

I see my friend from Iowa is here.

I urge setting those issues before us and moving to resolve them in a fashion that is best for this country.

I yield the floor.

MEASURE PLACED ON THE CALENDAR—H.R. 4

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I understand there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will report.

The Legislative clerk read as follows:

A bill (H.R. 4) to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.

Mr. REID. Mr. President, I ask unanimous consent that there be no further proceedings at this time on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be placed on the calendar.

The Senator from Iowa is recognized.

(The remarks of Mr. GRASSLEY pertaining to the introduction of S. 1397 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. How much time do we have remaining?

The PRESIDING OFFICER. Seven minutes twenty seconds.

ENERGY POLICY

Mr. THOMAS. Mr. President, I want to expand a little bit on the question of energy policy. As I mentioned before, there certainly have been some changes in the California situation. There have been some changes throughout the country in gas prices and other kinds of energy prices. They are not significant changes and, indeed, now we see them moving back again.

The point we do not want to overlook is that when we had what we called an energy crisis 6 or 8 months ago, we had a problem; and the problem basically, of course, was that demand was growing but supply was not. We had a problem in terms of the amount of refining capacity in this country. It had not grown for a very long time. The same was true with electric generation.

We overcame that problem largely, I suppose, because, among other things, winter was over and some of the refineries that had to make fuel oil for New England had changed their production. But the fact is, the problem is still there. We do need an energy policy.

I urge that we do move forward. The President has put forth a policy—and much of it is incorporated in what has passed in the House—that I think makes a lot of sense. It includes conservation, having some opportunities for conservation in the usage of energy. There are many things we could do in

that area. We can do it as individuals and we can do it as governments and still continue to be productive. Conservation should be part of our energy plan. There are many groups that believe conservation is very important.

One of the other areas of energy policy has to do with renewable energy. We have renewables that are growing. We have wind energy, hydroenergy, and other kinds of energy that I suppose have potential for the future. Outside of hydro, renewables now represent about 1 percent of our total energy usage, but, nevertheless, we ought to be doing something in that area. To do that, of course, we need research and research dollars.

Our committee has already dealt with research, but there needs to be a considerable amount of research in the whole area of conservation, of renewables, of how to have more efficient production with less impact on the environment. So that is a very real part of energy research.

Then, of course, the real key is production. We have allowed ourselves in the energy production field to become dependent on OPEC. Nearly 60 percent of our energy resources now come from overseas. When they change their views, or when things happen over in those countries, it impacts our economy and our society.

We need to have an opportunity to increase production and to do it with diversity so we can use various kinds of energy, which includes coal. Part of the research is to make coal even more clean in terms of the air. We need to have diversity in terms of using gas, coal, nuclear, oil, and renewables so we do not find ourselves becoming dependent on one source.

Unfortunately, the plans that were sort of underway for having additional generating plants almost all had to do with natural gas. Natural gas is a good source of energy, but our largest energy resource is coal. If we can continue to make coal even more clean, why, certainly that is a source of energy that ought to be used for generation.

Also, we have not built generation plants for a very long time. Part of the reason for that is because of the uncertainty of some reregulation and ideas that are out there. In the past, when utilities served a particular area, they produced and generated the electricity. That was a pretty simple arrangement. Now we find more people looking at generation as a marketable commodity. It does not have to be tied to any particular area. But what is the secret to making that work? More transportation. More transmission.

If you cannot move energy from the place it is developed and manufactured to where the markets are, of course, then that is part of the problem. The main source in the West for coal and gas has been the Mountain States area: Wyoming, Montana, Colorado, and New Mexico. But in order to get it to the market, you have to have transmission

capacity, particularly if you have mine mouth which is very efficient. So these are issues that need to be dealt with in terms of an energy policy.

One of the issues in terms of transmission capacity is to have a nationwide grid so electric power can be moved across the country and can be moved into the RTOs, the regional transmission organizations, and become an efficient transmitter of energy. We can, in fact, do that.

I believe there needs to be an emphasis on this energy question between now and the time we adjourn so we can get into the field and begin to make some difference in terms of where our energy sources are coming from so we can continue to have reasonably priced energy in order to fuel an economy that we would like to have, which obviously is necessary in order to do that.

So I am hopeful that as we set our priorities for where we go we will include that in the very near future. We have talked about it a great deal. I think actually in a lot of ways there isn't a lot of controversy. There has been controversy, of course, in relation to having access to public lands and the idea of protecting the environment which has to go with energy development.

Some have used ANWR up in the north region as a poster child for not getting into public lands. The fact is, the House-passed provision is 2,000 acres out of 19 million that would be accessible for a footprint. So we are pretty close to some agreements on how we can set this country forward in terms of a source and an opportunity to have affordable energy.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have another subject upon which I am going to speak. I do want to make a couple of comments on the statements made by my friend, the distinguished Senator from Wyoming.

This last couple weeks has been somewhat troublesome to me because we have all been spread around the country not able to respond to the President who, of course, has the ability to speak from any place in the world. What has concerned me a great deal is the President and his Director of Budget Mitch Daniels talking about this great surplus we have, the second largest surplus in the history of the country. They failed to mention the surplus is all Social Security surplus.

Of course, we have a surplus because Social Security is not something that is funded as we go along. We forward fund Social Security. We have huge amounts of money coming into the Social Security trust fund today that we are not paying out. That is the way it was planned in 1983 when there was a compromise reached by Tip O'Neill, Ronald Reagan, Claude Pepper, and a few others. So people, including the President of the United States, who talk about this huge surplus are not being fair to the American public.