealing the entire reduction for oil and gas companies is only targeting oil and gas production, and it shows what the motivation is.

We have to remember a couple of very important points when we seek to target certain industries for tax treatment. First, oil and gas companies employ Americans and fund our communities. Oil and gas companies employ over 9 million people in the United States. Approximately 3 million land and mineral owners from coast to coast are the beneficiaries of monthly checks from the royalties produced on their properties. Many of these individuals are small property owners—very

small—and some are just small family farms. In fact, just today the National Association of Royalty Owners ranked this as its No. 1 concern on its Web site. That was today.

They say the Sanders amendment is their No. 1 target. These are not rich people. They are small farm owners and landowners. States annually collect billions of dollars in oil and gas excise and severance taxes that furnish critical funding for roads, schools, and law enforcement. By punishing America's oil and gas industry, this amendment only puts unemployment and State and local funding in peril.

Secondly, punishing our oil and gas industry only makes us more dependent on foreign sources of energy. After President Jimmy Carter imposed a windfall profit tax on the oil and gas industry in 1980, the nonpartisan Congressional Research Service later determined that its results were hugely counterproductive, saying:

The windfall profit tax reduced domestic oil production between 3 and 6 percent, and increased oil imports from between 8 and 16 percent. . . . This made the U.S. more dependent upon imported oil.

America's natural gas and oil companies are already paying taxes at the highest rates. Figures from the Energy Information Agency indicate that America's major oil producers already pay, on average, more than a 40-percent income tax rate.

The EIA also reported in December of 2009 that, on average, 53 percent of the net incomes of oil and gas companies are paid in taxes compared to 32 percent from others in the manufacturing sector.

Now is not the time to group the entire oil and gas industry together for punishment. Punishing the entire industry in the sledge hammer approach this amendment uses only increases the cost of energy for all Americans, and it makes us more dependent upon foreign countries to run this machine called America, as I often say.

People say they don't want oil, gas, coal, or nuclear. Well, in the final analysis, how do you run the country without it? You can't. If we retard in any way the ability to produce oil and gas, it will make us more dependent upon foreign countries for us to drive this machine called America.

With that, I yield the floor.

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. REID. Mr. President, would the Chair be kind enough to have the bill reported.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

AMERICAN JOBS AND CLOSING TAX LOOPHOLES ACT OF 2010

The ACTING PRESIDENT pro tempore. Under the previous order, the