

NAYS—1

DeMint

NOT VOTING—3

Hatch

Kirk

Lee

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motions to reconsider are considered made and laid upon the table, any related statements will be printed in the RECORD, and the President will be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

Mr. COBURN. Mr. President, I ask unanimous consent I be allowed to speak for 30 minutes and following that the Senator from Rhode Island be recognized.

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

UTILIZING U.S. RESOURCES

Mr. COBURN. Mr. President, there have been a lot of comments made about energy, and I have to admit I come from an energy State. One-third of our economy is connected to energy in one way or another. I think the political games we are playing are just that.

I have a vision that I can see 50 years of prosperity for America on the basis of one thing; that is, actually using the wonderful resources that are in our country for our citizens and extend an opportunity for our kids, in spite of our budget deficits, in spite of our debt, that would enable them to have the same kind of opportunities we have had. The way we do that is to utilize the resources.

If we look around the world and we look at the most stable countries, we look at Canada, what is happening? Canada is living within their means. They have fairly low tax rates. They are utilizing their resources. They have trade surpluses.

If we look at Australia, they have a stable currency. Their currency has markedly appreciated compared to the dollar. The Canadian currency has markedly appreciated compared to the dollar. They are utilizing their resources to advance their country and their wealth and their opportunity. We hear all of these statements made by lots of people, but most of them are half truths. Let me explain what I mean.

There is nobody who disagrees that it is going to take us at least 25 to 30 years to wean ourselves from carbon fuels, if in fact we should do that. But let's say we should. What is the difference between burning a carbon atom that is coming from the Middle East or Venezuela versus a carbon atom that we produce here? We are going to do that. Right now 30 percent of our oil comes from either the Middle East or

Venezuela, not necessarily areas of the world that are akin to being kind to us as a nation.

Here is the difference: If we burn our carbon atoms, we add between 2 million and 4 million jobs over the next 10 years. Maybe even more than that. If we burn our carbon atoms—which we are going to burn carbon for at least 25 years—we decrease our trade deficit by at least \$200 billion a year. That is \$200 billion of wealth that does not leave our Nation, and actually it is more than that because if we get \$200 billion worth of American oil and American energy, that creates another \$50 billion to \$60 billion worth of economic multipliers.

We are the only Nation in the world where we have the natural resources to make ourselves energy independent, and yet our government will not allow us to have access to that energy. So my challenge to my colleagues, given the fact that we will burn carbon—we don't even have to have a discussion about global warming or climate change because even the best estimate is it is going to take us 25 years to 30 years to get off carbon. So during that 25 to 30 years, should we not utilize and should we not create a way in which we actually consume our own resources rather than send money and wealth out of this country to be able to utilize the resources of someone else?

I am for conservation. I am for increased mileage. I am for doing everything we can to wean ourselves from a dependency on a foreign source for our energy.

Other than our debt, the greatest risk this country faces is our dependency and reliance on somebody else for our energy needs. If we take our friends in Mexico and Canada and we take what we are producing, we are able to attain 70 percent. That is a tremendous change over the last few years, and that doesn't have anything to do with the present administration.

As a matter of fact, oil production, natural gas production, both onshore and offshore, is down in double digits under this administration. Permitting—not new lands that have been opened—existing lands that are open has dropped to 40 percent in terms of the permitting process. In our Nation we have over 1.2 trillion barrels of oil equivalent that we can access if, in fact, we would. That is more than any other nation in the world.

So what is it that the big political fight is about? Do we want to send wealth out of this country? Do we not want to take advantage of what is available to us simply because of our location as a nation that will actually create tremendous opportunities for our children, that will create a new vision of America that is energy independent as we transition off of carbon-based fuel?

Why would we not want to do that when there is no difference in burning an imported carbon atom versus burning a carbon atom produced here? The benefits are obvious.

We have a bill we are considering that, to me, is mindless. It is about the politics of division, and it is not about any truth. The fact is the major oil companies that reside in our country pay the highest tax rate of anybody in the world. They pay over 41.5 percent of every dollar of revenue they make straight to the Federal Government. There are not any other businesses that compare to that. Google doesn't compare to that; Facebook doesn't compare to that; Apple doesn't compare to it. They are all half that rate.

So we are already taxing the oil companies to the tune of almost \$36 billion, which went to the Treasury from the major oil companies in this country. The bill we have on the floor will not improve the revenue \$1, and that is a fact. There will not be an increase of \$1 over a 10-year period that will come to the Federal Government if we pass this bill.

Why is that? Most people don't know but my background is as an accountant. That was my first training, my first field. Accelerated depreciation just delays the time at which the Federal Government gets the tax dollars it is going to collect. It doesn't change the total amount of tax dollars, it just delays it so we match revenues with expenses, which is one of the things you are trained to do in accounting and in business.

