	Budget Authority
Shipbuilding and Conversion, Navy	0
Total	23,158
Current Level over (+) / under (−) Appropriate Level	0

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 7, 2006.

Hon. JIM NUSSLE,
Chairman, Committee on the Budget,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed report shows the effects of Congressional action on the fiscal year 2006 budget and is current through April 3, 2006. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended.

The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of H. Con. Res. 95, the Concurrent Resolution on the Budget for Fiscal Year 2006. Pursuant to section 402 of that resolution, provisions designated as emergency requirements are exempt from enforcement of the budget resolution. As a result, the enclosed current level report excludes these amounts (see footnote 2 of the report). This is my first report of the second session of the 109th Congress.

Sincerely,

DONALD B. MARRON,
Acting Director.

Enclosure.

FISCAL YEAR 2006 HOUSE CURRENT LEVEL REPORT AS OF APRIL 3, 2006

(In millions of dollars)

	Budget Authority	Outlays	Revenues
Enacted in previous sessions:			
Revenues	n.a.	n.a.	1,607,180
Permanents and other spending legislation [1]	1,354,569	1,313,097	n.a.
Appropriation legislation	1,333,823	1,323,802	n.a.
Offsetting receipts	−479,958	−479,958	n.a.
Total, enacted in previous sessions:	2,208,434	2,156,941	1,607,180
Enacted this session:			
Katrina Emergency Assistance Act of 2006 (P.L. 109–176)	250	250	0
An act to make available funds included in the Deficit Reduction Act for the Low-income Energy Assistance program for 2006 (P.L. 109–204)	1,000	750	0
Total, enacted this session:	1,250	1,000	0
Entitlements and mandatories:			
Difference between enacted levels and budget resolution estimates for appropriated entitlements and other mandatory programs	−72,018	−747	n.a.
Total Current Level [1 2 3]	2,137,666	2,157,194	1,607,180
Total Budget Resolution	2,144,384	2,161,420	1,589,892
Current Level Over Budget Resolution	n.a.	n.a.	17,288
Current Level Under Budget Resolution	6,718	4,226	n.a.
Memorandum:			
Revenues, 2006–2010:			
House Current Level	n.a.	n.a.	9,176,059
House Budget Resolution	n.a.	n.a.	9,080,006
Current Level Over Budget Resolution	n.a.	n.a.	96,053
Current Level Under Budget Resolution	n.a.	n.a.	n.a.

Notes: n.a. = not applicable; P.L. = Public Law.

1. The Deficit Reduction Act of 2005 (P.L. 109–171) was enacted early in this session of Congress, but is shown under "enacted in previous sessions" as requested by the Budget Committee. Included in current level for P.L. 109–171 are $980 million in budget authority and −$4,847 million in outlays.

2. Pursuant to section 402 of H. Con. Res. 95, the Concurrent Resolution on the Budget for Fiscal Year 2006, provisions designated as emergency requirements are exempt from enforcement of the budget resolution. As a result, the current level excludes the following amounts:

	Budget Authority	Outlays	Revenues
Emergency requirements enacted in previous session	74,981	112,423	−7,111
Katrina Emergency Assistance Act of 2006 (P.L. 109–176)	−250	0	0
National Flood Insurance Enhanced Borrowing Authority Act of 2006 (P.L. 109–208)	2,275	2,275	0
Total, enacted Emergency requirements:	77,006	114,698	−7,111

3. Excludes administrative expenses of the Social Security Administration, which are also off-budget, but are appropriated annually.

Source: Congressional Budget Office.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

THE OFFICIAL TRUTH SQUAD

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Georgia (Mr. PRICE) is recognized for 60 minutes as the designee of the majority leader.

Mr. PRICE of Georgia. Mr. Speaker, what a pleasure it is to be back in front of my colleagues talking about items that are of such remarkable importance to us across our United States. We have been away for 2 weeks now at home on a district work period, and it is my privilege to come on back and take this leadership hour. I thank the leadership for allowing me to spend a few moments with some of my colleagues to talk about an issue that has really come to the fore in the past couple of weeks. But first I want to just introduce the Official Truth Squad once again.

The Official Truth Squad, many folks know, began with a group of Republican freshmen Congressmen and -women who said after about 6 months here in Washington that, well, you know, there seems to be a tone or a tenor to the debate here that is not productive, and there seems to be a lot of personal animosity that is getting in the way of solving the remarkable challenges that we have here in our Nation.

So we thought it was appropriate, because oftentimes when the anger and the emotion get greatest, that is when truth flies out the window, we thought it was appropriate to form this Official Truth Squad. What we try to do is to come before the House of Representatives almost every night when we are in session and to talk about particular issues that are of importance to the American people and talk about them in a way that hopefully is a little more positive, a little more enthusiastic about the solutions to the challenges that we have before us as a Nation, but grounded in truth, because if you don't talk about truth, you can't get to the right solutions. Everybody knows that.

We have been very, very pleased with the response that we have had really across the Nation, because one of the things we were so disturbed by was the general level of politics, of what I call the politics of division. The politics of division are tried and true, and they occur when people pit one group in our society against another and make it so that you have got to be for one and against another, and you can't be for both. It just really makes it difficult to solve problems when you have that kind of rhetoric going on.

There was a gentleman that kind of put it all in perspective a little over 100 years ago, the Reverend William Boetcker, who was a public speaker and a leader of the day back at the turn of the 20th century, the 19th to the 20th century. One of his heroes was

Abraham Lincoln, and he attempted to crystallize what he thought would be Abraham Lincoln's philosophy on social discourse in different sectors of society.

