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 policy 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:

[From the Wall Street Journal, May 16, 2000]

TIGHT U.S. GAS MARKET BOOSTS OIL PRICES

(By Alexei Barrionuevo)

A tight U.S. gasoline market drove world crude-oil prices back to nearly $30 a barrel yesterday, and analysts say little in the short term will help arrest the run-up.

This time, the worry isn't about a shortage of oil, but a confluence of gasoline-related issues and a hot economy.

In the past five weeks, wholesale gasoline prices have shot up 30% out of concerns about refinery production, new environmental regulations and a patent dispute. That has left the false impression that crude is in short supply, pulling crude-oil prices up more than $4 a barrel.

The drop in retail gasoline prices, which normally trail wholesale prices by a month or more, has stopped dead in its tracks, with the average U.S. price at $1.46 a gallon of regular unleaded, according to the Energy Information Administration. With U.S. refineries expected to get little help from foreign sources this summer because of new environmental gasoline requirements, price spikes are possible.

The new surge in oil prices is also bound to intensify inflation concerns. Analysts have dismissed the significance of a creep up in consumer prices earlier in the spring, saying that it was a temporary trend driven by the jump in oil prices and would likely recede once oil prices fell.

Since the Organization of Petroleum Exporting Countries loosened up production in late March, the attention has turned to refiners, who must crank up production to meet summertime demand. Refiners, who had cut production and scheduled more maintenance work over the winter amid depressed margins, now are trying to catch up in a hurry. U.S. refiners are currently running at about 92% of capacity and will need to kick production up to 97% to meet expected demand.

Gasoline inventories continue to be low, in part because of demand for a federally mandated cleaner-burning gasoline to be required in about one-third of the U.S. beginning June 1. European and Venezuelan refiners, which usually provide a total of 400,000 to 500,000 barrels a day of gasoline and gas components, have had difficulty making the fuel. And some ''blenders,'' which are critical to upgrading foreign gasoline, particularly in the Northeast, are holding off on reformulated gasoline because of concerns about gas patents held by Unocal Corp., which has been pursuing violators.

Add to all that strong gasoline demand despite the steepest pump prices in years. ''High prices pull down demand but income pulls it up, and right now income is winning out over price,'' said Larry Goldstein, president of Petroleum Industry Research Foundation in New York.

U.S. officials, who two months ago put heavy pressure on OPEC to increase production when oil hit $34 a barrel, are scrambling once again. Energy Secretary Bill Richardson met with OPEC President and Venezuelan Minister Ali Rodriguez over the weekend to urge OPEC ministers to open up the taps a bit more next month.

Mr. Richardson, who thinks $30-a-barrel oil is too high, is expected to discuss new visits to producing countries at a White House meeting today focusing on oil and electricity issues, government officials said. ''I will continue to do what we said we would do, monitor the oil market and stay in touch with producing countries and others,'' Mr. Richardson said yesterday in La Jolla, Calif.

With the current run-up in crude prices, OPEC is entering territory where its price-band mechanism could be tested. The band, agreed to in March, gives Mr. Rodriguez power to direct changes in production based on a 20-day average of prices that translate to roughly $24 to $30 a barrel for West Texas Intermediate.

Even if prices are within the band, most analysts expect OPEC to vote to put more oil on the market at its meeting next month. ''We are now talking about prices that make a number of producers uncomfortable,'' Mr. Goldstein said. Only three countries—Saudi Arabia, Kuwait and United Arab Emirates—have spare capacity, and most of it is in Saudi Arabia.

Speaking yesterday, Mr. Rodriguez said there is ''no inclination to increase production,'' but that oil prices would ''return to an acceptable level.''

Mr. LOTT. It says in this article that crude oil prices were back up to nearly $30 a barrel yesterday, and for the last month our dependency on foreign oil was in the range of 60 percent. This is going to have an effect on the price of fuel oil. It will have an effect on the price of gasoline. It will have an effect on the economy. While we saw some leveling off or some general slide back, we have done nothing to secure our country's energy future.

Earlier, I tried to put in place some reduction in the Federal gasoline tax, to stop until the end of the year the 4.3-cent Federal gasoline tax that was added back in the early 1990s and say if nationwide gas reached an average of $2 a gallon, we would suspend the entire Federal gasoline tax for the balance of the year. The Senate was not inclined to go along with that.

My purpose was a wakeup call—first, that gasoline prices are probably not going to go down; more than likely, they will go up. But the wakeup call was bigger than that, to try to make people realize that we don't have a national energy policy.

