ENERGY PRODUCTION

Mr. HOEVEN. Madam President, I would like to speak this morning on an issue that I believe is of great importance to our economy and to our national security. In recent weeks, we have seen political turmoil in Libya and Egypt and Tunisia and throughout the Middle East and other North African nations.

Only time will tell what the outcome of these historic events will be. What is clear, however, is that there is, once again, disruption in the worlds's petroleum supplies as a result of the turmoil in this region of the world, and American consumers and businesses are feeling the brunt of it.

In the United States, we have seen the price of gasoline and other petroleum products increase dramatically. The pain is particularly sharp at the pump.

Over the last few weeks, retail gasoline prices have risen to more than $3.50 a gallon. They are expected to rise to more than $3.70 a gallon during the peak summer driving season and, of course, they could go substantially higher. This is a reflection of what is happening in the crude oil commodity markets around the world. In fact, the Energy Information Administration's latest forecast of the average West Texas spot price for the remainder of this year increased from $93 a barrel to more than $100 a barrel. The EIA expects continued tightening of world oil markets in the next 2 years in light of the events in North Africa and in the Middle East.

For example, in Libya it is widely reported that much of the country's 1.6 million barrels a day of total production in 2010 has been largely shut down. It is unclear how long this will last. However, the reality is that the problem is not a matter of current supply. Prices are going up not because of lack of supply but because of concerns in the market about future supplies. Therefore, to address this problem, we must increase domestic production. We must produce more American energy, and we can do it.

Furthermore, taking steps now to create a legal, tax, and regulatory environment that will stimulate more domestic production will help take pressure off prices even before that supply comes on line, as markets anticipate more production.

Of course, the opposite scenario exists today as markets anticipate less supply from the Middle East and they do not see the commitment domestically to offset that reduction in supply. We must change that perception by taking real action to encourage production here at home. Stalled energy projects and impediments to domestic oil production in our own country are costing our Nation's economy billions of dollars and millions of jobs.

A study released last week by the U.S. Chamber of Commerce says 351 energy projects, both renewable and traditional, are stalled, at a cost of $1.1 trillion to the American economy and nearly 2 million jobs for the American people. When we combine disruptions in foreign sources of production and a domestic market hobbled by bureaucracy and delays, the result is higher energy prices, a sluggish economy, and fewer jobs. That is exactly what we see happening. That should be a cause of huge concern, but it should also be a huge call to action. There is a path out of this for America, a path we in my home State of North Dakota successfully followed starting a decade ago by building a comprehensive energy plan called Empower North Dakota.

Through Empower North Dakota, we worked to create a business climate that incentivized energy companies across all industry sectors, including the oil industry, to invest in our State. We created the kind of legal, tax, and regulatory certainty that attracted capital, expertise, and jobs to North Dakota. In fact, when we started 10 years ago, oil companies had either left or they were leaving the oil-producing region in our State, the Williston Basin. Why was that?

First, they were getting better returns elsewhere. Technology was lacking to produce oil economically from new formations. Companies were going to other places in the world where they could extract oil less expensively. Second, data on confirmed reserves was lacking, and the technology to produce oil from shale wasn't sufficiently developed. Third, the workforce was aging, and we lacked the training and education for new workers. And fourth, transport constraints limited production. In other words, there were better places for the industry to invest shareholder dollars and earn a return.

To turn that around, we built a climate for investment. We established an oil and gas research fund paid for by the industry. We put tax incentives in place. We initiated studies of the Bakken formation at the heart of the Williston Basin through the North Dakota Geological Survey. That was followed by a U.S. Geological Survey study. I have requested another USGS study I believe will demonstrate that we have billions more in recoverable oil reserves in our State.

We also improved infrastructure. We created a pipeline authority to expand transportation capacity, and we established a center of excellence for petroleum safety and technology at Williston State College to train workers in oilfield drilling and recovery methods. Before that we had to send workers to Wyoming or Oklahoma and other places for training and education. Now we do it in our State.

In response, our enhanced business environment drew investment capital, technology, and ingenuity to Williston Basin which unlocked the potential of North Dakota's oil patch. We took full advantage of the Bakken and Three Forks, which are deep shale formations with billions of barrels of oil locked away in porous rock, by using innovative, unconventional technologies and with good environmental stewardship.