I find it helpful always to look back at this quote, and I will share it with the House this evening, Mr. Speaker. This is a quote: ''You cannot bring about prosperity by discouraging thrift; you cannot strengthen the weak by weakening the strong; you cannot help the wage earner by pulling down the wage payer; you cannot encourage the brotherhood of man by encouraging class hatred; you cannot help the poor by destroying the rich.''

Really, I think that crystallizes what ought to be the American philosophy, because we are all in this boat together. We have all of these challenges that we must face together, and truly there are not necessarily Republican solutions or Democrat solutions, but there are American solutions. But unless we work together, we really won't be able to get to the right solutions.

As I mentioned, we have all been home for the past 2 weeks on our district work period. I have had an opportunity to meet with so many constituents across the Sixth District of Georgia, and I know that my colleagues have talked with their constituents and their friends and neighbors at home.

Mr. Speaker, I will tell you that one of the most important issues that is now confronting us as a Nation is the issue of energy prices, gas prices at the pump. We have seen a significant increase over the past number of weeks and months, and I think it is important when we talk about this issue, especially to talk about truth.

I thought I would begin just by sharing, everybody knows what the gas price is in their community. They range from, in my hometown it was $2.89 when I drove to the airport this morning for a gallon of gasoline. It goes down in some areas of the Nation to $2.40, $2.50. In some areas it is up in the high $3s.

Because we are interested in the truth here, I thought it would be helpful to share what some of the prices are around the world in other Western nations. What are these nations paying? This is what they were paying 2 weeks ago, the latest numbers we have. Belgium, $6.10 for a gallon of gas; France, $5.00 for a gallon of gas; Germany, $5.96 for a gallon of gas; Italy, $5.91 for a gallon of gas; the Netherlands, $6.73 for a gallon of gas; and the United Kingdom, Great Britain, $6.13 for a gallon of gas. At the same time in the United States, $2.88 on average for a gallon of gas.

That sounds like a lot of money, and indeed it is, but when we compare it to the rest of the world, which is the truth about this situation, it is extremely important that we talk about these numbers in a way that allows the American people to have as much information as possible when it comes to the issue of gasoline prices and energy prices. Otherwise, we are all just getting up here giving our opinion.

This brings me to the favorite quote of the Official Truth Squad, and that comes from a former Senator from the State of New York, Daniel Patrick Moynihan, who used to say, ''Everyone is entitled to their own opinion, but they are not entitled to their own facts.''

Mr. Speaker, that is so true about this issue and so many others, because unless we are talking about facts, unless we are talking about the truth, we can't get to the right solutions. So I would encourage my colleagues across the House to remember this when we are dealing with issues, especially as important as those that relate to energy prices and gasoline prices.

We are going to talk tonight about how we got to where we are, where are we, what the situation is and what kinds of things the United States and this Congress is doing in a positive and productive way to solve the challenges that we have in the area of energy.

I will be joined by a number of colleagues. First I am joined by a great friend and colleague from Tennessee, the Congresswoman from Tennessee, Mrs. BLACKBURN, who has been an incredible leader in our conference about so many areas, including the economy. She participated in small business, and just brings a wealth of experience and information to the table. I know that she has some thoughts to share with us tonight on the issue of energy and gas prices.

I welcome you this evening.

Mrs. BLACKBURN. Mr. Speaker, I thank the gentleman from Georgia for his leadership on the issue. As you were saying, we are all in this boat together when we look at the energy issue and look at not only the fuel for our cars, but for our homes, how we generate electricity, how we address the energy needs of a booming economy, how we address the energy needs of a growing population.

As you said so very well, this is not a Democrat or a Republican issue, this is an American issue, and we need to go back and let history be a great teacher for us on this issue. How did we get to this point? This issue didn't just happen last week or last month or even last year. This is something that has been growing for a period of time. I really look at it as something that has been coming together over the past 30 years, when we look at what has happened with this.

If we go back to the mid-70s, a good start date to take for the sake of discussion on this issue is 1976. The reason we go back to 1976, Carter was President then and that was the last year that we had a refinery built in this country. That was the last year in which a new refinery, oil or gas refinery, was built on U.S. soil.

What we saw happen was an increase in regulation from the EPA and from OSHA and different environmental groups and different demands that environmental groups would place on creating or developing a new refinery or going out and exploring for oil or gas or developing new technologies to extract oil and gas to bring forward for the refining process.

Since 1976, we have seen layer upon layer upon layer of mandates, of rules, of regulations, that have made it very, very difficult to bring forward new technologies so that we can meet the energy needs of this Nation.

□ 2045

So that we are meeting the energy needs of this Nation. Great for instance. When you inventory what we had on line with refineries in 1981, there were 324 oil and gas refineries in this country in 1981. Today there are 148 refineries; 148 refineries. And, you know, the last refinery that went up in this country was out in Yuma, Arizona. It took 5 years and 4 months to get through the permitting process to put that refinery in place.

So we see that what we have done is to put in place a process where we have fewer refineries that are working, and fewer refineries to actually process the oil and gas that we need. Now at the same time our population is growing, we have more cars on the road, and we have more houses. Home ownership is at an all-time high.

We need to be processing 21 million barrels of oil a day. We have the capacity to refine 17 million barrels of oil a day. So what we have is a very tight supply line, and it is difficult for us to meet those needs with the current infrastructure that is in existence.

