from the hours of 10 a.m. to 3 p.m. in order to file legislative or executive reported items with the exception of governmental affairs regarding the special investigation.

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

EXTENDING PROGRAMS UNDER THE ENERGY POLICY AND CONSERVATION ACT

Mr. COVERDELL. Mr. President, I ask the Chair lay before the Senate a message from the House of Representatives on the bill (H.R. 2472) to extend certain programs under the Energy Policy and Conservation Act.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 2472) entitled ''An Act to extend certain programs under the Energy Policy and Conservation Act.'', with the following amendment:

In lieu of the matter proposed to be inserted by the Senate, insert the following:

SECTION 1. ENERGY POLICY AND CONSERVATION ACT AMENDMENTS.

The Energy Policy and Conservation Act is amended—

(1) in section 166 (42 U.S.C. 6246) by striking ''1997'' and inserting in lieu thereof ''1998'';

(2) in section 181 (42 U.S.C. 6251) by striking ''September 30, 1997'' both places it appears and inserting in lieu thereof ''September 1, 1998''; and

(3) in section 281 (42 U.S.C. 6285) by striking ''September 30, 1997'' both places it appears and inserting in lieu thereof ''September 1, 1998''.

AMENDMENT NO. 1645

(Purpose: To extend certain programs under the Energy Policy and Conservation Act, and for other purposes)

Mr. COVERDELL. Mr. President, I send an amendment to the desk on behalf of Senator MURKOWSKI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL], for Mr. MURKOWSKI, proposes an amendment numbered 1645.

Mr. COVERDELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In lieu of the matter proposed to be inserted, insert the following:

''SECTION 1. ENERGY POLICY AND CONSERVATION ACT AMENDMENTS.

''The Energy Policy and Conservation Act is amended—

''(1) in section 166 (42 U.S.C. 6246) by striking '1997' and inserting in lieu thereof '1999';

''(2) in section 181 (42 U.S.C. 6251) by striking '1997' both places it appears and inserting in lieu thereof '1999';

''(3) by striking 'section 252(l)(1)' in section 251(e)(1) (42 U.S.C. 627(e)(1)) and inserting 'section 252(k)(1)';

''(4) in section 42 U.S.C. 6272)—

''(A) in subsection (a)(1) and (b), by striking 'allocation and information provisions of the international energy program' and inserting 'international emergency response provisions';

''(B) in subsection (d)(3), by striking 'known' and inserting after 'circumstances' 'known at the time of approval';

''(C) in subsection (e)(2) by striking 'shall' and inserting 'may';

''(D) in subsection (f)(2) by inserting 'voluntary agreement or' after 'approved';

''(E) by amending subsection (h) to read as follows—

'''(h) Section 708 of the Defense Production Act of 1950 shall not apply to any agreement or action undertaken for the purpose of developing or carrying out—

'''(1) the international energy program, or

'''(2) any allocation, price control, or similar program with respect to petroleum products under this Act.';

'''(F) in subsection (k) by amending paragraph (2) to read as follows—

'''(2) The term 'international emergency response provisions' means—

'''(A) the provisions of the international energy program which relate to international allocation of petroleum products and to the information system provided in the program, and

'''(B) the emergency response measures adopted by the Governing Board of the International Energy Agency (including the July 11, 1984, decision by the Governing Board on 'Stocks and Supply Disruptions') for—

'''(i) the coordination drawdown of stocks of petroleum products held or controlled by governments; and

'''(ii) complementary actions taken by governments during an existing or impending international oil supply disruption.'; and

'''(G) by amending subsection (l) to read as follows—

'''(l) The antitrust defense under subsection (f) shall not extend to the international allocation of petroleum products allocation is required by chapters III and IV of the international energy program during an international energy supply emergency.'; and

''(5) in section 281 (42 U.S.C. 6285) by striking '1997' both places it appears and inserting in lieu thereof '1999'.

''(6) at the end of section 154 by adding the following new subsection:

'''(f)(1) The drawdown and distribution of petroleum products from Strategic Petroleum Reserve is authorized only under section 161 of this Act, and drawdown and distribution of petroleum products for purposes other than those described in section 161 of this Act shall be prohibited.

'''(2) In the Secretary's annual budget submission, the Secretary shall request funds for acquisition, transportation, and injection of petroleum products for storage in the Reserve. If no request for funds is made, the Secretary shall provide a written explanation of the reason therefore.'.''

