COUNTRY-OF-ORIGIN LABELING FOR FARM-RAISED FISH

The SPEAKER pro tempore (Mr. OSBORNE). Under a previous order of the House, the gentleman from Arkansas (Mr. ROSS) is recognized for 5 minutes.

Mr. ROSS. Mr. Speaker, the farm-raised catfish industry is an important part of the economy in my congressional district that covers the southern third of Arkansas. In fact, Arkansas is third in catfish sales in the Nation, behind only Mississippi and Alabama, with nearly $66 million, or 13 percent, of the total U.S. sales.

I recently met with catfish farmers in southeast Arkansas, and I can tell my colleagues that catfish producers in my district are upset that so-called catfish are being dumped into our markets from Vietnam and sold as farm-raised catfish. The truth is that it is not farm raised, and I am not even sure it is catfish. Last year, imports of Vietnamese catfish totaled 7 million pounds, more than triple the 2 million pounds imported in 1999 and more than 12 times the 575,000 pounds imported in 1998.

In Vietnam, these so-called catfish, also known as basa, can be produced at a much lower cost, due to cheap labor and less stringent environmental regulations. In fact, many of these fish are grown in floating cages in the Mekong River, exposing the fish to pollutants and other conditions. They are then dumped into American markets and often marketed as farm-raised catfish. Many catfish producers believe that these imports have taken away as much as 10 percent of our markets here at home.

It is really quite simple. Farmers do not mind competition, but they do mind when the competition is unfair and untruthful. This is why today my colleagues, including the gentleman from Arkansas (Mr. BERRY), the gentleman from Mississippi (Mr. SHOWS), and the gentleman from Mississippi (Mr. PICKERING) introduced, along with me, a bipartisan bill, H.R. 2439, the Ross-Berry-Pickering bill, that would amend the Agricultural Marketing Act of 1946 to require retailers to inform consumers of the country of origin of the fish that they sell.

Under the bill, all fish would be covered. Each retailer would be required to notify the consumer at the final point of sale of the country of origin of the fish. The fish could only be designated as being from the United States if it is from a farm-raised fish that is exclusively born, raised, and processed in the United States.

When our consumers go into the stores for farm-raised catfish, they deserve to know what they are getting is actually farm raised and catfish. By letting consumers know where the product is coming from, this bill will encourage the people in Arkansas and across America to buy catfish grown by our farm families, not fish grown in a polluted river in another country.

I urge my colleagues to join me in protecting consumers and to support a level playing field for America’s farm-raised fish producers by supporting this measure.

TRIBUTE TO THE LATE JUDGE STANLEY MOSK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 5 minutes.

Mr. WAXMAN. Mr. Speaker, I am pleased to join my California congressional colleagues in honoring the memory of Justice Stanley Mosk and the great legacy he left the people of California and our Nation.

Justice Mosk was in public service for sixty years. He was a trial judge on the Superior Court of Los Angeles. He served as the Attorney General for the State of California. He was the longest serving member in California State’s Supreme Court 151-year history. He served on the court for 37 years under five chief justices until his death on June 19, 2001 at the age of 88.

My colleagues who have preceded me have spoken very eloquently about Judge Mosk’s contributions to our Nation. I want to take a moment to speak about Justice Mosk’s personal influence on me as a Jewish American. Today, we take for granted that individuals of different racial and ethnic ancestry serve in public office. Last year, when Senator Joe Lieberman ran on the national ticket for vice president, he was the first Jewish American to do so, but his religious and ethnic background did not cause a strong reaction in most Americans. He was judged as an individual on his abilities, his political beliefs, and his record.

In the late 1950’s, Stanley Mosk was the first Jewish American to run for statewide office in California, and his candidacy caused some concern and trepidation in the Jewish community. American Jews were very active in politics, and they made great public service contributions, but there was enormous hesitancy in running for public office and assuming such a visible a position. Today, those of us who are Jewish and from California feel an enormous amount of pride in Justice Mosk because he was one of the premier constitutional lawyers in our Nation and he met the highest standards for public officials.