By the way, oil depletion allowance is not allowed for the large oil companies. It is not allowed for them. It has been gone for over 20 years. So we set up accelerated depreciation on what is called intangible drilling costs. It would not have any major effect on the big companies, but it will literally kill the smaller capitalized companies because their capital needs are recaptured over a long period of time if we eliminate intangible drilling costs. So what does that mean? That means we will have less exploration in our country. We will actually harm the exploration for the middle and small oil companies.

Some will say: Well, we don't want to do that for them. We don't want to affect the small oil companies. We just want to affect the big oil companies.

The big oil companies will pay no increase change in their net taxes over a period of 10 years. So the only thing we can actually claim with this bill is the time value of money over that period of time, and the time value of money right now is less than 2 percent a year.

So what are we talking about? We are talking about a political game, and we are not talking about energy security. We are not talking about creating 2 million to 4 million jobs. We are not talking about substance. We are talking about politics, and the shame is that nobody out there is talking about a vision where America doesn't send \$200 billion of its wealth out of the country. There is no reason for us to do that, and we have had every excuse except a legitimate one for why we should not burn our own oil and our own natural gas liquids.

What we have seen in this country in the last 5 to 7 years on private lands—that doesn't have anything to do with the Federal Government—is a renaissance in energy independence, moving us from importing over 55 percent to 60 percent of our oil from both the Middle East and Venezuela to 30 percent. That is a big change. Why is it that North Dakota, Montana, Oklahoma, Kansas, Texas, Louisiana, areas of Pennsylvania, and now West Virginia, are seeing declines in their unemployment rate? It is all because they are producing energy that we are going to burn no matter where it comes from, and we should be burning our own assets.

The other thing that we don't think about is the fact that these energy companies have made a marked difference in the cost of everyday goods for every American in this country. Go into the kitchen and look at all the products in the kitchen. Go into the bathroom and look at all the products in the bathroom. The fact is, natural gas at \$2.13—1 million Btus today—has enabled us to now become competitive worldwide in fertilizer, polyethylene, all of the raw materials for packaging for synthetic goods from clothing to vinyls to housing materials.

What has happened is a renewal in manufacturing in this country on the basis of this large expansion of available natural gas. If we do that with oil as well, what we are going to do is set up our country to beat everybody in the world in terms of petrochemical byproducts. Why would we not want to do that? Why would we put anything as a roadblock to that?

We have heard all the debate. The best part I know that seems the oddest to me is to think that doing this is not going to have an impact on prices. We all talk about the fact that oil is a global commodity, and at the same time we are saying American speculation on oil is why the price is higher.

Well, there is not just American speculation on oil, we can trade all over the world today in the commodities. Why is there a \$15 to \$20 premium right now? Because of the situation in the Middle East with Iran. Would the prices come down if that political situation were gone? Yes. Would the prices come down if we eliminated every American's ability to speculate or hedge a bet against the price of oil? Absolutely not. Because the price of oil is set on the world market, not on the American market, and it is traded by everybody around the world.

So the best way to lower the price of oil is to solve the problems in the Middle East but produce more. Prices go down when production goes up.

So the fact is, we have an administration that has taken credit for something they obviously are not responsible for, which is exploration on private lands, and has denied the fact that they have limited the ability of those people who actually have leases but no permits on public lands to explore for oil.

One of the answers we hear from the Secretary of the Interior is, nobody wants to permit new natural gas. No, they don't, not at \$2.13. But they all want to permit in the areas where there is oil or natural gas liquids except the permitting has been slowed down. The new plan is to cut the permits in half on lands that have already been opened for exploration.

I would invite all of the critics to come to Oklahoma to see where we drilled for oil. More oil rigs are run in this country by Oklahoma companies than anybody else in the country combined. They do it well. They do it in an environmentally sound way. They do it with the smallest footprint we can imagine, and they are held to accountability by every corporation commission throughout the country.

I know in the Presiding Officer's State their corporation commission is right on top of it. We have 60 years of experience in Oklahoma with fracking. We have never had one contamination of any water zone in 60 years in the State—second to Texas and Louisiana—that has drilled more holes in the ground than any other State in the country. So what we hear is all the reasons why we shouldn't create an opportunity through our natural resources for our kids rather than why we should, and it is time we should.

There is one other thing affecting the price of oil that people don't talk about very often, and that happens to be the value of the dollar. When the dollar declines in value, when we have deficit spending and big debt, the price of oil goes up. Why is that? Because the price of oil is traded in dollars. So when the world sees us not addressing our deficit issue, our debt issue, the value of the dollar declines. Ten years ago the value of the euro versus the dollar was 96 cents. It is \$1.32 today. So we can buy only two-thirds as much as we could 10 years ago in terms of products from Europe. That has an impact on the price of oil. If the dollar were strong, if we managed our budget well, if we didn't have deficits, oil would go down.

So the next time we are angry about paying \$4-plus for a gallon of gas, the only place we have to look is the U.S. Congress because if we weren't running deficits, if we were making the tough decisions, the value of the dollar would be much stronger, the purchasing power of that dollar would be stronger, and the value of oil would be less. People don't talk about that. They just assume it is just the world market. It is not. It is that what we do here matters. The fact is, we don't address in any significant way the problems in front of us from a fiscal standpoint, which has created a lack of confidence in the value of the dollar. It has declined; therefore, the price of oil has gone up.

So we have a way. This is one of the easy problems for America to solve. It is one of the ways to create a great opportunity for our kids and our grandkids; that is, utilizing the resources we have. We can do that in an

environmentally clean way that will not change our goal to become clean in terms of our energy utilization.

As we look at it, we subsidize solar to the tune of \$692 a megawatt hour. We subsidize—if we call it subsidization—natural gas at 64 cents per megawatt hour. Oil is at 69 cents, and coal is somewhere slightly above that. For wind, it is over \$100 per megawatt hour. So the money we are paying in taxes we are sending out to inefficiently compete with what is known to be there because the technology isn't there yet. That is why it is going to take us 25 to 30 years to ever develop the technology to wean ourselves from carbon-based fuels.

One more thought. There is new technology in terms of thorium nuclear reactors. A lot of people are worried about nuclear reactors, and they are concerned. We are very safe in this country in terms of how we have operated them, and we have a very good Nuclear Regulatory Commission that oversees that. The new technology eliminates nuclear waste and eliminates any threat of a meltdown. So think about it. Here we have a new technology in nuclear that significantly eliminates 99 percent of the waste. There is absolutely no threat of a nuclear explosion or nuclear meltdown. How many dollars did the Department of Energy put into that research last year? Zero dollars.

We have the President talking about algae. ExxonMobil has already spent almost \$1 billion on algae. Why should we take your taxpayer dollars to invest in something in which the biggest oil company in the world is already investing? Can we do it better? Probably not. Is more money the answer? No. Technology and scientific breakthrough is the answer, and that takes time.

As we hear the debate on raising the taxes on oil companies, just remember that we are not really going to raise any taxes because the amount of revenue that actually comes to the Federal Government isn't going to change. It sounds good. It is good for politics. It is good for the election cycle. It is good to make somebody angry about the price of oil. But the problem with the price of oil has nothing to do with that. It has to do with supply, it has to do with the decreased value of the dollar, and it has to do with factors that are outside the control of this country in terms of market price for oil based on significant geopolitical considerations. So I hope my colleagues will think a little bit longer term rather than the next election about our energy needs.

The one thing we have never done and the one thing I have already heard on the floor this week is that it will take us 10 years to become energy independent. I was in this body 7½ years ago. I heard the same thing: Had we started 7½ years ago, we wouldn't be importing one drop of oil from the Middle East today—not one—and the price of our gasoline wouldn't be above \$4. So

we can't use that as a reason not to do it. The fact is, we can do it better, we can do it smarter, we can markedly increase the revenues of the Federal Government by increased resource utilization, and we are going to be burning carbon for at least 25 more years. I want us to burn our carbon, not somebody else's carbon. With that comes the future for our children.

Thank you, Mr. President. I yield the floor.

ENERGY PRICES

Ms. COLLINS. Mr. President, high energy prices are hurting individuals and families and businesses, particularly during these difficult economic times. While I support the measure before the Senate this week that would eliminate certain subsidies for the largest integrated oil companies and extend several clean energy tax incentives, the fact that we are not debating a bill to establish a long overdue national energy policy is a missed opportunity.

To better protect American consumers against fluctuating and escalating prices, we need a thoughtful and comprehensive energy policy for the 21st century that promotes greater efficiency, the development of viable alternative fuels, and the production of domestic energy sources, including oil and natural gas, wind, solar, biomass and others.

The rising costs of energy are burdensome to Maine families, truck drivers, farmers, fishermen, schools, small businesses, mills, and factories. Nearly 80 percent of the homes in our State rely on heating oil, leaving Maine families extremely vulnerable to rising crude oil prices. It is clear that we need a dramatic change in our energy policy to protect ourselves from rapid increases in oil prices without sacrificing our environment. We must rally around a national effort to achieve energy independence for our economic, environmental, and national security.

In the nearly 40 years since the 1973 oil embargo, numerous approaches aimed at lowering energy prices have been discussed, such as expediting the review of offshore drilling permits, opening new areas to oil and gas leasing, releasing oil from the Strategic Petroleum Reserve, and promoting the development of domestic energy alternatives. The serious will to tackle a comprehensive policy, however, has been lacking.

