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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Ms. HIRONO).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 15, 2008.

I hereby appoint the Honorable MAZIE K. HIRONO to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2007, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

ENERGY INDEPENDENCE

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. ROYCE) for 5 minutes.

Mr. ROYCE. Madam Speaker, I am rising today to speak about the consequences of some 80 percent of oil reserves around the world now being controlled by a foreign cartel, a foreign cartel that works in concert with Russia. And if you take Russia into the mix, you now have over 90 percent of the oil reserves of the oil that's being pumped around the world controlled by this cartel, OPEC.

Now, many of us remember when Aramco was nationalized, where the U.S. fields were seized in Saudi Arabia. And we remember when British Petroleum in Iran was nationalized by that government. Not too many years ago, Hugo Chavez seized the European oil companies, their derricks, off the coast of his country.

This is a phenomenon that, as it has occurred, has allowed, according to our former CIA Director Jim Woolsey, the cartel to pick a price. And what he suggested some years ago to us in the Congress was that there was an attempt to set that price at \$140 a barrel of oil. And, specifically, what the cartel did, what OPEC did, was to curtail production in order to drive up the price.

Frankly, we need a long-term and a short-term solution to this problem. The long-term solution is to continue the investment in lithium-ion batteries that the market is driving and continue incentives for hybrids so that we reach the point where you can actually go 100 miles per gallon of gasoline used because the first 40 miles that you would use to go to work typically or back will be off a battery. In other words, his argument is that long-term electricity is going to be the solution to this by converting the economy, which today 95 percent of the transportation costs dealing with fuel are petroleum, converting that over to electricity.

But that's 10 years out. And in the meantime, we have a short-term solution that we need in order to break this cartel's ability to hold that price as high as they hold it. And as the price began to dip down the last few weeks, you saw the cartel again doing what? Saying they were going to, again, curtail production in order to increase the price of gasoline. This represents, according to the former CIA Director, a \$10 trillion transfer in wealth over the next 10 years out of this economy into their economy, billions of dollars every day going into their sovereign wealth funds in Saudi Arabia or throughout the Persian Gulf and some of it also going into the madrassas, the special religious schools that they're setting up across Central Asia, across Africa, even in Europe, which, frankly, are radicalizing a younger generation.

So how do we take some of the profit out of this? What we do, frankly, is we

lift that moratorium on drilling. And our hope on the Republican side was that we might see a series of moratoriums which were put in place lifted.

One which was put in place a little over a year ago was the moratorium on using oil shale from Wyoming and Utah and Colorado. We have more oil shale in this country by threefold in terms of what the Saudis have in reserves in the Persian Gulf. So with 2 trillion in oil shale reserves, frankly, we could do a lot. But there has been a moratorium put by those who do not want to burn fossil fuels.

Then we have the moratorium on drilling offshore. We know that the Cubans are drilling off the coast of Florida; we're not allowed to drill off the coast in those waters.

We know that in the Arctic we have Gazprom, which was nationalized, seized by the Russian government a few years ago. They're bringing their two biggest derricks up to the Arctic. They're going to drill, whereas we can't expand in Alaska, in the Arctic, and drill there on the U.S. side.

So what we are witnessing is the fact that we have hamstrung our ability. Gasification, as the South Africans use a process to transfer coal into gasoline, a moratorium on that. Nuclear, well, France has 80 percent of its grid supported by nuclear power. In my State, California, it's 12.5 percent, and there is no chance of getting more because of the restrictions and moratoriums. And, frankly, when a lease is let, there is a lawsuit that follows it instantaneously.

So the question I have is why are we moving legislation which purports to lift only one of these moratoriums, which is the drilling offshore, but with it says that no State can take a percentage of the profits of that drilling to help its State budget? All that guarantees is that no State will allow drilling offshore. Right now if you're in the State of Louisiana and you have a certain area where drilling is occurring,

This symbol represents the time of day during the House proceedings, e.g., 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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