As a trailblazer in the Jewish community, Stanley Mosk never forgot that he helped pave the way for Jews and other minority Americans who faced professional and social hurdles. He was an unflagging champion of civil rights and individual liberties. He was also a shining inspiration to all of us who followed. When I ran for a seat in the House of Representatives more than twenty-five years ago, I was the first Jewish American from Southern California to be elected to Congress, and the first in the State in forty years. It is tribute to our Nation that Jewish Americans today represent not only districts with large Jewish populations, but those with small Jewish constituencies as well.

Stanley Mosk was mentor to a whole generation of Jewish activists. He will be affectionately remembered and sorely missed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind Members not to refer to individual Senators.

AMERICA’S ENERGY POLICY

The SPEAKER pro tempore. Under the Speaker’s announced policy of January 3, 2001, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 60 minutes as the designee of the minority leader.

Mr. DEFAZIO. Mr. Speaker, this evening I rise, hopefully to be joined by others, to discuss the energy situation in the United States of America. It was James Watt, when President Bush unveiled the national energy policy, so-called "Energy in the Blue Book," who said, "Well, they just took out my work of 20 years ago." This is James Watt, mind you, not exactly an enlightened individual when it comes to present-
day energy policy. He said, "They just dusted off my work of 20 years ago. It is really good in search of sensible energy policy for the 21st century?"

Well, after I read through it, upon hearing Mr. Watt's comments, I would observe it a little differently. I would say this is not James Watt's energy policy of 1980, this is actually our father's energy policy. It is much more 1960s energy policy. It is Dick Cheney's energy policy, and it reflects a bygone era of limitless frontiers, dig, drill, and burn. It is not and does not offer America a new sustainable and more affordable energy path to the next century.

So we will be talking about that a bit tonight, about electricity, electric deregulation, and other subjects. But before I go there, I would like to recognize the gentlewoman from California who introduced important legislation today in the area of our future energy supply to talk a bit about her proposal.

Ms. WOOLSEY. Mr. Speaker, I want to thank my colleague from Oregon for organizing this special order tonight because the timing is absolutely perfect. We have just returned from the July 4 district work period and House committees are gearing up to tackle energy policy.

Since passing the national Energy Policy Act in 1972, Congress has generally ignored energy issues, but energy problems in California and higher prices for natural gas and oil throughout the country have brought energy back to the top of our Nation's agenda. We are finally beginning to realize that the debate over the Nation's energy policy will probably be, if not the, one of the most important issues addressed in this Congress.

The energy shortage we are experiencing in California is a signal to be heeded by the rest of the country. The signal is that the Congress must raise the stakes in search of sensible energy policy because, obviously, what we are doing is not enough. I am here tonight to remind my colleagues that as Congress and the administration work to forge a long-term energy policy, it is absolutely imperative we make a true commitment to renewable energy sources, to efficiency, and to conservation in order to prevent a future energy crisis and to protect our environment.

As the ranking Democrat on the Subcommittee on Energy of the Committee on Science, I am working to do just that. In fact, as the gentleman from Oregon (Mr. DEFAZIO) mentioned, earlier today I introduced CREEEA, the Comprehensive Renewable Energy and Energy Efficiency Act of 2001. It is to be used as a blueprint for renewable energy sources and energy efficiency measures. It is to ensure that we make renewable energies a more important part of the U.S. energy policy we put in place in this country.

We can no longer afford to make large investments in outdated energy technologies, like fossil fuels, coal, and nuclear. Increasing our reliance on 20th century technology is not in the best interest of the 21st century, and it is certainly not an answer to our energy future. Instead, with the energy challenges we are experiencing across the country, it is more important than ever that we take this opportunity to craft a more responsible policy. By leveling the playing field for renewables and efficiency measures, we can and must ensure that our national security becomes more safe and secure through diverse energy sources.

Of course, we cannot expect renewable energy to meet all of our energy needs right away. I wish we could, but we cannot. We can make it a Federal priority to give renewables a more prominent role among energy sources. Unfortunately, Federal investment in renewable and energy efficiency has declined over the last 20 years. That is why CREEEA, my bill, aims not only to reverse that harmful funding trend, but also to set a goal for our Nation that at least 20 percent of the energy generated in the United States be produced from nonhydro renewable energy sources by the year 2020.

CREEEA calls for new investments in renewable energy and energy efficiency research and development, as well as competitive grants to help bring these green technologies to market. In the bill, regulatory provisions will eliminate barriers to development to put renewables on par with traditional energy sources.

Aside from energy efficiency provisions for schools, homes, and vehicles, CREEEA also calls on the Federal Government and the Architect of the Capitol to set an example here in Washington by adopting renewable energy standards and increased energy efficiency measures. After all, the Federal Government must do our part, its part, to use more clean, renewable and efficient energy resources and technologies.

CREEEA also offers tax incentives to both individuals and corporations for increased investments in renewable technologies and for embracing energy efficiency products, buildings and technologies. With smart, aggressive policies, we will encourage the development of green industries.

Mr. Speaker, putting a priority on forward-thinking domestic options like renewable energy and energy efficiency will carry us into the future. Energy conservation is smart public policy, policy that will protect our environment and provide a secure energy future for our children, and I urge my colleagues to support this approach as we debate the national energy policy for the future of this Nation.

Mr. Speaker, I thank the gentleman from Oregon for including me in this special order.

Mr. DEFAZIO. Mr. Speaker, I thank the gentlewoman for her comments. As the ranking Democrat on the Subcommittee on Energy and Power, I think it is important that we look toward the future and not toward the past for the energy supply for the United States of America. We can both have energy sources that are more gentle on the environment and deal with the problem of global warming, and are more stable and more affordable for the people of our Nation so we will no longer be held hostage to OPEC and other cartels around the world who basically blackmail us from time to time in jacking up the price of oil and extorting from American consumers.

I think her legislation is a very, very important addition to getting something that looks forward instead of back, and I thank the gentlewoman for her contribution.

Mr. Speaker, today we had Secretary Norton come before the Committee on Resources to update us on where they are on the President's national energy policy. In reading her testimony, I was interested to see that she said that the Department of Energy is using Secretary of State's energy policy of about 6 weeks ago where he said conservation and renewables, that might be a personal virtue, but it is nothing for a national energy policy to be based upon.

Despite the fact that over the last 20 years this Nation has gained 4 times as much energy from efforts in conservation and renewables than from new energy development based on fossil fuels, nuclear and other traditional sources, 4 times as much, the Vice President says it cannot base policy on it.

Mr. Speaker, there seems to have been a backlash, and the administration seems to be very quickly backing up on the President's decision. In fact, today Secretary Norton said, remember, the President's energy policy, this blue book written by Vice President Cheney, 50 percent of that is based on conservation, renewables and other sustainable energy sources. I said, Madam Secretary, that is an extraordinary statement. I said, tell me, 50 percent of what in this book, 50 percent of the projected new energy supply? When I look in the back, I see that they are projecting 28 percent of our energy over the next 50 years might come from sustainable renewable sources and conservation, so it was not 50 percent of the new energy. They are projecting 93.2 percent will come from conventional fossil fuels and nuclear power. I said, I am a bit puzzled. Is it 50 percent of the investment? I said, I remember the President's budget dramatically slashed investment in conservation renewables and sustainable energy sources things that could make the United States of America energy-independent.

She said it is 50 percent of the words in this proposal were on conservation.
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renewables and others. I would even challenge that, but I have not gone back to count and I do see really whether 50 percent of those things are to the long term. So we go on to talk about the future based on new technologies so we can break our depend-

ence on the oil cartels in the long term. In the short term, we do not want to have consumers extorted and bankrupted by the oil cartels.

Let us send them a strong message. We could do that by the President saying he is going to keep the Alaska oil home. We could do that in a number of other ways to show that we, in fact, in the United States are not going to be patsies, but this administration has chosen so far not to do that.

Mr. Speaker, there are so many sub-

jects to be covered in this area, this is just sort of a beginning. I see the gentle-

tman from Oregon (Mr. BLUMENAUER) has joined me, and I wonder if he might like to address some of these subjects.

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman for yielding.

I do appreciate our taking the time to discuss with the professionals the other side of some of these questions because it is indeed complex. It is indeed important.

As the gentleman pointed out, there are a wide range of interests that are coalitional and not one on a lot. Conservatives, liberals, people from the East and the West, even some of our friends from California step back, and they are looking at what has been advanced by the administration with skepticism and in some cases wonder.

I personally just returned from the Arctic Wildlife Refuge. It is an area that I have not visited before in previous trips to Alaska, and I have heard people on the floor make some asser-

tions. I wanted to take the time to see for myself, to put in context the reports that we are given, the information that comes forward. I must say that I do not pretend to be an expert, but I also work with the professionals and have had some sensitivity to how fragile this area is and how fragile it is in terms of the habits, in terms of the calving cycle of this vast caribou.

