

SENATE—Tuesday, May 16, 2000

The Senate met at 9:31 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Sovereign God, our Help in all the ups and downs of life, all the triumphs and defeats of political life, and all the changes and challenges of leadership, You are our Lord in all seasons and for all reasons. We can come to You when life makes us glad or sad. There is no circumstance beyond Your control. Wherever we go, You are there waiting for us. You are already at work with people before we encounter them. You prepare solutions for our complexities, and You are always ready to help us resolve conflicts even before we ask. We claim Your promise given through Jeremiah: "I have plans for you: plans for good and not evil, to give you a future and a hope."—Jeremiah 29:11.

Lord, our only goal is to please You in what we say and accomplish. Bless the Senators in the decisions they make and the votes they cast. Give them, and all of us who work with them, Your strength to endure and Your courage to triumph in things great and small that we attempt for the good of all. In Your holy name. Amen

PLEDGE OF ALLEGIANCE

The Honorable GEORGE V. VOINOVICH, a Senator from the State of Ohio, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Ohio is recognized.

SCHEDULE

Mr. VOINOVICH. Today, the Senate will be in a period of morning business until 11 a.m. with Senators MURKOWSKI, KENNEDY, and DORGAN in control of the time. Following morning business, the Senate will resume consideration of S. 2521, the military construction appropriations bill. Senators who have general statements on the bill are encouraged to come to the floor during this morning's session.

As a reminder, votes are possible throughout the day's session and throughout the remainder of the week.

Notification will be given as votes are scheduled. Senators can expect votes on Mondays and Fridays during the consideration of the appropriations bills. I thank my colleagues for their cooperation.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. VOINOVICH). Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Under the previous order, the Senator from Alaska, Mr. MURKOWSKI, or his designee, is recognized to speak for up to 45 minutes.

The Senator from Alaska is recognized.

NATIONAL ENERGY SECURITY ACT OF 2000

Mr. MURKOWSKI. Mr. President, I am going to take advantage of this time to speak on behalf of the National Energy Security Act of 2000.

For the benefit of the Chair, this is the result of a 10-member task force appointed by the Majority Leader, which he asked that I chair. The Task Force included Senators NICKLES, CRAIG, HUTCHISON, COLLINS, DOMENICI, SNOWE, ROTH, SANTORUM, and SMITH of New Hampshire.

The bill before us is S. 2557. The purpose of the legislation is to address a harsh reality that it is currently hard to identify just what the administration's policy is toward energy in this country at this time, other than to increase imports of crude oil coming into the country. The Majority Leader charged us to examine the impacts of increased U.S. dependence on foreign energy sources and the resulting increased energy cost to American consumers.

It is estimated that the increase in the price of crude oil, which has risen from roughly \$10, \$11, \$12 a barrel a year ago, to as high as \$34—and it is currently about \$30—has resulted in an increase, if one could compare it to a tax increase, of about \$100 billion to the American consumer.

If you have taken a cab in Washington, DC, you have noticed there is a little sticker that says they are going to charge 50 cents extra because of the increased cost of gasoline. If you have taken an airplane lately, you have noticed a surcharge from \$20 to \$40 on your ticket. So the multiplier is out there, Mr. President, and it is a significant factor in adding to inflation.

So at the leader's request, we have established a very simple goal for our energy security through this legislation. The goal of the bill is to decrease America's dependency on foreign oil to less than 50 percent by the year 2010. It is kind of interesting, but the current administration figures indicate that since President Clinton has come to office, we are currently consuming 14 percent more oil than we did approximately 7 years ago and producing 17 percent less.

There is indeed a need for an energy policy. This is what the National Energy Security Act of 2000 proposes to establish.

We anticipate achieving the goal of reducing our imports of oil through a number of considerations.

One is enhancing the use of renewable energy resources—including hydro, wind, solar, and biomass. We spend a good deal for experimental funding for these renewable sources. But the reality is we have a long way to go before they are going to take a major share of our energy production.

Second, we are proposing to conserve energy resources and improve energy efficiencies.

Third, we propose to increase domestic energy supplies, including oil, gas, and coal.

The bill also addresses the concerns of regional consumers, particularly in the Northeast.

It allows the Department of Energy's Secretary Richardson to create a home heating oil reserve and strengthen the weatherization program.

It establishes a State-led education program to encourage consumers to take action to minimize seasonal price increases and shortages of home heating fuel.

It provides incentives for construction and rehabilitation of private home heating oil storage facilities.

The purpose is very simple. Imported energy should supplement our domestic energy supplies—not supplant them.

The administration has looked for a quick fix and has pointed fingers. We understand that the American energy supply problem cannot be solved overnight. It is going to take a long-term view. We have to take it one step at a time. But it is time to begin taking those steps and that is a process we further today.

The administration continues to lull the American public into a sense of indifference about energy supplies and the energy situation and has really hidden behind a slight decrease in prices at the pump. However, I would suggest these reductions in price are not here to stay.

I refer to an article that appears in the Wall Street Journal of May 16 entitled "Tight U.S. Gas Markets Boost Oil Prices"—a price of \$30, and a year ago it was \$12 or \$13.