Mr. MURKOWSKI. Mr. President, this bill should have been the easiest thing we did this Congress. The Senate passed legislation on this issue by unanimous consent twice last year. This bill contains nothing less than our Nation's energy security insurance policy. This bill authorizes two vital energy security measures: the Strategic Petroleum Reserve and U.S. participation in the International Energy Agency.

Both of these authorities have expired. At this moment, sabers are rattling in the Gulf. Very soon, there may be more than sabers rattling. As I speak, more American troops are headed to the Middle East. We owe it to our soldiers, and the Nation's civilian consumers, to do everything we can to ensure that our energy insurance policy is in effect.

The House bill before us, H.R. 2472, would provide a simple extension of these authorities through September of this year. However, this is not enough to ensure our Nation's energy security. We must change the antitrust exemption in EPCA to comply with current IEA policy. The IEA changed its emergency response policy at our request, switching from command-and-control measures to more market-oriented coordinated stockdraw procedures. However, our laws haven't kept up.

Right now, our U.S. oil companies don't have any assurance that their attempts to cooperate with the IEA and our government in a crises won't be a violation of antitrust laws. The IEA's efforts to respond to a crisis will be critically impaired if it can't coordinate with U.S. oil companies. Our oil companies want to cooperate with our government and the IEA and strongly support this amendment.

We also need to amend H.R. 2472 to extend the authorization beyond September. For every year in recent memory, we have authorized this Act on a year-to-year basis. Every year, we face a potential crises when these authorities go unrenewed until the very end of the Congress. The provisions of this bill are not controversial. However, there are those who see any important bill as leverage.

This year, we are on the edge of a real crises. We have ongoing military action in the Gulf, and no clear authority to respond to oil supply shortages. Playing political games with this bill has always been irresponsible; now it is downright dangerous. In the future, the only way to avoid the annual crisis is to renew EPCA for more than one year. I am disappointed that we can't do that now. But for now, we must avert the immediate crisis.

I have tried to address concerns about the future of the SPR. Like many of you, I am dismayed by the recent use of the SPR as a ''piggy bank''. In 1995, DOE proposed the sale of oil to pay for repairs and upkeep, opening the floodgates to continued sales of oil for budget-balancing purposes. So far, we've lost the American taxpayer over half a billion dollars. Buying high and selling low never makes sense. We're like the man in the old joke who was buying high and selling low who claimed that ''he would make it up on volume.'' I am pleased that President's budget does not propose oil sales. I hope we have broken the habit of selling SPR oil forever.

We have already invested a great deal of taxpayer dollars in the SPR. We proved during the Persian Gulf War that the stabilizing effect of an SPR drawdown far outstrips the volume of oil sold. The simple fact that the SPR is available can have a calming influence on oil markets. The oil is there, waiting to dampen the effects of an energy emergency on our economy. However, if we don't ensure that there is authority to use the oil when we need it, we will have thrown those tax dollars away. So, the first step is to ensure that our emergency oil reserves are fully authorized and available.

We are talking about people's lives and jobs. The least we can do is stop holding this measure hostage to political ambition. I urge my colleagues to support the adoption of this amendment and immediate passage of H.R. 2472. I also urge our colleagues in the other body to adopt this measure before we go home for recess during this dangerous and uncertain time.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the amendment be agreed to.

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

The amendment (No. 1645) was agreed to.

Mr. BINGAMAN. Mr. President, before we engage in a significant military confrontation in the Persian Gulf, the Senate should thoroughly examine the reasons for, and the likely outcomes of, such action. Many of our colleagues have begun to do so in speeches on this floor over the past several days. I look forward to a continuation of this vigorous debate when the Majority Leader brings forward his resolution on this topic.

I believe that we must also take concrete action today, by amending and passing the bill that is now before us, to ensure that our nation and our economy are fully prepared to deal with any adverse effect that military action in the Gulf might have on the world's supply of oil from that region.

About 65 percent of the world's known oil reserves lie in the Persian Gulf region. That region supplies one-quarter of the oil that the world now consumes. Although Persian Gulf oil is responsible for a smaller fraction of U.S. oil consumption, world oil markets are highly interconnected. Any threat to the continued supply of Persian Gulf oil at current rates of production will quickly translate into volatile, higher prices here in the United States.