I did see some caribou around Prudhoe Bay that we see in some of the pictures, but I had an appreciation for the vast fragility of the tundra; small willows that are 10, 20, 30 years old that are only inches high and thinking about what would happen if there were problems there. I came away with a profound sense that the American public is right. The Arctic Wildlife Refuge is absolutely the last place we should be exploring for oil, not the first.

The gentleman referenced the much debated comment from our Vice Presi-

dent dismissing the notion that con-
servation may be a virtue, but it should not be the basis for a rational national energy policy. I think the American public, and I certainly agree, conclude that he has it 180 percent wrong. You cannot have a rational national energy policy without beginning with the notion of conservation and wiser use of our energy resources. And it does not have to drive the American public and the American economy. Our friends in Japan have been able to manufacture a hybrid vehicle that will get 60, 70 miles per gallon. There is a 6-month waiting list for American consumers. Yet the American Government in the 5 years I have been in Congress, we have been prohibited from even studying extending the vehicle miles for the CAFE standards and having the potential for bringing it up to the overall fleet average would be the difference for the typical SUV, the gap
here is the equivalent of leaving your refrigerator running with the door open for 6 years. This is not technology that is, beyond us.

We hear people making rash claims that we have to have the administration's proposal of building a power plant a week and the attendant economic impact of that and the attendant environmental cost, and they will throw out arguments like, Well, we haven't had a nuclear plant licensed in this country in 20 years. Well, they are right, we have not had a nuclear plant licensed in this country in 20 years, but what they do not tell you is that we have not had an application for licensing in more than 20 years. Industry has recognized that it is not a good investment. And for the administration to put forward half-representations, arguing for the notion that we are going to have to build a power plant a week and ignore simple, commonsense steps to improve energy conservation, I think completely misses the target.

Again, those last things and I will turn this over back to the gentleman. I know that there are others that wish to join the gentleman from Oregon (Mr. DeFazio), and the last thing I want to do is disrupt his train of thought too much. As dean of the Oregon delegation, I have too much respect for his rhetorical and intellectual capacity to do that, but if he will permit me to make two other observations.

Number one, it seems to me that we can take steps, and we may hear from some of our friends in California who have had some energy difficulties which they are working their way through, we may be hearing about that this evening, but the simple, expedient step of having roof colors, and you do not have to go the way to have a green roof, but just having a reflective color, can cut the energy requirements for air conditioning one-third. Having concrete instead of asphalt can lower the temperatures of our cities 2 degrees, the heat island effect that we are seeing in major metropolitan areas.

Not only will those roads last longer, but that will save energy.

Last but not least, it seems to me that if in fact we have several trillion dollars that we do not need to invest in essential government services over the next 10 years, which as we note as each day goes by it looks as though we do not quite have the resources that were represented to us; a better use of this, rather than some of the tax reductions for people who need help the least, would be to provide tax credits and incentives for our citizens, particularly low- and moderate-income citizens, to be able to afford more fuel-efficient air conditioners, heating, other appliances which again would save huge amounts of money for not having to invest in energy production, would save the cost of energy for these individuals, and would be a shot in the arm for American industry. I think these are more appropriate approaches, rather than discounting energy conservation and simply building an energy plant a week.

I appreciate the opportunity to join the gentleman this evening. I appreciate his leadership and look forward to further discussion.

Mr. DeFAZIO. Just taking up what the gentleman was talking about, tax credits for Americans, for consumers, to help them meet their needs at home or at work or purchase more energy-efficient transportation, to create a market for that and help our people, that unfortunately did not make the cut in the blue book here. But what did make the cut, for instance, is royalty relief. For those poor suffering oil companies, we have got to have some royalty relief. I am certain that they too will pass those lowered costs on to the consumers. The estimate is that the Bush energy plan would lower royalties by $7.4 billion over 2 years. That is money that should flow to the Federal Treasury and should flow to the energy conservation in the United States of America because of the extraction in our coastal areas and inland areas of oil and gas, would be reduced by $7.4 billion under the proposal of the Bush administration.

Now, of course, these are the same companies that just last year entered into a plea bargain in a criminal case for defrauding the taxpayers of royalty revenues and entering into an unprecedented $443 million civil settlement with the Justice Department. But, of course, that was the Clinton Justice Department, and I do not think the Bush Justice Department is going to be pursuing too many defrauded American taxpayers' royalty claims. In fact, no, they are not about it: Hey, let's just forgive the royalties altogether. This is the basis for an energy policy.

Certainly we do not need to forgive the royalties to get these people to explore or pump oil. Let us look at the profits. Last year, ExxonMobil profits, $15.9 billion, a 1-year, 102 percent increase. Chevron, $5.1 billion, a 150 percent, 1-year increase. Texaco, $2.5 billion, 116 percent, 1 year. Conoco, $1.9 billion, 155 percent. Phillips Petroleum even being on down the list. These people need relief? They need encouragement from the taxpayers? They need subsidies from the taxpayers to explore for oil and gas? I do not think so. In fact they should be giving money back to the taxpayers because they are fleecing the taxpayers to show those sorts of profit increases in one year.

So the gentleman is exactly right with his orientation of where we should be investing or forgiving revenue for the Federal Government, should be oriented toward small businesses and consumers and others who want to invest in energy-efficient measures, not those who want to go out and extract yet more oil and gas from sensitive areas in our coastal plain, our national monuments and elsewhere.

From there, I believe we would be well served to get into the area of electricity. Most recently in the western United States, the most extraordinary manifestation of an energy crisis that we have seen has been the rolling blackouts and brownouts in California, the fact that the total electricity energy bill in California went from $7 billion 2 years ago to $27 billion last year and is projected to go to over $50 billion this year. The fact that we have found out that even in the Pacific Northwest, we are paying higher average wholesale prices but thankfully thus far have been buffered by our Bonneville Power Administration and our own energy policy. For those poor suffering oil companies, they need subsidies from the government.

Now, the question would be, Is this a justified increase? Is this such a short-term gain and such a perpetual kind of royalty that you can justify increases of up to, well, if you went from $30 an hour average megawatt 2 years ago to the high price that has been charged up over $3,000 a megawatt, a 1,000 percent increase in 1 year in the price, there is a real question. There is no one who is more expert on that than the gentleman from San Diego, who comes from ground zero in terms of the electricity energy crisis, market manipulation and price gouging in the western United States. I yield to the gentleman to educate us a bit on what has been going on down in his district.

Mr. FILNER. I thank the gentleman from Oregon for yielding, and I thank him for his leadership. I recall over the last few years the gentleman from Oregon talking about the problems with deregulation. Very few of our colleagues listened. But now we are witnessing them, and he was right. And California has been the greatest example of that. He mentioned rolling blackouts. He mentioned manipulated markets.

Let me tell you what happened one day in January of this year. We suffered several hours of rolling blackouts in California. That had, just, a few hours, a tremendous impact. Companies in production lost millions of dollars worth of production. People who could not deal with the traffic lights off, we had near fatal accidents. People stuck in elevators. The largest company sending people home and not getting a paycheck. At that time, at a time of the rolling blackout, with all these disruptions, the biggest generator in San Diego County was not in operation. It was shut down, not due to any maintenance; it was just taken out of service.

Now, we have examples of that all through the last year where production
was down, not for maintenance, not for any environmental reason but to bolster the price, because in a controlled marketplace you can raise the price, and it can increase the price. What occurred in San Diego at what we call the South Bay Power Plant in my district operated by the Duke Energy Corporation, they took generators out of service, not only during the blackout but many times during the year.

We just recently had five former employees of that plant who worked there for a total of 100 years. These are not newcomers. They know what is going on in that plant. They testified under oath to a State Senate committee that not only were these generators down not because there was any real lack of need for them, we were in a rolling blackout, but purely related to the price. Duke said that electricity in the course of the year. By the way, just to emphasize the gentleman's point of the cut in relationship to the community, the five employees I mentioned lived in our area were community members, paid taxes, had their kids go to school. They were let go. Apparently, Duke did not want people tied to the community working in their own plant.

There is insult to injury. I would say to the gentleman from Oregon (Mr. DeFazio) that in this case I just told him about, the plant was being ramped up and down for profit, which stole a billion dollars out of our economy, is a public plant. