

by Public Law 99-151, appoints the following Senators as members of the United States Senate Caucus on International Narcotics Control: Senator CHUCK GRASSLEY of Iowa, Co-Chairman, Senator JOHN CORNYN of Texas, and Senator JAMES E. RISCH of Idaho.

ORDERS FOR TUESDAY, MAY 17,
2011

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until tomorrow morning at 10 a.m., Tuesday, May 17; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the time for the two leaders be reserved for their use later in the day; that following any leader remarks, the Senate proceed to executive session under the previous order; and that the Senate recess following the rollcall vote on confirmation of the Carney nomination until 2:15 p.m. to allow for the weekly caucus meetings; finally, that at 2:15 p.m., the Senate begin consideration of the motion to proceed to Calendar No. 42, S. 940, under the previous order.

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

PROGRAM

Mr. REID. Mr. President, there will be a rollcall vote around noon tomorrow on the confirmation of the nomination of Susan Carney, of Connecticut, to be U.S. circuit judge.

Additionally, there will be a rollcall vote on the motion to invoke cloture on the motion to proceed to S. 940, the Close Big Oil Tax Loopholes Act. That vote will occur at approximately 6:15 tomorrow night.

ORDER FOR ADJOURNMENT

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it adjourn under the previous order following the remarks of Senator MERKLEY.

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

The Senator from Oregon.

BIG OIL SUBSIDIES

Mr. MERKLEY. Mr. President, I rise to speak to S. 940. Tomorrow evening, we are going to have a vote on whether to proceed to debate this bill, which closes oil and gas tax loopholes, thereby raising a significant amount of additional revenue for important projects in the United States of America.

I rise in favor of this motion tomorrow because if we have a successful vote tomorrow evening, we will finally get to debate this issue of whether we

should continue to have massive tax giveaways to the most profitable companies in America.

Gas is at \$4 a gallon. Every American is going to the pump, and they are finding that, once again, the total toll as they fill up their 15-gallon tank in their car is well over \$50 and can hit \$60. That is a huge chunk out of my family budget, once or twice a week. It diminishes what is available to be spent for other core expenses to the families. Indeed, that \$4 a gallon at the gas pump is raiding Americans' pocketbooks.

Americans do not also need to be subsidizing the same highly profitable oil companies through their paychecks, through tax loopholes. Make no question, the companies are highly profitable. Oil is now \$100 a barrel. So the companies are able to sell oil that costs no more to produce today than it did 1 month ago, no more to produce today than it did 3 months ago, when oil was much lower, no more expensive to produce today than 1 year ago, when it was \$3 a gallon.

So oil companies are experiencing enormous profits. The final quarterly filings by ConocoPhillips, \$3 billion in profits—this is just quarterly, over 3 months—BP, \$7.1 billion in profits; Exxon, \$10.7 billion in profits.

That \$10.7 billion equates to \$5 million an hour every hour, day and night, throughout the week, throughout the weekend, through the entire quarter—\$5 million per hour.

I think, if you have an ounce of common sense, then you will recognize if you are making \$5 million per hour, you do not need taxpayer subsidies to stay afloat.

These subsidies come in many forms. The first is the domestic manufacturing deduction for oil and gas. This allows you to deduct a specified percentage—6 percent—of your qualified domestic production income. So it is not just that you get to deduct expenses, you also get to deduct income as if it was a business expense.

Wouldn't all of us, when we are filing our taxes, like to deduct our income as an expense and, thereby, drastically cut our tax bill? Well, it is a sweet deal for big oil.

Then they have the ability to expense intangible drilling costs. The basic notion is that when you have equipment that is necessary for the success of a company, then you depreciate that equipment over the life of the equipment. If it is equipment that lasts 5 years, you expense it over 5 years. These are things, for the oil industry, such as derricks and tanks and pipelines and other physical structures. But this allows the companies to take that deduction of the entire expense immediately, not expense it over the life of the capital equipment like everyone else. So it is another sweet deal.

The third is a special deduction called the tertiary injection cost deduction. It comes in the form of a tax credit. A tax credit is much more valu-

able than a tax deduction because it is a dollar-for-dollar deduction in the taxes you owe. This is for employing enhanced oil recovery methods—methods that are to the benefit of an oil company because they get a lot more oil out of an oilfield if they employ wise stewardship of that field. So they have an incentive to do this anyway, but we are giving this huge bonus credit. That is a sweet deal. That is sweet deal No. 3.

Then you have the dual capacity taxpayer credit. This one you almost cannot believe is real because dollar-for-dollar, we, the taxpayers in America, reimburse the oil companies for the taxes they pay overseas. Well, quite frankly, it is America subsidizing the foreign taxes. So oil companies just pass through. It certainly is an incentive for the foreign governments to tax the oil companies extremely heavily because they get it all back from America. It is also proven incentive for companies to call royalties a foreign income tax so they get reimbursed for their royalties as well.

As proposed, changing this will reduce the deficit by \$429 million in fiscal year 2012 and \$6.5 billion in fiscal year 2021. That is the fourth sweet deal.

The fifth is the percentage depletion deduction. Firms that extract oil or gas are permitted to deduct 15 percent of the sales to recover their capital investment in oil and gas reserves. They get to, again, deduct their sales, essentially in a situation as if they are an expense. That is sweet deal No. 5. In that case, often the value of that deduction exceeds the value of the original capital investment by the company. They get more than compensated.

Then, No. 6: royalty relief for deepwater Outer Continental Shelf production. The Department of the Interior must allow companies doing certain types of drilling on the Outer Continental Shelf—deepwater drilling and deep wells in shallow water—it allows them to not pay royalties on a certain minimum volume of production. Royalty relief is a great benefit to the oil companies and comes at great cost to the American Treasury. That is sweet deal No. 6.

This world in which companies have had, over the years, inserted various provisions—making a very strong case for each one at the time of why this was necessary, that was necessary—amounts to an enormous tax bill. This bill that takes and modifies these provisions for the top five companies that have the largest profits would produce about \$2 billion in savings from closing these six tax loopholes.

The question we all need to ask ourselves is: Can that \$2 billion per year be put to better work than subsidizing companies that are making enormous profits at the pump? One possibility is that \$2 billion could go toward decreasing our deficit. A lot of folks on the floor of the Senate talk about how important that is. Which is more important, giveaways to the most profitable

companies or reductions in the national deficit?

How about creating jobs? We have constantly been trying to get a bill to this floor that provides low-cost loans for energy saving renovations. It is considered the most powerful job creator dollar-for-dollar of any idea that has been put forward. It is in the form of HOME Star, which provides low-cost energy saving loans to families, and they can pay them back from the savings in energy. So it is a win-win for the family, and it puts people to work in America in a construction industry that is 50 percent unemployed.

How about Building Star? It does the same thing on commercial buildings. How about Rural Star Energy, the bill that provides these low-cost loans through rural co-ops, so rural America can benefit from energy savings and can pay back these low-cost loans from the savings on their monthly utility bills.

The reason this creates so many jobs is because not only can you not outsource overseas the jobs themselves for the construction work that is done, but almost every single thing that is used in the energy saving economy—from the insulation, to the caulk, to the double-paned windows—is made here in America. That is why you get so much tremendous leverage. You put the American construction industry to work and you utilize American products.

Maybe it is more important to create jobs than it is to give away \$2 billion a year to the most profitable five oil companies in America. Maybe it is important to shore up Medicare. Some of my colleagues have talked about they want to dismantle Medicare. They want to turn it into a voucher program, where the voucher would not increase as medical costs increase, so that slowly Medicare would be wiped out as the ability to provide health care for our seniors. Maybe it is more important to provide a strong Medicare Program than it is to give away \$2 billion a year to the most profitable five oil companies in America.

Maybe it is more important to enable our children to get loans to go to college. We are becoming the first generation of adults whose children are getting less education than we have because the cost of tuition has gone up disproportionately to the income of a working family. The more tuition goes up, in comparison, the more our students have to wrestle with whether they can afford to go to college and, if they go, whether they need to drop out after the first year in order to go back

to work in order to save to go the second year. When students leave college in that situation, they do not often get back.

Maybe it is more important that we proceed to help American students—our children—go to college than to give away \$2 billion to the five most profitable oil companies in America.

Tomorrow, we are going to have a vote. The vote is simply whether this is important enough to debate, whether it is important enough for us to come together as a Chamber and say it matters whether tax loopholes were carved out through special interest lobbying over the past 20 years in order to get very sweet deals when they serve no basic core purpose in the American economy. We need to have that debate. I wish to encourage my colleagues across the aisle to vote yes tomorrow, to vote yes on a motion to proceed, so we can get to the bill and have that debate.

Under the rules that have been established, we need 60 votes; otherwise, my colleagues across the aisle threaten to filibuster, that they are going to do a silent filibuster, blocking the ability of this Chamber to have a debate. Let me tell you, this needs to be debated.

Fiscal responsibility needs to be debated. These tax giveaways need to be debated. The tradeoffs between assisting our students and tax giveaways need to be debated. The tradeoff between reducing the deficit and these giveaways needs to be debated. The contrast and comparison between shoring up programs that provide health care to our seniors and these giveaways need to be debated.

I encourage my colleagues: Do not shy from your responsibility to wrestle with difficult challenges. Come and vote yes tomorrow evening on proceeding to debating the giveaways to the five most profitable oil companies in America so we can consider whether those funds will be better serving American citizens by reducing the deficit or by providing core programs.

Thank you, Mr. President.

UNANIMOUS CONSENT AGREEMENT—S. 904, S. 953

Mr. MERKLEY. Mr. President, I ask unanimous consent that the time for debate on the motions to proceed to Calendar No. 42, S. 904, and Calendar No. 43, S. 953 be equally divided in the usual form.

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

ADJOURNMENT UNTIL 10 A.M.
TOMORROW

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands adjourned until 10 a.m. tomorrow.

Thereupon, the Senate, at 7:09 p.m., adjourned until Tuesday, May 17, 2011, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate:

DEPARTMENT OF COMMERCE

TERRY D. GARCIA, OF FLORIDA, TO BE DEPUTY SECRETARY OF COMMERCE, VICE DENNIS F. HIGHTOWER, RESIGNED.

DEPARTMENT OF STATE

DAN W. MOZENA, OF IOWA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER—COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PEOPLE'S REPUBLIC OF BANGLADESH.

FRANKIE ANNETTE REED, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF THE FIJI ISLANDS, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NAURU, THE KINGDOM OF TONGA, TUVALU, AND THE REPUBLIC OF KIRIBATI.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. GILMARY M. HOSTAGE III

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. ROBERT R. ALLARDICE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. MARK F. RAMSAY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. JUDITH A. FEDDER

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. KATHLEEN M. GAINES

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

VICE ADM. MARK D. HARNITCHEK