What we have to do also is couple those facts of fewer refineries and making it very difficult to do exploration and development. Now, you know, and I will tell you, the liberals on this issue need to realize the double-talk ought to stop. The double-talk needs to stop because you cannot have it both ways.

You do want oil and gas, but then you do not want the prices to be high, but you do not want to go drill in ANWR, you do not want to inventory the Outer Continental Shelf, and you do not want to extract any of those gas deposits that are there, and heaven knows, let us not go drill in the West. And that is what we have the tendency to hear.

But at the same time, they are saying gas is too high, we need to immediately move to alternative fuels. But then they say, you are not doing enough for alternative fuels, but the gas prices are too high. And, you know, I will tell you, Mr. Speaker, it is that kind of double-talk that makes it very difficult to sit down and work out a solution to this that is going to help us with this issue.

And I will tell you, Mr. Speaker, I look at this with the fewer refineries, with the lack of exploration and development, Hurricanes Rita and Katrina taking fully 25 percent of our refineries off line, and what you have is the perfect storm of an energy crisis. And at

the same time that is happening, we are switching from the MTBE to ethanol.

There are some supply line problems with the distributors there. And, yes, this has been a very difficult week. And I am like most persons. I go to fill up my car, and I just, you know, gasp at the price. And I think, my goodness, this is not what we are used to. This is not what we have planned for. This is not what we have budgeted for. It is so expensive.

And I held town hall meetings, as you were saying, as the gentlemen from Georgia was saying, visiting with my constituents. And you talk to those who are on the school boards who are saying, you know, it is costing more to run buses, and you talk to those who are running their county governments. They are saying, our supply costs and our fuel costs are going up.

And it says, yes, indeed we need to do something. And I think it is very important that we realize that there are some things we can do in the short term. There are some things that we will do that will affect the midrange, and then we need to be very conscious as we look at a long-range plan, and as we look at working toward an energy independence day.

And, Mr. Speaker, I look forward to working with the gentleman from Georgia in returning another night to talk a bit more about energy independence day and how we would get there and what that would look like.

And I think that as we look at this issue, we know legislatively there are some things that we can do and have done. We have passed the Energy Policy Act from the committee where I hold a seat, Energy and Commerce. And we first passed that piece of legislation in 2001, and it languished across the dome with our friends in the Senate. And finally this past June we were able to get that signed into law and passed to put $8 billion on to alternative fuels development, to simplify some the permitting process so that it is easier for those refineries to stand up and begin processing the fuels that we need.

You know, there is another piece of legislation, the Gas Act, that we passed after Katrina took place, and that is the piece of legislation we passed in this body on a 212–210 vote. It would federalize and put in place Federal penalties for price gouging. Unfortunately we did not have any help from our friends across the aisle on that. And we felt it was important to put in place, to federalize price gouging. Now, that piece of legislation that we passed is sitting in the Senate. The liberals are holding it up. It is time for us to pass this.

I yield to the gentlemen from Georgia.

Mr. PRICE of Georgia. Mr. Speaker, I thank the gentlewoman for yielding.

I have got a number of posters about what, in essence, is the double-talk that you raise. Our good friends on the other side of the aisle, the liberals on the other side of the aisle, tend to talk one way, and then they vote another.

I just wanted to highlight the one you just mentioned, because this Gas Act is so remarkably important for energy independence for our Nation. It was roll call vote 519. This is what the Truth Squad is all about, bringing you information, facts that you might not be able to have otherwise. Roll call vote 519 in 2005, the Gas Act. Every single Democrat voted no. Every single one voted no, which just crystallizes that double-talk that you highlighted so very, very well.

I yield back.

Mrs. BLACKBURN. If the gentleman will yield. Yes, this is one of the things, and let us continue to look at this poster. You know, do we care more about caribou in ANWR, or do we want to come into an area that is an enormously large area and go into an area land-mass-wise that is about the size of the State of South Carolina, and go into an area that is about the size of the Atlanta airport and drill, and go in on ice roads during the winter and drill?

You know, I mentioned that we need 21 million barrels of oil a day, and that we have the capacity for 17 million. In that field in the North Atlantic Wildlife Refuge, that field would yield as much as 1 million barrels a day. So I think that this is the time when we have to say, where are our priorities? And how are we going to use the fossil fuels that we have while we try to wean ourselves from foreign oil, and while we develop alternative sources, and as we look at this electric power generation?

I was in another State in a coastal area with one of our colleagues, and we were going across a bridge. I had been speaking in one area, and we were going to the other for a speech. And there were two power plants on either side of this bridge out in this bay. And as I looked out there, I said, oh, are these on hydroelectric power? What are we using? What is the source here? Is it wind? Is it water?

One was burning coal; the other was burning oil and gas. You know, you have to say, if they are both using fossil fuels, why are we doing that and not being good stewards of our fossil fuels and using all of those other natural resources that we have?

So this is a time for us to say, let us be very thoughtful, let us learn some lessons from what has happened over the past 30 years. Let us look at what happens when you give environmental groups the say over how you are going to develop your energy policy. When you say we are going to work day in and day out, and we are going to keep you from drilling, let us look at the lessons that we have learned and what ends up happening in the long run.

And as we look at conservation and preserving efforts, which will help us with the short-term fix, when we look at the legislative efforts that will help us in the midterm and the long term, let us be very, very mindful that every piece of legislation that we pass is going to have some consequences whether intended or unintended, and we need to be very mindful of that.

With that I yield back to the gentleman from Georgia.

Mr. PRICE of Georgia. Mr. Speaker, I thank the gentlewoman for her perspective and a cogent laying out of exactly what this situation is that we have right now, how we have gotten into this situation, and what sort of alternatives that we have.

And your statement about things beginning 30 years ago is so appropriate, because this did not happen overnight. We find ourselves in this situation now because of the policies of past Congresses, policies of past administrations, and the action of so many folks that brought us to this point right now.

And it is not going to be fixed overnight, but we are well on our way. We want to assure the American people that we are well on our way to making it so that we are energy independent. I appreciate your presentation so much.

I do want to highlight a couple of our items that were discussed as we move forward with the Official Truth Squad and talk about energy policy and gas prices. So much of the discussion that you have heard by some of our friends on the other side are talking about, in fact it has been this evening in the well and earlier today in the well, and they talk immediately about their solution, which is always to either put a cap on something or to tax something. And you have got to listen carefully, because sometimes the language is couched. But price controls or a windfall profit tax we have heard bandied about, increase the taxes. But the truth is that that action would be extremely detrimental. And I say that with all sincerity, pointing to the Official Truth Squad poster.

And folks will say, well, how do you know that? Well, we know that because of history. And history has a tendency to repeat itself unless you learn from it. And there is great history that we have, and it is not that long ago. There is a wonderful policy primer that was put out by the Cato Institute in Washington. It has got great information about what they call the case against oil price controls and windfall profit taxes, and they do so in a very academic and appropriate way by citing the information that we have available to us just a generation ago. And I want to read some of the information that was presented in this. And I will quote from it a number of different times.

One of the broad conclusions that they make is that, quote, free markets are more efficient than controlled markets. And goods and services are more available and less expensive in free markets as opposed to controlled markets.

So restricting product prices for profit opportunities invariably reduces investment in conservation and new supply. Now, that may seem counterintuitive, but if you restrict the opportunity for our system to work, our market system to work, our free market system to work, if you restrict that in certain ways, then what happens is that people say, well, I will not invest in new forms of energy. I will not invest in the new opportunity to find more oil. I will not invest in things that will declare our dependence on foreign oil. I will go invest in something elsewhere if the government is not involved. And it actually decreases supply. And we had a very clear example of that in the 1970s and the 1980s when price controls were enacted by this Government, and when the windfall profit tax was in place between 1980 and 1988.

There was an economist, Joseph Kalt, who, in 1981, a Harvard economist, I do not often quote a Harvard economist, Mr. Speaker, but I will tell you that he has some sage advice for us. And Kalt studied the price controls that were enacted in the 1970s, and he drew these conclusions.

He stated that price controls and the incentive to import created by the entitlement program reduced the incentive to bring new domestic oil to market. These are the things being considered on the other side of the aisle right now, and being touted as the be-all and end-all.

Kalt calculated as a result, domestic production was .3 to 1.4 million barrels per day lower, lower than it would have been otherwise. Clear example that price controls do not work.

In spite of that fact, clearly a demonstration, truthful demonstration, of what happens when you restrict that market.

Another quote, a few observations about the price control experience of the 1970s jumped out at the analysts. First, price controls are simply ideas in theory, but they are extremely complicated exercises in practice.

□ 2100

Second, a tremendous amount of political pressure inevitably arises under price control regimes to provide regulatory benefits to favorite producers at the expense of less-favored producers, thus distorting markets even further.

Third, price controls have unintended consequences and often exacerbate the problems they ostensibly are designed to address.

Again, if you want to tell what the future is going to be, and you want to enact policies that have been tried in the past, then it is a pretty good bet that if you look at the consequences of the policies that were tried in the past, that you can tell what the future is going to be. Hopefully we want to look in a sober way at the policies that were enacted in the past so that we can determine whether or not we want, in fact, to go down that same path.

I would suggest to you, Mr. Speaker, that going down that same path for price controls and windfall profit tax, which sound wonderful, I mean they really do. I mean, you say we ought not to be having to pay that much at the gas pump. If we are paying that much, then somebody else is just making too much money.

The problem is, Mr. Speaker, that the policies of price controls and windfall profit tax don't have their intended effect. They don't result in a decrease in price significantly, and they significantly decrease the amount of availability, which then indeed drives up prices even more.

The conclusion of this treatise on price controls and windfall profit tax is very telling and, I think, very instructive. It goes as follows. The observation that price controls induce scarcity and impose net losses on the economy is as uncontroversial among economists as are observations about gravity among physicists. Let me read that again. Sometimes you can get lost in really the magnitude of a statement like that, but I think it is important, and it is very instructive for us as a Congress, for us as a Nation. The observation that price controls induce scarcity and impose net losses on the economy is as uncontroversial among economists as are observations about gravity among physicists.

He goes on to say the experience of the 1970s further suggests that price controls may not even achieve their stated goal of reducing consumer prices. Intervention in oil markets historically has improved the welfare of politically popular market actors, primarily small independent oil producers and small refinery owners rather than the welfare of consumers.

Whether politicians intended that to be the case is unclear. Regardless, if wealth distribution is the rationale for price controls and windfall profit taxes, general individual and corporate income taxes are certainly less costly and more equitable than sector-specific market intervention.

Now, people often support price controls and windfall profit taxes because they don't believe that oil producers have a moral right to higher-than-normal earnings. Mr. Speaker, how often have we heard that the last 2 weeks, that these profits are immoral? I heard it, certainly heard it. I heard it from the other side of the aisle.

