

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

Clinton-Gore administration has focused its attention on solar energy and wind power and energy from biomass, and demanded significant increases in Federal money to encourage more use of these resources. There is nothing wrong with supporting renewables. I support renewables. I think most in the U.S. Congress do. We have been subsidizing solar and wind now for more than 25 years, but they meet only about 3 percent of our total energy demand. I think renewables, including hydropower, must play a role in meeting the needs of the U.S., but the real solution lies in boosting oil and natural gas production and finding cleaner, more efficient ways to use coal. That is where our research dollar ought to be going because that is the only way we will be able to meet the demands of the marketplace.

The bill Senator LOTT has just introduced is the product of several months of discussion and analysis that I have already outlined. The committee was chaired by Senator FRANK MURKOWSKI. Let me take just a few more minutes and explain the major steps the bill takes to improve our energy future.

The bill would require the Secretary to report annually on progress toward limiting our dependence on foreign oil down to no greater than 50-percent. The Secretary must lay out legislative and administrative steps to meet that goal and recommend alternatives for reducing crude oil imports. To increase our use of natural gas, the bill creates an interagency working group to design a policy and strategy for greater use of natural gas.

The bill extends authority to the Strategic Petroleum Reserve and prevents drawdown of the reserve until the President and the Secretary of Defense agree that a drawdown will not threaten our national security.

Our bill contains a title to protect consumers and low-income families, and to encourage energy efficiency. It expands eligibility for residential weatherization programs, creates a program to educate consumers to help them avoid seasonal price fluctuations, and also establishes a heating oil reserve to help the Northeast deal with shortages and severe price fluctuations.

Our bill also contains a title addressing increased use of other domestic energy sources like coal and more efficient use of our nuclear and hydro resources. It also requires the Federal Energy Regulatory Commission to report on how costs for relicensing hydroelectric facilities can be lowered.

The bill also authorizes a Federal oil and gas leasing program for the Arctic National Wildlife Refuge in Alaska, one of the remaining great potential sources of crude oil in this country, with estimated yields of well over 16 billion barrels, the kind of production that could come in at about 1.5 million

barrels a day and do that for nearly 20 years or more. Despite that potential the Clinton-Gore administration opposes going there to explore for oil.

The amount of additional domestic production would, if added to today's domestic production, reduce our 60-percent dependency below the 50-percent mark that our legislation seeks. I think 50 percent is a responsible goal, not only one demanded by the public but demanded by the Congress and that should be supported by this administration and future administrations.

The bill also contains provisions to streamline and reduce the costs associated with gas and oil leasing on Federal lands to enhance domestic production and to encourage small oil producers to keep low-volume wells operating during harsh economic times.

Finally, we have included in the legislation tax credits for wind and biomass energy and electrical production from steel-making facilities and tax incentives for residential solar use. In other words, we want to encourage all kinds of energy. We do not want to pick and choose and decide that some do not fit our policy or our lifestyle. What this public wants is a market basket full of reasonable energy sources at reasonable costs. It is to our benefit, it is to our economy's benefit, and it is to the world's benefit that we drive these technologies as well as conventional forms of energy production.

What is the policy of the Clinton-Gore Administration? My colleagues have seen it in action. We saw our Secretary of Energy walking around the Middle East with a tin cup: Oh, sheik, oh, sheik, if you are from the Middle East or if you are from Venezuela or if you are from Mexico, please, turn on your valves and give us a little oil. Please, please, it may hurt our lifestyle.

How sad it is that our great country has been reduced to that kind of policy. The legislation Senators LOTT and MURKOWSKI have introduced today can help us regain control of our energy destiny from the Middle East and OPEC.

The news today reported there is a huge new discovery of oil in the Caspian Sea which is years away from production, and if it comes online, it will be in a politically unstable place in the world over which we have little or no control.

Does the average consumer going to the gas pump every day want to have to turn to the East and ask a sheik to turn on a valve so that he or she can get to work at a reasonable cost? I doubt that, and that is what this legislation is about. That is why Senator MURKOWSKI, Senator LOTT, I, and others have joined together to offer up this legislation as a national energy policy for this country, not only to direct this Congress, but to direct this administration and future administra-

tions to an achievable goal of reducing foreign crude oil imports below the 50-percent level and recognizing the great creativity in this country to produce energy in abundance, at low cost, and through a variety of resources.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, how much time remains on the special order?

The PRESIDING OFFICER. Eleven minutes.

Mr. MURKOWSKI. I thank the Chair.

Mr. President, I compliment my friend from Idaho. He has outlined very carefully the basic underlying theme, which is we are proposing an energy policy. That energy policy is enunciated in the National Energy Security Act of 2000, S. 2557, which was introduced by the leadership this morning and on whose behalf the Senator from Idaho has spoken.

We have—I emphasize this—we have laid down an energy policy for this country. I suggest there is not one Member who can identify specifically what is the administration's energy policy. We know what it is not. Let's take nuclear power. We know they are opposed to it. They will not address the issue of nuclear waste.

We know they are against domestic oil and gas production.

We know they are against hydroelectric power expansion.

We know they are against new natural gas pipelines.

What are they for then? It is pretty hard to identify until one begins looking at the record of the Secretary in trying to generate relief from the oil shortage we are experiencing.

I will speak about the oil shortage specifically because it is very real and is identified on this chart.

This chart is designated by quarter, this is global demand and global supply for each quarter this year. The reality is, by the end of the fourth quarter, the demand will exceed the supply by about 2 million barrels a day. I could spend a lot of time on this chart and show where the oil comes from—OPEC, Iraq, OPEC supply, non-OPEC supply—but we have a basic economic factor where we have more demand than supply. When we have that kind of situation, the price goes up and the American taxpayers pay through the nose. Last year, oil was \$11, \$12, \$13 a barrel. Earlier this year, we saw \$34-a-barrel oil. Currently we are at about \$29 to \$30.

Where are we looking to accommodate this increase demand with this administration? We are looking to Iraq—of all nations of the world, Iraq. Think about it. This next chart shows our imports from Iraq. They were very small through 1997. In 1998, they began to jump up. The specifics are, in 1998 we imported 300,000 barrels a day from

Iraq; currently, we are importing 700,000 barrels a day. How quickly we forget that in 1990 and 1991 we fought a war with Iraq. We lost 293 American lives. There were 467 wounded. There was a cost to the American taxpayers of approximately \$7.4 billion.

What have we done since then? We have enforced a no-fly zone. That is very similar to an aerial blockade.

What has it cost the taxpayers of this country since the war? It has cost the taxpayers approximately \$10 billion just to keep Saddam Hussein fenced in.

The American press does not even print this anymore. We get the figures from the French press of what is going on over there. Enforcing the no-fly zone in Iraq has required more than 240,000 sorties since the end of the gulf war at an average cost of \$7 million an hour. We have flown 21,000 missions since 1998. We have bombed them on more than 145 days since Desert Fox in December of 1998. Since December of 1998, Iraq reports 295 of their citizens have been killed and 860 wounded in airstrikes. Airstrikes on Iraq occur almost daily. Where are we looking for oil? Iraq. What kind of a foreign policy does this administration have?

Saddam Hussein seems to be deliberately luring us, sadistically using his own people as bait, into killing innocent Iraqis for sympathy to lift the no-fly zone. At the same time, he is dramatically increasing his own military capacity. What is happening? He is smuggling out an awful lot of oil. What is he using the funds for? Every Member of this body should get a classified briefing from the Intelligence Committee and find out for themselves what he is doing. It is a very dangerous situation with which we are going to have to reckon at some point in time, and God help us.

U.N. sanctions certainly have not done the job. What we are doing with Saddam Hussein is rewarding him. Iraq will export \$8.5 billion in oil this year, and it is estimated the smuggling will generate approximately \$400 million which goes to enrich Saddam Hussein and goes to his Republican Guard which keeps him alive.

Think about it. We are looking to Iraq for our oil. What is Iraq looking towards? This is a bizarre pattern.

If we think about it, it is fairly simple. It is so simple that I hope my colleagues will reflect on its significance. He uses the money we send him for new arms—new biological technology—we take his oil, and we fill our warplanes. And what do we do? We go bomb him. Then we buy some more of his oil, send him some money, and the process starts all over again.

We are spending billions and billions of dollars to contain Iraq's expansion, and billions and billions of dollars to permit Iraqi expansion by increasing their refining capacity. As we do this we are risking the lives of American

service men and women, our security, the security of our allies, and the American way of life, if you will, pursuing an energy policy which can only end in a tragedy.

I think today my colleagues who have joined the leader in the introduction of the National Energy Security Act of 2000 have put forward an energy plan, an energy policy. It is up to the administration now to match it. Because so far the only thing the administration has done is to come out with six very weak short-term actions: to help prevent power outages which would terminate the generation to Federal water projects; it would encourage price increases; it would explore the opportunities for the inventory of generators held by the private sector; it would conduct emergency exercises; it would work with the utility industry to update information; and prepare public service announcements.

What kind of an energy policy is that?

I see my good friend, the junior Senator from Texas, seeking recognition.

Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Two and one-half minutes.

Mr. MURKOWSKI. I yield the remainder of our time to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 2½ minutes.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Alaska for heading the task force that put together a balanced approach, with a clear goal—a simple goal—of reducing foreign oil dependence in the United States of America to under 50 percent by the year 2010, so that 10 years from today we could have what I think is a very modest goal of 50-percent capability in the United States of America to produce the oil and gas needs of our country.

It does not take a rocket scientist to see what has been happening to oil prices over the last 3 years. First, we went down so low that the little guys could not make it. We lost thousands of small well producers because they could not make it on \$10-a-barrel oil. They could not meet their expenses. So they went under and they capped the wells.

When a well is capped, it is almost impossible to reopen it because it is so expensive. These are wells that produced 15 barrels a day or less. We are not talking about gushers. We are not talking about thousands of barrels a day, which some do produce in other parts of the country. We are talking about 15 barrels a day, a barely break-even proposition at any price, but certainly not at \$10.

What we are trying to do is take the artificially low prices and the ridiculously high prices that we see today be-

cause we are dependent on foreign imported oil, and say: What will allow us to stabilize these prices? What will allow us to stabilize these prices is exactly what is in the bill we are introducing today and which we hope Congress will act on before we leave; and that is, we encourage the little guys by giving them a floor—just as we do farmers—when prices go below \$17 a barrel. We would just give them a tax credit so they could stay in business.

The Senator from Alaska talked about many of the other parts of this bill. I hope we can have bipartisan support so we can stabilize the prices for consumers in America and jobs in our country.

Mr. President, I yield the floor.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask for a clarification from the Chair.

It is my understanding that the Republican side of the aisle was given 45 minutes in morning business, and they were to complete that at 10:15. But they started a little late, and now it is after 10:25. I want a clarification that the Democratic side, in morning business, will be given the entire 45 minutes allocated.

The PRESIDING OFFICER. Is there objection?

Mr. BURNS. Mr. President, I hope I do not have to object. I do want to resume my military construction bill at 11 o'clock, as in the previous order.

Mr. DURBIN. If I might respond to the Senator from Montana, his colleague from Alaska started late. He was to start at 9:30. He started about 10 minutes late. We have waited over here until the Senator from Texas, the Senator from Alaska, and the Senator from Idaho all had their chance to speak. I think we have accommodated them. We only want to use the 45 minutes we were allocated in morning business.

Mr. BURNS. I have no objection.

Mr. BIDEN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. I don't know if the Senator from Delaware has a request at this time.

The PRESIDING OFFICER. Under the previous rule, the Senator from Massachusetts has 35 minutes and the Senator from North Dakota has 10 minutes.

The Senator from Delaware.

Mr. BIDEN. Mr. President, I ask unanimous consent that I be allotted 10 minutes, in addition to the time that is available.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DURBIN. Mr. President, of the 35 minutes allotted to the Senator from