If the United States is to become less susceptible to volatile global market situations that drive up the cost of heating and transportation fuel, we must decrease our dependence on foreign oil. To accomplish this goal, we must promote energy efficiency and develop viable and affordable domestic energy sources. I have worked to advance these goals by supporting legislation that would promote clean energy initiatives, such as accelerating research of plug-in hybrid technologies

for heavy duty trucks, providing incentives for producing alternative fuels from biomass, improving the energy efficiency of cars and appliances, the deployment of deepwater offshore wind power, and expanding domestic production of oil and natural gas in areas approved for exploration.

We must seize every opportunity to use oil more efficiently. For example, the provisions I was able to include in the last Transportation Funding Bill to allow heavy trucks to use Maine's interstate highways instead of being forced on secondary roads and downtown streets will shorten travel distances significantly. The owner-operator of a logging business in Penobscot County told me this change will save him at least 118 gallons of fuel each week. At today's diesel prices, that's more than \$500.

The current political turmoil in the Middle East and our reliance on oil from countries with which we have strained relations, such as Venezuela, remind us that decreasing our dependence on foreign oil and relying on domestic energy sources must be the cornerstone of our Nation's energy policy. For this reason, I have supported efforts to increase the responsible domestic production of oil and gas.

Our efforts to increase American production should first be focused on regions that are already open to gas and oil production. The many lessons learned from last year's oil spill disaster in the Gulf will help to ensure stricter safety regulations. I continue to believe, however, that we must also continue to avoid our most sensitive coastal areas and areas that are essential to our fishing industry, such as Georges Bank. Pursuing domestic oil and gas leasing and transport is an important component in reaching this goal, and I remain disappointed in the President's decision to deny the permit for the proposed Keystone XL pipeline. Canada is our Nation's largest trading partner, and construction of the pipeline would create thousands of jobs in our two nations and reduce our reliance on oil from overseas.

Finally, we must also continue to support important safety net programs, including providing adequate resources for the Low Income Home Energy Assistance Program to help low-income Mainers and senior citizens afford to heat their home. The Weatherization Assistance Program, which helps Mainers improve the efficiency of their homes and substantially reduce heating bills for the long-term, is another very important program.

I remain committed to working with my Senate colleagues to advance effective and commonsense energy legislation that increases America's supply of energy and decreases our demand for foreign oil. This will help us to achieve energy independence and stabilize gas and oil prices.

Mr. LEAHY. Mr. President, it is long past time to close the wasteful tax loopholes for Big Oil. Over the past 10

years, the five biggest private sector oil companies—BP, ExxonMobil, Chevron, Shell, and ConocoPhillips—have amassed combined profits of almost \$1 trillion. Last year was no different. Due to skyrocketing prices for oil, these same five corporations raked in a record-breaking \$137 billion in profits. Despite this massive windfall, Big Oil continued to receive billions of dollars in taxpayer subsidies that are unnecessary and, in my opinion, unconscionable. The Repeal Big Oil Tax Subsidies Act will eliminate these harmful subsidies and level the playing field for all Americans.

Big Oil does not need these big tax breaks, and the prices they set for consumers at the pump suggest that they don't appreciate them. As of March 22, the national average price of regular gasoline is over \$3.88 per gallon—up almost \$0.34 from a year ago. I need look no further than the prices at the pump in Vermont, where the average price for a gallon of gasoline is \$3.85—up approximately \$0.30 from the average price in March 2011. This price increase is especially burdensome in rural states such as Vermont, where people must often rely on cars to get around, and heating fuel is a life-or-death necessity in the winter. For every penny the price of gasoline increases, big oil companies make an additional \$200 million per quarter.

In spite of their ever-increasing profits and unneeded subsidies, the five major oil companies have done absolutely nothing to bring down prices for average consumers. Instead, they have padded their own pockets, using the vast majority of their net profits to pay exorbitant dividends, repurchase stock, lobby government officials, and buy radio and newspaper advertising to fight this bill. These actions benefit elite oil company executives and the companies' largest stockholders but do nothing whatsoever to ease the pain of hardworking Americans who trying to commute to their jobs every day or heat their homes during the long winter months.

This bill will halt the transfer of money from hard-working middle class families to oil company fat cats by ending more than \$2 billion in annual tax breaks. It is a watershed moment for both energy policy and deficit reduction, and I support it wholeheartedly. Eliminating these wasteful tax breaks that benefit a few undeserving companies will allow us to reinvest in clean energy technologies that will benefit everyone. These investments will improve our national security by making the U.S. less dependent on foreign oil. They will also strengthen our economy and create new green jobs for the large number of Americans who are currently out of work and facing hard times.

Specifically, the Repeal Big Oil Tax Subsidies Act would renew incentives for clean energy technologies and put America on the path to energy independence. In order to break free from