He goes on there somehow there is a widespread sentiment that it is somehow wrong for owners to profit when exogenous events greatly inflate the value of commodities that they own. Yet those who hold that opinion don't oppose windfall capital gains for homeowners. In fact the public tends to cheer rising home prices and reacts to falling home prices as a problem to be solved.

Now, why is it morally wrong for some parties but not others to periodically earn windfall profits is a mystery that we cannot solve. That is the writers of this paper.

Regardless of the moral issues involved, Federal efforts to take excess profits from oil companies whether via price controls or excise taxes are bad public policies. They fail to achieve their proximate aim, which is to reduce prices paid by retail consumers, but do manage to reduce supply, increase imports and impose steep costs on the economy.

Mr. Speaker, I tell you, those comments, that statement, that conclusion of history, which is truth based upon what happened, is extremely telling. They fail to achieve their proximate aim, which is to reduce prices paid by retail consumers, so they don't decrease the prices. They don't decrease the prices.

If you put price controls on, and you put in place what is euphemistically called a windfall profit tax, it doesn't decrease the price. What it does do is it manages to reduce supply, increase imports and impose steep costs on the economy.

I don't know that there is a more clear evidence that moving in the direction of price controls or windfall profit taxes would just be the wrong thing to do, wrong for the economy, wrong for consumers, wrong for my constituents, wrong for the American people. I am hopeful that my colleagues will be mindful of the information that we have available to us about past actions.

I also want to just point out that when you hear people talk about how it is, quote, immoral, unquote, for somebody to earn that kind of profit, please harken back, harken back to the politics of division that I mentioned before, that the philosophy that was felt to be that of Abraham Lincoln and those who had a sensibility about how we as a society ought to move forward, and remember what he said. You cannot help the poor by destroying the rich. That is oh so true, Mr. Speaker.

I do also want to cite one other portion of this treatise. You have heard a lot of people talk about price fixing or collusion between oil companies for the cost of gasoline at the pump. This is a citation in this paper, but it is very telling because it is a nonpolitical arm of the government talking, and it is independent individuals who drew these conclusions.

The conclusion that they drew is significant. We are unaware of any governmental investigation since the formation of the OPEC cartel that has found evidence of price fixing or collusion in U.S. gasoline markets. The Federal Trade Commission concludes that, quote, the vast majority of the FTC's investigations have revealed market factors to be the primary drivers of both price increases and price spikes. Those investigations, it should be noted, were undertaken by both Republican and Democratic administrations.

Mr. Speaker, I am so disturbed when I go home and I hear people at home talk about the inability of Congress to get together and solve problems. What

I say to them is that the level of demagogy on the part of many here is very disturbing, and it does a disservice to us all.

Again, these aren't Republican problems, they aren't Democrat problems, they are American problems, they are American challenges. We solve them best if we solve them together. I urge my colleagues to work together to not throw around the kind of language that we have already heard again today by others, because it is destructive, doesn't help.

What is the problem? Now, my good friend from Tennessee alluded to much of the problem, and I want to refer to a number of things that she said. I want to remind folks, though, about The Official Truth Squad favorite quote, and that is, again, because we are going to talk about facts now, that is from Senator Daniel Patrick Moynihan, who said, everyone is entitled to their own opinion, but you are not entitled to your own facts. Let's talk about some facts. Let's talk about why gas prices are high now.

You will hear a lot of folks conjecture and throw around things that they say are the reason that gas prices are so high. But I think there are, there are five or six general areas that can be distilled as to addressing why gasoline prices now are at the level that they are.

Remembering though, Mr. Speaker, that gas prices in other nations, other Western nations, are significantly greater. Remember the U.K., $6.13 for a gallon of gasoline; Germany, $5.96 for a gallon of gasoline; Belgium, $6.10 for a gallon of gasoline. But why are gas prices at an average of $2.88 in the United States?

There are a number of reasons. First reason that can be clearly pointed out is that we are in that time of year where we are changing gasoline blends, and this change disrupts the supply chain. What happens is that between winter and summer, the seasonal blends traditionally cause spikes at this time of year in gas prices. We are fond of saying at home, we have been for the past number of years, you hear people say, well, it is time for summer vacation, so they will crank up the prices again. But what is happening is there is a different formula of gasoline, the season blend of gasoline that is used in the summer, as opposed to the winter. That cost, just that shift to that different blend, causes some increase in price.

Also, the Energy Policy Act that we passed in 2005 ends the federally mandated oxygenate requirement for some gasoline blends beginning on May 5. Fearing an exposure to MTBE lawsuits, Mr. Speaker, fearing an exposure to MTBE lawsuits, refiners are, instead, turning to ethanol, and that is causing a significant increase in the cost of gasoline.

I will say to my friends on both sides of the aisle that there are three things that consistently drive up the cost of doing any business and providing increased cost to the bottom line for a service or a product. You know what these are well, Mr. Speaker. They are taxation, they are litigation, and they are regulation.

My good friend from Tennessee earlier talked about a lot of the regulatory challenges that we have in the area of energy policy that make it so that the cost of gasoline is higher than it ought to be. But what you just heard is that there are oil companies that because of the true threat of litigation have changed their formulation to include ethanol instead of MTBE. That cause, that threat of litigation, has caused a significant increase in the cost of gasoline, the addition of ethanol that they are using in place of the MTBE. Information agency estimates that the switch from MTBE to ethanol is responsible for an additional 5 cents a gallon in cost. Remember, that is a switch that much of which is brought about because of the risk of litigation.