What about the inflation factor? A significant indicator is the increased cost of energy.

What about the balance of payments? One-third of our \$300 billion deficit balance of payments—\$100 billion—is the cost of imported oil.

As a consequence, we have had an opportunity to hear from consumers all over the country stung by the high prices of heating oil, particularly in the Northeast corridor. And it is fair to say that as we go into the summer, this particular area of the country, which is approximately 30-percent dependent on oil-powered generation, will experience substantial price increases as a consequence of increased energy demand, particularly for air-conditioning.

It is estimated that electricity costs in the Northeast region may double what they were last year and in some cases triple.

The idea is that the older oil-fired power generation facilities are the last to come online, and ordinarily there is a windfall profit associated with that. Whatever it takes to support financially the cost of the higher generating resource—namely, oil—the other energy sources, whether they be gas or coal, rise to that price level—a practice known as "uniform pricing." The consumer is stuck as a consequence, and prices go up as a result of the windfall profit.

Finally, as the economies of Asia, Europe, and the United States continue to grow in the context of a set energy market, there will be increasing demands for energy resources by the fourth quarter of this year, again leading to tightening of petroleum supplies and a corresponding increase in prices.

Many of us in this body on both sides of the aisle have made statements that the administration really lacks an energy policy. If you go back and recognize that in 1973 and 1974 we were 34-percent dependent on imported oil, today we are 56-percent dependent. And last month we got up to 61-percent dependence.

The realities are, if we look to increasing imports to offset our increased consumption as well as the rest of the world, we are going to be paying the piper because, as indicated in this article today, we can look to OPEC and we can look to Venezuela, but, nevertheless, they have indicated self-discipline, and the price range is expected to be somewhere between \$22 and \$28 a barrel, which suggests, if you will, that the discipline to maintain this price is there.

I see another Member of our task force is on the floor and intends to speak on this.

As I have outlined our proposal in general terms and identified our goals—I again point out the realization that we want to protect energy security, we want to protect consumers and low-income families, and we want to increase domestic energy supplies—it should be noted that the last written statement from the administration about its proposal on energy was a narrow one. It came out during the last week of April from the Office of the Secretary of Energy, entitled "Energy Secretary Richardson Announced Six Short-Term Actions to Help Prevent Power Outages."

I think it is appropriate to highlight just what this contains because clearly it does not address increased production.

It specifically states in the six points:

First, to work with agencies to identify opportunities to reduce liquid consumption and Federal water problems during times of peak demand.

I assume that means we are going to shut off water and our irrigation projects.

Second, it urges the Federal Regulatory Commission and State utilities to commission, solicit, and improve targets that will help reduce electric demand.

So we are going to propose an increase in the price of electricity to ensure that people reduce their consumption.

Third, explore opportunities for use of existing backup generators during power supply emergencies.

I wonder if we are going to confiscate the private sector generators.

Fourth, conduct an emergency exercise with State and local governments to help prepare for outages.

It looks as if they are pretty much giving up the ship and are preparing for those outages as opposed to generating more energy.

Fifth, work closely with the utility industry to gain up-to-date, relevant information about potential grid-related problems.

They are going to keep us informed. Lastly, they are going to prepare public service announcements. So we will know what is coming.

I hardly think that fits the bill as we address the need for precise energy pol-

icy and the realization that the administration lacks an energy policy of any kind.

In conclusion, let's relate the position the administration has taken with regard to energy.

There is no effort to spur domestic oil and gas production.

There is no effort to open up the area of the Rocky Mountain overthrust belt to encourage exploration for gas.

There is no effort by the administration to loosen the noose they have put around the neck of our domestic energy industries.

They are refusing to resolve the nuclear waste issue.

They have refused to recognize hydro as a renewable resource and are proposing in some cases to take dams down out west.

If you identify the energy resources and recognize the position of the administration, it is quite clear that they do not have an energy policy. That is why I commend the leader and the other members of the task force for developing a plan that is a workable, achievable plan that will substantially address the emergency associated with our energy situation in this country. I again refer to this as the National Energy Security Act of 2000.

I see the leader on the floor, and perhaps at this time he wishes to introduce the bill and make some remarks.

ENERGY SECURITY ACT OF 2000

Mr. LOTT. Mr. President, it is my pleasure this morning to introduce and cosponsor, with the distinguished chairman of the Energy and Natural Resources Committee, S. 2557, the Energy Security Act of 2000.

There is a dark cloud on the horizon for America's future and for our economy and for job creation. This cloud could cause serious problems in the future. That cloud is the fact that we don't have a national energy policy. Despite a lot of rhetoric that we do—there is nothing to worry about—there is plenty to worry about.

The American people remember the long lines we faced at the gasoline stations in the 1970s. At that time, we were dependent on foreign oil for much less than 50 percent, probably around 45 percent at the time. We passed legislation in an attempt to deal with that problem and, for a variety of reasons, the prices came back down. The problem was not resolved, and the problem is much worse today.

In today's Wall Street Journal, for instance, there is an article entitled "Tight U.S. Gas Market Boosts Oil Prices." I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows: