Mr. KYL. Madam President, I am going to talk about two different subjects this morning. The two subjects are the energy crisis, No. 1, and, No. 2, the situation in the Middle East. There is some connection between those two, and I will go into that in a moment.

But I would like to treat them as separate subjects and begin with the discussion of what I still refer to as the energy crisis. My colleague from Wyoming, Mr. Thomas, or his designee, the Senator from Arizona.

Mr. KYL. I suspect that most of my colleagues, as myself, talked to a lot of our constituents over the Fourth of July recess who reminded us of the fact that out in America there is still a problem with an energy shortage. I know I had to gas up my vehicle, as did a lot of other Americans, when I drove up to the mountains in Arizona. I had a wonderful time. I marched in a Fourth of July parade in Show Low, AZ, really the heart of America as far as I am concerned. Folks out there are still concerned because they recognize that Washington is dithering; that we are not doing anything to solve the problem of an energy shortage in this country.

Some people may call it a crisis; other people may not; but the fact is we have had a wake-up call. The question is, Will we answer the call or are we going to dither around, ignore it, and play partisan politics?

My own view is that there is no better opportunity for us to show bipartisanship, to work together toward a solution to a common problem that affects all Americans, than working together to solve this energy shortage problem.

This is something on which the administration has weighed in. They have taken the issue very seriously. Very early in his term, the President asked Vice President Cheney to convene a group of people to come up with some suggestions on what we could do—both short term and long term—to address this energy shortage problem.

The Vice President, along with a lot of others, came up with a series of recommendations which I would like to have us consider in the Senate. They are recommendations which deal with new production, with conservation—a majority of the recommendations, incidentally, deal with conservation, even though they are not as well publicized in the media—and recommendations dealing with new energy sources, something in which I am very interested—hydrogen fuel cells, and a whole lot of things.

The fact is, this is a serious effort. While the Republicans held the majority in the Senate, a bill was introduced which embodied many of these recommendations. Under the then-Republican leadership, it was going to be our program to take up that energy legislation in this Senate Chamber starting today or tomorrow. Sadly, that is not going to happen.

The Democratic leadership announced some time ago that it had different priorities and that the Senate Chamber would not be the place for debate about the energy shortage during the week following the Fourth of July recess.

It is my understanding that hearings have been scheduled and both the Finance Committee and the Energy Committee are going to come up different pieces of legislation. There will be hearings on the administration’s plan, as well as other ideas. And that is good. But we need to deal with this problem while we have had this wake-up call and not kick it to the back burner where we will forget about it and then, in another year or two, realize we wasted a couple of years that we could have been spending in finding new energy sources, putting them into play, and providing an opportunity for Americans to enjoy the kind of prosperity we can enjoy with the proper mix of good energy sources.

There are basically two issues. One deals with the cost of producing electricity and how that electricity will be produced. The other has to do with the reality that Americans are going to use a great deal of energy—petroleum products primarily, and primarily for transportation. That is not going to change in the near term, despite the fact that over the long run we will have to come up with some alternatives.

I mentioned hydrogen fuel cells as one of those possibilities. It is a little closer than I think most people would recognize. We put money into basic research at the Federal Government level, but the administration has blessed that as part of their energy plan. I hope we can move down that path.

But in the meantime, we have to be realistic about the fact that Americans are going to continue to drive their automobiles. We are going to have to continue to have gasoline. We cannot wish that problem away. The question is, Do we re-strictly on the sources of oil from the Middle East, for example, or do we recognize that it really puts us behind the 8 ball if the OPEC countries want to constrain supplies and increase prices? Or if there is jeopardy to those sources from military conflict, will we have to once again send our troops and spend a great deal of energy and money. She said during a hearing in the Finance Committee a couple weeks ago, she is a little disappointed about the fact that there is criticism of refineries making money. She said: What are my business folks in my State to do—be in the business to lose money? The fact is, they are in the business to make money. In the process of making money, they make petroleum products that we demand when we go to the service station.

When I filled up my vehicle last week, I wanted gasoline to be in that pump so I could drive my family where we were going. We have a lot of demand in this country. It is we who have the demand, not the oil companies. They are the ones that provide the product and the refineries that refine that product so that we can meet our demand. Yet there is a great deal of criticism about anybody who would make money in producing one of these products. That is the only way we get the products.

The free market system has served us well. We ought to be very careful about denigrating the suppliers who have made it possible for us to enjoy our standard of living.

So my view, just to summarize, is that we should consider the President’s recommendations in a bipartisan spirit. We should move along quickly with the hearings that I understand have been scheduled. And we should bring to
this Senate Chamber, as soon as possible, the legislation or other recommendations that will enable us to deal with this issue now, when we have had the wake-up call, and not kick it down the road a couple years to when we can see some real problems not just in the State of California but spreading throughout this country in energy cost increases, potential blackouts and brownouts, and the like. This is the time to deal with that problem.

Mr. President, to conclude, I rise today to express my concern that the Senate Democratic leadership has not yet scheduled floor time to allow the full Senate to promptly address the energy crisis that threatens all Americans. Having just returned from the July 4th recess in Arizona, I can tell you that not all Americans share the view that the situation will be a low legislative priority. Most of them want to deal with the problem in a bipartisan way.

Because of its effect on the national economy as well as peoples’ individual pocketbooks, I am particularly troubled that the energy crisis seems to take a back seat to other issues on the new leadership’s agenda. This is not the bipartisanism those leaders urged when they were in the minority.

The United States faces the most serious energy shortage since the oil embargoes of the 1970s. We all know about California’s problems with rolling blackouts and soaring energy bills. The President thought it important enough to travel to California last month to meet with the Governor and some of our colleagues. The President thought it important enough to allow the full Senate to promptly address the energy crisis, because Arizona, unlike California, has not moved aggressively to permit new power plants needed to satisfy the state’s growing demand for electricity. Indeed, California’s two largest utilities are basically bankrupt as a result of artificial price caps on retail electricity rates. I am particularly concerned about price caps because Arizona, unlike California, has moved aggressively to permit new power plants needed to satisfy the state’s growing demand for electricity.

Opponents also claim that the President’s energy plan promotes “dangerous” energy use, such as nuclear energy and oil drilling. Let’s address nuclear energy first. This is an energy resource that currently provides 22 percent of America’s electricity needs, while producing no harmful emissions. Nuclear energy is safer than any comparable energy generation; capacity is more than 90 percent; power production is at an all-time high; and the costs are the lowest on record and continuing to fall. Nuclear energy use is neither a novel nor a risky concept; France receives 80 percent of all of its electricity from nuclear power.

There is a problem with disposal of nuclear waste, but it isn’t so serious that the critics of nuclear power are concerned about finding an answer. They appear to be happy enough with current on-site storage. Obviously, other countries more “green” than the U.S. have resolved the waste issue. The fact is that it’s not a technology problem but a political problem.

Increased oil drilling has been proven as controversial, yet it shouldn’t be. Drilling in the Arctic National Wildlife Refuge, for example, is a commonsense and safe proposal to increase domestic oil production. It is also very limited in scope. Oil exploration would occur in only a small portion of ANWR, an area one-fifth the size of Washington’s Dulles Airport. Technological advances have reduced any supposed risks to the environment. Drilling pads are roughly 80 percent smaller than those of the generation ago and advanced-drill technology allows for access to supplies as far as six miles away from a single, compact drilling site.

Two concerns are raised: oil spills and harm to wildlife. The threat of spills is far greater from ocean-going tankers than from the Alaska pipeline. And the caribou have prospered since drilling began on Alaska’s North Slope.

This modest effort in ANWR would provide enormous benefits, producing as much as 600,000 barrels of oil a day for the next 40 years—exactly the amount we currently import from Iraq. Moreover, oil drilling utilizes a smaller fraction of our environment than the alternative energy sources advocated by others. The Resource Development Council for Alaska reports that, to produce 50 megawatts of power, natural gas production uses two to five acres of land, solar energy consumes 1,000 acres, wind power uses 4,000 acres, and oil drilling—less than one-half of an acre. That is real conservation of our natural resources.
As it stands now, American consumers already depend on foreign oil and oil-producing nations for more than half of our oil supply. In 20 years, that percentage will increase to 64 percent. Doesn't it make more sense to invest in domestic production so that we are not held hostage to the whims of OPEC and the need to militarily defend our interests in the major oil-producing regions?

In conclusion, I commend President Bush and Vice President Cheney for producing serious and honest proposals to enact a long-term energy strategy on behalf of American consumers. A worsening energy crisis requires all of us to act swiftly on these proposals before the situation becomes more widespread.

I urge our new Democratic leaders to take a proposal seriously and find a way to bring solutions to the floor of the Senate. As these leaders know from their days in the minority, it is much easier to find a way to accommodate the minority's requests than fight them. I hope the new leadership will act in a truly bipartisan way and consider the administration's ideas. We're all in this energy shortage together. Democrats should work with Republicans for the good of all Americans.

THE MIDDLE EAST

Mr. KYL. Madam President, I would like to change gears a little bit and talk about another subject that is very distressing. Throughout this break I would turn the television on to the evening news, and invariably there would be a story about yet more violence in the Middle East. It really got me thinking about the fundamental issue that I think a lot of Americans have ignored.

We wring our hands. We wish that we could do something. We wring our hands. We wish that we could do something to end the violence. But to do so requires dealing with the PLO, which is the one organization in the Palestinian territories that has not committed to its destruction through terrorism.

The Israelis, who have been the victims of terrorism, have been willing to negotiate with the PLO. In Israel there had been a very strong view that the PLO was not willing to negotiate with an entity committed to its destruction through terrorism.

In the United States, we have been willing to negotiate with the PLO. In this country, people talked about the peace process almost as the end in itself rather than the means to an end.

The problem is that the 1993 Oslo accords, which were the genesis of this conversation at Camp David of a year ago, were based on terrorism. After all, the accords were based on terrorism. The accords were based on terrorism.

For the Israelis, it has been a question of inchoate peace concessions. It's not primarily of land, of territory. But the PLO and other Arab or Muslim groups primarily create a homeland for the Jews. It's not primarily of land, of territory. But the PLO and other Arab or Muslim groups are willing to destroy this homeland.

The PLO has never been willing to concede the legitimacy of the Israeli State. It has never been willing to concede the legitimacy of the Israeli State.

As a result, they have been willing to make all kinds of commitments that would be necessary for a lasting peace in the region. The reason for that is a fundamental difference of approach.

For the Israelis, peace is a question of two states: Palestinian and Jewish. For the Palestinians, peace is a question of one state: an independent Palestinian state. For the Israelis, peace is a question of two states: Palestinian and Jewish. For the Palestinians, peace is a question of one state: an independent Palestinian state.

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The fundamental fallacy of the Oslo accords is that the PLO was given this 30,000-man armed force, that could be used to suppress violence rather than to promote more agitation in the Middle East. The idea was that whereas a democratic society such as Israel had a hard time dealing with these terrorists, a firm, dictatorial Yasser Arafat, with an armed 30,000-man force, could put down these terrorists and bring peace to the area. Of course, the force expanded significantly beyond that which had been agreed to and eventually it was used to promote violence, not to suppress it.

The second premise was that Israel could withdraw from the territory before a final peace accord was reached without losing its bargaining power or military deterrent. It had worked the other way around with regard to Egypt. Egypt, in good faith with President Sadat, dealt with the Israeli leaders up front. Israel ceded the land after the peace accord was obtained. But peace was restored between Israel and Egypt as a result. That withdrawal of Israeli forces from Egyptian land prior to the peace agreement was a true trade of land for peace. But under the Oslo accords, the situation was reversed. Israel was required to withdraw first and then negotiate.

The third premise is that peace could be made with the PLO. In Israel there had been a consensus all along among all of the parties, including Labor and Likud, that it was not possible to deal with the PLO because, A, the Palestinian organization was philosophically committed to Israel's destruction. It is the only entity that could deal with people in a peace process who are absolutely committed to your destruction.

Secondly, the PLO's previous negotiations had been based on terrorism as the means of achieving their objectives. No Israeli government had been willing to negotiate with an entity committed to its destruction through violence.

This peace process changed that. The Israeli leaders, in a leap of faith, said: All right, we will deal with the PLO, despite this historic background.

The process itself became the basis for this understanding. A new assumption was basically created. If you are in the process of negotiating, then the quality of the people on the other side really didn't matter. That is why the Israelis were willing to make this leap of faith. It almost became a secular religion. In this country people talked about the peace process almost as the end in itself rather than the means to an end.

It turns out that the nature of the leadership of the negotiating parties does matter. So do the actions on the