To release the oil, companies in North Dakota use hydraulic fracturing which involves pumping water under pressure deep into the Earth to crack the shale and release the crude oil. The water is then recycled or deposited safely back into the ground 2 miles down, well below, far below the water table. Companies also use directional drilling which enables drilling rigs to drill one vertical bore and multiple horizontal bores deep in the ground, producing more oil with a smaller footprint and, again, better environmental stewardship.

As a result, this year North Dakota will produce more than 120 million barrels of oil. That number is growing dramatically. This is sweet crude oil.

Since 2006, we have grown to become the fourth largest oil-producing State among all 50 States in the Union, passing States such as Oklahoma and most recently Louisiana. Bear in mind that in North Dakota the measures we took were not about government spending. They were about creating an environment for private investment that generated revenues for the State, broadened the economic base, and actually enabled us to reduce taxes. This isn't a Republican or a Democratic issue. It is an American issue, and it will take both parties to fix it. That is why I am cosponsoring a bill with Senator ROBERTS that actually works with a directive from President Obama.

The Regulatory Responsibility for Our Economy Act will give the force of law to a Presidential Executive order issued in January. The order proposes to review rules that may be outmoded, ineffective, or excessively burdensome, and to modify, streamline, or repeal them. We are all committed to good environmental stewardship and effective consumer protections. But the President's order acknowledges that Federal regulations are hindering the Nation's economic growth and our ability to create jobs. The law we are proposing, if passed, will make sure we take a clear-eyed look at our rules and help to bring regulatory and legal certainty to the markets.

While we are working to produce more oil in America, with the right approach, with the approach I am describing, we can also enlist the help of our friend and close ally to the north, Canada. To do that, for example, we need to complete some very ambitious projects that need permitting and approval. One example is the Keystone XL pipeline. This $12 billion, high-tech transcontinental petroleum pipeline is designed to carry crude from the Canadian oil sands in Alberta to the Gulf of Mexico. As it passes through the Midwest, an onramp will receive midwestern sweet crude from States such as North Dakota and Montana to mix with the heavier Canadian crude and send it to refineries that will turn it into gasoline and diesel fuel in America. With no overseas involvement, this one promising project would help double current flows of oil from Canada, which is already our No. 1 trading partner.

One estimate projects that the project will create—and these are numbers the company has put forward in advancing this project—at least 20,000 high-paying jobs during the construction phase and more than 250,000 permanent jobs. It will spur more than $100 billion in annual total expenditures in the U.S. economy. It will generate $6.5 billion in new personal income for U.S. workers and their families, and it will stimulate nearly $600 million in revenue for State and local governments along its route.

Federal approval is something that will cost our Nation not one penny. What it will do, however, is create assurances in markets that the energy we need to power our Nation will be there in the future, and it will be there when we need it. That in turn will help to reduce our dependence on unstable overseas regimes, hold down the cost of gasoline at the pump, and create thousands of good American jobs at a time when unemployment is still hovering at about 9 percent.

Keystone XL is just one example. Across America there are hundreds of projects like it that could be advanced with good environmental stewardship and responsible oversight, if we resolve to do it and we create the climate to do it.

Today the United States, Canada, and Mexico combined produce 75 percent of the total oil we need. We can do much more. Our Nation needs to send a signal to energy markets that the United States is committed to a policy of aggressive domestic energy development by creating a strong business environment and a pro-energy agenda, including the legal, tax, and regulatory certainty companies need in order to make the kinds of investments that will truly lessen our dependence on foreign oil.

We are at a moment in history when we can truly turn adversity into opportunity and potential into reality. I urge Members to seize this opportunity to make America stronger, safer, and more financially secure with a comprehensive approach to truly develop American energy right here at home, to meet our needs both now and for future generations. We can do it. We must do it, for the well-being of our country today and for future generations.

I thank the Chair for this opportunity, 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.

Ms. LANDRIEU. Madam 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.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

SBIR/STTR REAUTHORIZATION ACT OF 2011

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of S. 493, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 493) to reauthorize and improve the SBIR and STTR programs, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Small Business and Entrepreneurship, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''SBIR/STTR Reauthorization Act of 2011''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.

TITLE I—REAUTHORIZATION OF THE SBIR AND STTR PROGRAMS

Sec. 101. Extension of termination dates.
Sec. 102. Status of the Office of Technology.
Sec. 103. SBIR allocation increase.
Sec. 104. STTR allocation increase.
Sec. 105. SBIR and STTR award levels.
Sec. 106. Agency and program flexibility.
Sec. 107. Elimination of Phase II invitations.
Sec. 108. Participation by firms with substantial investment from multiple venture capital operating companies in a portion of the SBIR program.
Sec. 109. SBIR and STTR special acquisition preference.
Sec. 110. Collaborating with Federal laboratories and research and development centers.
Sec. 111. Notice requirement.
Sec. 112. Express authority for an agency to award sequential Phase II awards for SBIR or STTR funded projects.

TITLE II—OUTREACH AND COMMERCIALIZATION INITIATIVES

Sec. 201. Rural and State outreach.
[Sec. 202. SBIR–STEM Workforce Development Grant Pilot Program.**]**
Sec. **[**203**]***202.* Technical assistance for awardees.
Sec. **[**204**]***203.* Commercialization Readiness Program at Department of Defense.
Sec. **[**205**]***204.* Commercialization Readiness Pilot Program for civilian agencies.
Sec. **[**206**]***205.* Accelerating cures.
Sec. **[**207**]***206.* Federal agency engagement with SBIR and STTR awardees that have been awarded multiple Phase I awards but have not been awarded Phase II awards.
Sec. **[**208**]***207.* Clarifying the definition of ''Phase III''.
Sec. **[**209**]***208.* Shortened period for final decisions on proposals and applications.

TITLE III—OVERSIGHT AND EVALUATION

Sec. 301. Streamlining annual evaluation requirements.
Sec. 302. Data collection from agencies for SBIR.
Sec. 303. Data collection from agencies for STTR.
Sec. 304. Public database.
Sec. 305. Government database.
Sec. 306. Accuracy in funding base calculations.
Sec. 307. Continued evaluation by the National Academy of Sciences.
Sec. 308. Technology insertion reporting requirements.
Sec. 309. Intellectual property protections.
Sec. 310. Obtaining consent from SBIR and STTR applicants to release contact information to economic development organizations.
Sec. 311. Pilot to allow funding for administrative, oversight, and contract processing costs.
Sec. 312. GAO study with respect to venture capital operating company involvement.
Sec. 313. Reducing vulnerability of SBIR and STTR programs to fraud, waste, and abuse.
Sec. 314. Interagency policy committee.
Sec. 315. Simplified paperwork requirements.

TITLE IV—POLICY DIRECTIVES

Sec. 401. Conforming amendments to the SBIR and the STTR Policy Directives.

TITLE V—OTHER PROVISIONS

Sec. 501. Research topics and program diversification.
Sec. 502. Report on SBIR and STTR program goals.
Sec. 503. Competitive selection procedures for SBIR and STTR programs.

SEC. 3. DEFINITIONS.

In this Act—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively;

(2) the terms ''extramural budget'', ''Federal agency'', ''Small Business Innovation Research Program'', ''SBIR'', ''Small Business Technology Transfer Program'', and ''STTR'' have the meanings given such terms in section 9 of the Small Business Act (15 U.S.C. 638); and

(3) the term ''small business concern'' has the meaning given that term under section 3 of the Small Business Act (15 U.S.C. 632).

TITLE I—REAUTHORIZATION OF THE SBIR AND STTR PROGRAMS

SEC. 101. EXTENSION OF TERMINATION DATES.

(a) SBIR.—Section 9(m) of the Small Business Act (15 U.S.C. 638(m)) is amended—

(1) by striking ''TERMINATION.—'' and all that follows through ''the authorization'' and inserting ''TERMINATION.—The authorization'';

(2) by striking ''2008'' and inserting ''2019''; and

(3) by striking paragraph (2).

(b) STTR.—Section 9(n)(1)(A) of the Small Business Act (15 U.S.C. 638(n)(1)(A)) is amended—

(1) by striking ''IN GENERAL.—'' and all that follows through ''with respect'' and inserting ''IN GENERAL.—With respect'';

(2) by striking ''2009'' and inserting ''2019''; and

(3) by striking clause (ii).

SEC. 102. STATUS OF THE OFFICE OF TECHNOLOGY.

Section 9(b) of the Small Business Act (15 U.S.C. 638(b)) is amended—