Now, there are also tariffs on ethanol imports. So more intervention has resulted in tariffs on ethanol imports, which companies say they are relying on in greater quantities, and that those tariffs add 54 cents a gallon to a gallon of ethanol. Reports forecast that we might need an additional $2 billion of ethanol this year alone.

Mr. Speaker, 2 billion gallons of ethanol, 54 cents a gallon, an extra $0.05 a gallon for the switch. Mr. Speaker, that looks to me like something over $1 billion. That has got to be made up. So that is driving the cost.

Now, that is truth. Changing the gasoline blends, the addition of ethanol, those are two specific areas that have resulted in a marked increase in the price of gasoline at the pump.

Now, we can talk all we want about price controls and windfall profit taxes and the like, but they will not affect either of those costs at all. Not at all. In fact, they will decrease the supply if we adopt any of those, quote, solutions.

What is another reason that the price of gas is up right now? Gulf coast disruption. Tight supplies mean even one unscheduled refinery shutdown with can drive up gasoline prices; 22.3 percent of gulf coast oil production is still shut down from the hurricanes of last fall, 22.3 percent of gulf coast oil production is still shut down. That results in about over 300,000 fewer barrels of domestic oil available to Americans on any given day. So we have got some factual reasons why the price of gasoline at the pump is significantly increased.

What else? World supply and demand. Supply and demand. Our need for oil has grown, but we face new competition from other markets, particularly India and China, significantly increased economies. Their increase in economic viability is positive for the world, results in increased opportunities for all in the world, but they have a significant increase in demand for oil.

Our domestic production and our refining capacity haven't kept up. The gentlewoman from Tennessee earlier talked about the lack of any new refinery in our Nation coming on line in the last 30 years. It is phenomenal, Mr. Speaker, it is phenomenal.

□ 2115

It is not right. And that has been a result of significant policies that have increased regulation, have increased the threat of litigation, and taxes have been so significant so that they haven't brought new refineries on line. Those kinds of things do not happen overnight. They do not happen overnight. And these problems haven't happened overnight.

We are not functioning in a vacuum either. It is not like you can order crude oil from one place in the world and expect it to always be there. Threats of supply reduction from Nigeria, Iran, and Venezuela have also caused crude oil prices to rise. So there is some real certain truthful reasons why the price of gas is what it is right now, not some conjecture. You don't have to make anything up. There is real evidence as to why the price of gas is what it is.

Fifth. Lack of domestic oil production. Here is one that really irks many folks in my district. They say, we've got gasoline available, we've got oil available right under our own Nation and within our own properties and off our own shores that can be obtained with great respect for the environment, that can be obtained safely, so why on Earth doesn't Congress enact the opportunity to be able to get that oil?

We are going to need much more oil before we ever kick our dependence on it, without a doubt. But, unfortunately, current law leaves nearly 100 billion barrels of oil out of reach to Americans. Out of reach to Americans. It is American oil. It is an American resource. And until that changes, American families will continue to pay more than they should for gasoline.

At a time when we import most of our crude oil and, increasingly, gasoline, these restrictions also undermine the Nation's security and prop up authoritarian regimes around the world. I will tell you, my folks at home are fed up. They say, look, we've got to, as a government, make certain that we can utilize the resources that we have.

And, finally, Washington inaction. Now that is something that probably is as true for this as it is for many, many other areas; but these problems, as I mentioned, took decades to develop and to come about. Most folks don't remember that 10 years ago this Congress passed the opportunity to utilize some of those resources that I mentioned and that President Clinton vetoed, vetoed the opportunity to, in an environmentally safe way, take care or utilize the resources that we have available to us in Alaska.

That is a fact. That is the truth. That is the truth. And that is what we

are here tonight to talk about, is the truth behind why gas prices are where they are and what the solution is. So by way of summary, the gas prices are significant and high, higher today than they have been in the past for a variety of reasons. Changing gasoline blends, the addition of ethanol, disruption down on the gulf coast, world supply and demand, lack of our own domestic oil production, and then Washington inaction. Bureaucratic Washington inaction.

So, Mr. Speaker, I hope that has been helpful to my colleagues listening and those folks listening around the Nation as we talk about the extreme importance of addressing an issue that during our 2 weeks home I heard an awful lot about.

I am pleased to be joined by a number of colleagues, and now I would like to introduce a good friend and colleague, a member of the freshman class, a member of the Official Truth Squad, Congresswoman VIRGINIA FOXX from North Carolina. She has a great background of study, and I have always been impressed with her ability to crystallize an issue and to do the due diligence on how we got to a situation, how we arrived at a problem and what the solution is.

I look forward to her comments this evening on the issue of energy and gasoline prices, and I yield to Congresswoman VIRGINIA FOXX.

Ms. FOXX. Thank you, Congressman PRICE. I appreciate very much again your leadership in bringing the information from the Truth Squad here to the floor of the House and am pleased to join you and Congresswoman BLACKBURN tonight to talk about energy prices.

You know, Mr. Speaker, the Democrats sure do like to have their cake and eat it too. Over and over again they complain about something and then turn right around and oppose any commonsense solutions offered by Republicans. I think you have done a good job of talking about some of the issues related to the high price of gasoline. None of us likes to pay a high price for gasoline, and those of us who are Members of Congress who have large districts probably are affected by it as much as a lot of the average Americans are because of our ability to get out in the districts and travel and visit with our constituents.

But Democrats have a way of talking about things and doing something differently. They are giving us a hard time now about the high price of gasoline. They talk about the deficit, they whine about the deficit, but they vote against slowing the growth of spending. They complain about the President's plan in Iraq, but they offer no alternatives. They say we need to increase border security, but they vote against the bills that would do just that. The list goes on and on.

The Democrats' latest case of hypocrisy is that they hold a press conference to complain about our rising energy prices, even though their actions have contributed directly to the problem. For a party that claims it is looking out for the best interests of the American people, it has a funny way of showing it.

For decades the Democrats have fought to stop production of all forms of energy. They voted against increasing domestic energy supplies, which would not only lower prices but create more jobs here at home. They have opposed Republican efforts to lessen the tax burden at the pump. They have opposed nuclear energy and renewable fuels. They have opposed cracking down on price gouging.

Republicans have been working hard, Mr. Speaker, to address rising energy prices, but all the Democrats do is vote ''no,'' and we don't think that ''no'' is an energy policy. Democrats have traditionally, again, and consistently opposed all GOP efforts to increase domestic energy production. For nearly three decades environmental extremists and their liberal allies in Congress have fought to halt production of all forms of energy. In fact, Democrat obstructionists have repeatedly voted against Republican efforts to increase domestic supply, encourage innovation and technology advancement, and lower the tax burden Americans pay at the pump.

Let me talk a little bit about the specifics on that. Five times Democrats have had a chance to vote for comprehensive energy reform for programs to expand the use of nuclear energy and renewable fuels, and five times they said no. And this is just in recent years.

July 25, 2005, H.R. 6, the Energy Policy Act of 2005, on agreeing to the conference report. It passed the House by a recorded vote of 275–256, but 124 Democrats voted ''no.''

June 15, 2004, H.R. 4503, Energy Policy Act of 2004, on passage, 152 Democrats voted ''no.'' It passed by 244–178.

November 18, 2003, H.R. 6, Energy Conservation Research and Development, on agreeing to the conference report, 154 Democrats voted ''no.''

So they have consistently voted ''no'' on issues that would help us increase the energy supply.

We think that folks need to ask the minority leader some questions about rising gas prices and her record on that, and the Democrats' record on it. They have fashioned an abysmal record on energy issues that are important to the American public, yet now they have the temerity to complain about the strain of rising gas prices.

Here are some questions that need to be asked. In the face of rising gas prices for working families, why have you and your Capitol Hill Democrats consistently opposed measures designed to increase the supply of American energy?

With world energy prices rising because of increased demand, why did 124 of your House Democrats vote against the energy bill in 2005 to encourage the expansion of clean nuclear energy supplies?

Question number three that could be asked: In the face of rising gas prices for Americans, why did 196 of your House Democrats vote against the 2005 energy bill that would have streamlined the process of refinery expansion and construction that is so critical to the future of America's energy infrastructure?

Question number four: With gas prices for working Americans on the rise, why do you oppose major labor organizations, such as the International Brotherhood of Teamsters, who actively petitioned the Congress to increase domestic energy supplies to create jobs for their workers?

And last but not least, the fifth question: In the face of rising gas prices for working families, why do you and the Democrats continue to vote ''no'' on every responsible proposal that would put Americans to work producing more of our own American energy to lower prices?

Again, the Democrats want to have it both ways. They want to talk about the problem and put it off on us, but they want to avoid coming up with a way to solve the problem. We need to ask these questions of the Democrats and put them on the spot about why gas prices are so high.

They are responsible for it, because they have refused to allow us to come up with ways to provide alternative energy. I hope Americans will write their Members of Congress, particularly the Democrats, and say to them: Why are you doing this? Why do you want gas prices to be so high and hurt working Americans?

Congressman PRICE, I think I am going to let you tidy up this session, since you have done such a great job of it, and thank you for letting me be a part of it.

Mr. PRICE of Georgia. Thank you, Congresswoman FOXX, so very much for your wonderful observations and really astute observations about many of the challenges that we have and bringing some truth to this issue of gasoline prices and why we are in the situation that we are in right now.

As we have talked about, this isn't a Republican problem or a Democrat problem; it is an American problem. And so we work best when we work together to solve these problems. So I encourage friends and colleagues on both sides of the aisle to make certain that as we move forward with this situation that we work together. Political demagoguery and casting aspersions on either side is just not helpful to the solution.

Now, we have reviewed the clamor that we have heard out there currently for price controls and windfall profit taxes and those kinds of things that we have demonstrated clearly don't work. Remember, the truth is that they do not work and we know that because of the history.

We have also talked about what has resulted in the situation that we are

in, why our gas prices are high. We have reviewed the items that have brought about the situation that we currently find ourselves in.

I thought it would be helpful to at this point very briefly talk about what has been done, because a lot has been done. Again, these problems that we have and the challenges that we have are a product of decades of activity that have put us in this situation, so these aren't going to be solved overnight. And anybody that says that they have the solution to bringing down gas prices right now is just not being truthful with the American people. And I think it is important to say that, because the truth is that the solution to this will happen over time, and it will happen by a number of things: increased production, conservation, alternative fuels, and all sorts of things.

I want to just share with you, Mr. Speaker, some of the things that have already been enacted. The Gasoline For America's Security Act of 2005 was passed, as was the Energy Policy Act of 2005. The Energy Policy Act of 2005 had some very specific items in it. It strengthens current supply. Strengthens current supply. It allows for new domestic oil and gas exploration and development. It requires the Department of the Interior to inventory oil and gas resources on the Outer Continental Shelf to enable the Federal Government to better assess the extent of these resources.