One can see this in the historical record. After the Iraqi invasion of Kuwait, world oil prices rose sharply, and American consumers paid accordingly. Between August 1, 1990 and December 1, 1990, U.S. consumers spent $21 billion more for crude oil and petroleum products than would have been spent absent that Middle East crisis. Events in Iraq continue to drive world oil markets. On November 13, 1997, the day that Saddam Hussein intensified the current crisis by ejecting U.S. inspectors from Iraq, the world price of oil rose by 20 cents per barrel. The last time we waged war on Saddam Hussein, our strategy included not only amassing multilateral military might in the Persian Gulf, but also minimizing the conflict's economic impact at home. We appear headed for another major military confrontation in the Gulf, but thanks to inaction by the other body, the second part of our 1991 strategy is currently not even an option.

President Bush had two tools at his disposal to reduce the economic effects of a military conflict in the Persian Gulf. The first was an economic alliance among the world's major oil-consuming countries, the independent International Energy Agency (or IEA). The United States formed the IEA after the Arab oil embargo of 1973, so that we would never again experience the market chaos, including gas station lines, that occurred back then. The initial IEA approach for dealing with oil supply disruptions was through mandatory allocations—having an international committee decide which nation would get how much oil.

The world has changed since then. 1970s-style command-and-control supply allocations won't work today. Instead, the United States has taken the lead in designing a flexible, market-friendly response to oil supply disruptions. The new approach relies on a coordinated drawdown of worldwide oil supplies. President Bush pioneered such a system during the 1991 Gulf War, although the oil companies that cooperated at that time placed themselves in legal jeopardy for having done so. The United States, with the full backing of our domestic oil industry, has refined this concept and convinced all of the other countries in the IEA to adopt it. But without passage of a law to facilitate the sharing of information about oil supplies in an emergency, the mechanism cannot be used.

If the world encounters oil market instability, the IEA will need to know about the location and movement of oil supplies in order to coordinate a response. Most of these oil supplies are privately held, so only oil companies have the needed information. Sharing such information is normally forbidden under U.S. antitrust laws, which apply to the world's major oil companies by virtue of their operation in this country. But in a genuine emergency, the national interest in the free flow of oil is far greater than the interest in keeping oil companies from sharing inventory information. Accordingly, there is already an emergency antitrust exemption in law that allows oil companies to share information with the IEA, but only to implement the outdated command-and-control response to an oil crisis, and only if the oil supply disruption is of mammoth proportions. Both the Bush and Clinton Administrations have sought to make this antitrust exemption apply to the types of oil crises we are actually likely to see, and to coordinated emergency responses other than mandatory worldwide oil supply allocations. This revised antitrust exemption would apply only when information sharing was expressly requested by the U.S. government. This is what we need to enact into law, now. Without these changes, the United States could find itself in the absurd position of being unable to use the international oil emergency response system that we ourselves designed.

The second tool that President Bush had at his disposal in 1991 was the nation's Strategic Petroleum Reserve (SPR)—586 million barrels of crude oil, stored in underground salt caverns at five sites along the coast of Texas and Louisiana. At the beginning of Operation Desert Storm, President Bush ordered the drawdown and sale of oil from the SPR. This had a powerful calming influence on world oil markets. Incredible as it may seem, such a use of the SPR by President Clinton would be illegal today. The United States still owns 563 million barrels of crude oil in underground salt caverns, but the President's authority to sell it in response to an emergency has lapsed.

How could we be so vulnerable to such clear and present dangers? I regret that once again, in the immortal words of Pogo, we have met the enemy, and he is us. The Administration has beseeched the Congress, for years now, to update the legal framework governing the IEA and to renew its authority to operate the SPR. The Senate has repeatedly and unanimously passed such legislation. The other body has refused to act, for reasons that are very difficult to understand.

With a major military confrontation in the Persian Gulf imminent, further delay is inexcuseable. We cannot allow our economy to be needlessly vulnerable to, say, a terrorist attack on Middle East oil infrastructure. I applaud the Chairman of the Senate Committee on Energy and Natural Resources for his persistence in trying to resolve this problem. I fully support his amendment to H.R. 2472, which provides the President with all the tools he needs to respond to an oil supply disruption. In the current situation, to do any less would be irresponsible. I hope that the other body now acts quickly on this matter. If the House has concerns, let us quickly convene a joint House-Senate conference to resolve them. If not, then let this bill become law.

The PRESIDING OFFICER, Mr. President, I move that the Senate insist on its amendment to the House, the Senate request a conference with the House, and finally, that any statements relating to the measure appear at this point in the RECORD.

The motion was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting two withdrawals and sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)