What are we going to do? I ask the American people: Do we feel safe with the idea we are dependent on foreign oil, OPEC oil, oil from Iraq, oil from Libya? I don't. What if they decide not only to turn down the spigots but to turn the spigots off? What would America do? Within 30 days we would be in serious trouble.

Now, we have a strategic oil reserve, and that was a very wise decision; it could be helpful in dealing with a national security emergency. It would help deal with a crisis created if the spigot should be cut off. However, I think to not have a plan to be less dependent on foreign oil is irresponsible. We can't tolerate it.

So what are we going to do? We know now we are dependent on the foreign oil imports to the tune of 56 percent of oil consumed, compared to 36 percent imported in 1973 when we had the Arab oil embargo. Even the Department of Energy predicts America will import at least 65 percent of foreign oil for our energy needs by the year 2020. Secretary Richardson even admitted that the administration had been caught napping when energy prices began to rise a few weeks ago.

We appointed a task force to deal with this problem, to look at it, to see what we could do to address our energy needs for the future. It is a multifaceted proposal, not only aimed at gasoline or oil but across the spectrum. This task force has been working to find these reasonable solutions to give us more of our own energy supplies. Chairman MURKOWSKI has headed that task force. This task force has been a diverse group, including Senators from all over the country—Senator CRAIG from Idaho, who is on the floor; Senator NICKLES from Oklahoma; Senator HUTCHISON from Texas; also Senators from the Midwest and Northeast, including Senator COLLINS of Maine; Senator SNOWE; Senator ROTH of Delaware; Senator SANTORUM of Pennsylvania, Senator SMITH of New Hampshire. They have worked together and have come up with a proposal that I think will make a real difference. It will encourage alternative sources. It will try to enhance the use of renewable energy resources, including hydro, nuclear, coal, solar, and wind.

We need to increase our domestic supplies of nonrenewable resources, including oil and natural gas. In my own State of Mississippi, and in the gulf off the coast, we have a tremendous supply of natural gas. Natural gas is relatively cheap and is a very clean source of energy. Yet there is no incentive to make greater use of natural gas. We have more oil deposits. We know it. Some of them are in marginal wells, some are in large areas such as off the coast of Alaska. We have to do something to take advantage of these resources, give incentives to take advantage of them.

I absolutely support the effort by the Alaskan Senators who advocate getting the oil off the coast of Alaska in what is commonly referred to as ANWR.

We should also look at unique needs within the country, in the Northeast where they have extraordinarily cold weather, compared to my part of the country, where people are dependent on home heating fuel. We need to strengthen the Department of Energy weatherization program. We need to establish a State-led education program to encourage consumers to take actions to minimize seasonal price increases and fuel shortages. We should authorize the expensing of costs associated with building new home heating oil storage. We should authorize the Secretary to build a home heating oil reserve. If we don't do that, more than likely there will be a problem in the Northeast next year. We have a number of tax incentives that would encourage more production. We would provide relief for marginal wells.

By the way, these so-called marginal wells are responsible for 50 percent of

U.S. production, so they may be marginal but they are significant. It allows for expensing of oil and gas exploration costs. It would delay rental payments. The 1999 Taxpayer Relief Act had a 5-year carryback provision, and that is included.

Finally, there is an expansion of tax credits for renewable energy to include wind and biomass facilities. Some people say we shouldn't be giving any kind of consideration or breaks to people who are out there trying to produce more oil and gas; they may not need it; it may not be good for the environment.

What do you mean? That is the most fallacious argument of all. It can be done safely and cleanly and we need that resource. The alternative is to go ahead and continue to be dependent on OPEC and other countries for our energy needs. It is irresponsible.

This is a broad package. It is a good package. I thank Senator MURKOWSKI and the task force for their work. We will talk more about it later. I encourage my colleagues on both sides of the aisle to take a look at this. This is something that should not be partisan. It is not partisan. It should be bipartisan. It will help our country all across the Nation both in terms of energy needs and in terms of energy production. This is not something that is aimed only at this administration. I emphase this administration has no plan to deal with this problem, but this administration is going to be leaving shortly. What are we going to do about the future? We need to come together. We cannot continue down the path we are headed. If we do, I predict disaster looms on the horizon. I want to make sure that we make our best effort to do something about it so we can avert this disaster.

I yield the floor.

Mr. MURKOWSKI. Mr. President, I ask how much time remains on our side.

The PRESIDING OFFICER. The Senator has 32 minutes.

Mr. MURKOWSKI. I thank the Chair.

MEASURE READ FOR THE FIRST TIME—S. 2557

Mr. LOTT. Mr. President, in order to have this important bill placed on the calendar, I ask for the first reading of S. 2557.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2557) to protect the energy security of the United States and decrease America's dependency on foreign oil sources to 50 percent by the year 2010 by enhancing the use of renewable energy resources, conserving energy resources, improving energy efficiencies, and increasing domestic energy supplies, mitigating the effect of increases in energy prices on the American consumer, including the poor and the elderly, and for other purposes.

Mr. LOTT. I ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

Mr. LOTT. I yield the floor.

Mr. MURKOWSKI. Mr. President, I believe the Senator from Idaho would like to be recognized to speak for 10 or 15 minutes.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Idaho.

Mr. CRAIG. Mr. President, this is an important day in the Senate. I think it is important for us to let Americans know there is a group of their national leaders who are focused on developing a national energy policy for this country. You have heard the majority leader of the Senate speak for just a few moments. He touched on some very critical questions that I think Americans are asking when they go to the gas pump and they find, as they have found for the last good many months, that their energy costs are going up dramatically. But high oil prices are doing more than raise the price of gasoline. With spikes in electrical production during this last heat spell on the east coast, we are going to find that when the power bill gets to that consumer, his or her power bill has gone up substantially.

As a result of sustained high oil prices, several weeks ago the majority leader convened a task force in the Senate, led by Senator FRANK MURKOWSKI, who is chairman of the full Energy and Natural Resources Committee. I, as chairman of the Republican Policy Committee, served with that task force and today our work product has been introduced. But this is a work product that resulted not by just a group of us coming together to decide what was a better idea, it is a product of a good many hearings held by the Senate Energy and Natural Resources Committee to explore the effects of the cost of energy now and in the future on the American consumer.

As a result of that, S. 2557 has been introduced today. That is better known as the National Energy Security Act for 2000. The legislation is designed to do a number of things, but its overall objective is to reduce our dependence on imported crude oil below 50 percent. Crude oil and gas prices shot up earlier this year. At the time we were importing about 55 percent of our crude oil needs. Now, according to the latest Energy Information Administration figures, U.S. dependency on foreign crude oil as of May 5, is just over 60 percent. We are getting about 9.2 million-barrels-a-day from somewhere else in the world. The U.S. is now importing about a million barrels a day more than we were importing in January of 1999.

In addition, the U.S. is importing more finished petroleum products. That is a rather new phenomenon. We have seen the tearing down of many of our refineries during the last good number of years for failure to retrofit to meet Clean Air Act requirements because there was no cost incentive to do so. In fact, there has not been a major refinery permitted in the U.S. since 1975. Now we are importing more finished product.

In January of 1999, our daily import level of motor gasoline, for example, was about 441,000 barrels per day. During the week ending May 5, according to the Energy Information Administration, the U.S. imported an average of 562,000 barrels a day of motor gasoline.

In other words, if the average consumer were looking at a chart graphed along with these increases we have just talked about, the price of gasoline would be going up and so is our reliance on imports. We are no longer the masters of our own destiny. We no longer control the future of energy in this country. That is a sad day for Americans, when that reality is in front of us. It is something I think this country has to deal with.

The Energy Information Administration estimates our dependency on imports could rise to more than 65 percent by the year 2020. At the rate we are going, my guess is we will be there long before that.

For the last nearly 8 years, the Clinton-Gore administration has refused to develop an effective national energy policy. The administration has published national energy plans and, I will be blunt, I do not think they are worth the paper on which they are printed. Here is exactly why. Their plans pay only lip service to the need to increase domestic oil and gas production. They have consistently underfunded research into more efficient and clean use of coal for electric generation. Yet the U.S. has an abundance of coal that we ought to be using in an effective and environmentally sound way. They have underfunded research into how we can improve the efficiency and safety of our nuclear generating stations. And they have refused to recognize hydropower as a renewable resource.

The Presiding Officer and I come from an area of the country where hydropower is king. Many of our rivers are dammed to produce an abundance of electrical energy, and our electrical energy costs to consumers are the lowest in the Nation, while our environment is generally very clean. Yet as the chairman of the Energy Committee said just a few moments ago, this administration has, as a policy, not recognized hydroelectricity as a renewable resource. Quite the opposite: It proposes that we ought to start removing dams from our rivers for environmental reasons and without regard for existing economic uses.

Instead of strong producing policies for our country and incentives for producers to produce more energy, the