Again, when I go home, I hear people say, why don't you get to work and utilize the resources that we have? The technology is there to be able to do it in a very environmentally friendly way. It is a tough question to answer.

□ 2130

We are moving forward on that, and we need the help of our colleagues on both sides of the aisle.

The Energy Policy Act also encourages building of new refineries and expanding existing refineries. We need to streamline those regulations and decrease the amount of litigation exposure that those refineries have. Remember, we have not brought a new refinery on line in this Nation in 30 years, and we wonder why we are in the situation we are in.

The bill includes $2.9 billion for fossil energy research to ensure more efficient exploration and development of oil, gas and coal, while decreasing the environmental impact of fossil energy production and its use.

The Energy Policy Act of 2005 also increases conservation. That is extremely important. Conservation is so important to this solution, and anything we can do as a Nation and as a people to conserve fuel goes right to the bottom line. It improves things immediately.

The bill increases funding to $17.5 million over 5 years to the Department of Transportation to continue its work on improving the CAFE standards which set fuel emission standards for cars and light trucks sold in the United States.

It increases funding to the Department of Energy's Clean Cities Program, provides tax credits for the purchase of hybrid fuel cell advanced clean-burn diesel and other alternative-power vehicles. That is important.

When I talk to groups, I always try to ask how many folks own a hybrid vehicle. At this point only none or one or two folks raise their hand. I am hopeful in a year we will see tens of hundreds of people in my district, or thousands or more across the Nation. The tax credit is up to $3,200 per individual depending on the vehicle. That ought to be a great incentive, and it begins to make hybrid vehicles become competitive with other vehicles that are sold.

The bill also provides a 30 percent credit, up to $30,000, for an investment in alternative fuel refueling stations. A lot of the problem is we do not have many of those stations right now, and it is important to bring those on line.

The Energy Policy Act of 2005 also embraces new fuel choices, authorizes $3.7 billion for a hydrogen fuel cell program, and requires 7.5 billion gallons of renewable fuel to be included in all gasoline sold in the United States by 2015.

Many of us are working to try to make certain that we bring that kind of will and enthusiasm to bringing about energy independence for our Nation within the next 10 years.

It includes $3 billion dedicated to developing affordable, efficient, renewable energy technologies and promoting their widespread use.

It promotes clean and renewable fuels by providing incentives for clean coal technology and renewable energy such as biomass, wind, solar and hydroelectricity. It extends the renewable electricity production credit through December 31, 2007, and authorizes the issuance of $800 million of tax credit bonds before December 31, 2007, to support renewable investment in municipal power authorities, rural cooperatives, and others.

I think it is important to talk about those things that we already have done because I would venture to say, Mr. Speaker, when you go home and when you talk to your constituents, I know when I go home and I say we have done these things, they say, ''I have never heard about it.'' You are right, people do not hear about these things because they are not mentioned on the nightly news. This Congress does not get any credit for the positive work it is doing on the nightly news. You do not read about it in your newspapers, and you have a portion of individuals in this Chamber who want to down-talk and demagogue every single issue.

Mr. Speaker, it is just not productive. It is not positive. It does a disservice to every individual across this Nation, so I encourage my colleagues on both sides of the aisle to get together and work to make certain that we can continue to solve the energy challenges that we have as a Nation.

We are blessed to live in a wonderful and a glorious Nation. We are the hope of the world and continue to be a vessel of opportunity for so many people around the world. We do ourselves best when we work together and talk positively about the challenges that we have and positively about the solutions and make it so we can solve those challenges together as opposed to the kinds of difficult conversations that some folks tend to degrade into so quickly.

I urge my colleagues to work together as we move forward on the challenges as they relate to gas prices and energy policy.

I look forward to coming back and joining my colleagues once again for the Official Truth Squad, putting a little truth and positive perspective in front of the United States House of Representatives and the American people.

DEBT AND THE DEFICIT

The SPEAKER pro tempore (Mr. FITZPATRICK of Pennsylvania). Under the Speaker's announced policy of January 4, 2005, the gentleman from Arkansas (Mr. ROSS) is recognized for 60 minutes as the designee of the minority leader.

Mr. ROSS. Mr. Speaker, I rise this evening as whip of the 37-member strong fiscally conservative Democratic Blue Dog Coalition. I rise this evening on behalf of the Blue Dogs, who are very concerned about this, our Nation's debt, which is $8,353,429,193,726 and some change. That means for every man, woman and child alive in America at this moment, it means their share of the national debt is $28,000. Many of America's priorities will continue to go unmet until we get our Nation's fiscal house in order.

I plan to spend a good part of this hour discussing the debt and the deficit, but I just heard some things from a group that calls themselves the Official Truth Squad. They had the nerve to come to the floor of the United States House of Representatives and say it is the Democrats that are responsible for $3-a-gallon gasoline at the gas pump. But the best one of all was when they blamed it on former President Clinton. Mr. Speaker, give me a break.

The American people know for the last 5 years and for the first time in 50 years, the Republicans control the White House, the House and the Senate. It is they who have failed to give us an energy policy that will allow us to become less dependent on foreign oil. They know that Democrats like myself have tried time and time again to reduce our dependence on foreign oil.

We have a bill in committee, in the Committee on Energy and Commerce, of which I am a member. We have a bill in the committee that mandates 10 percent ethanol in all gasoline and 5 percent biodiesel in all diesel fuel, and yet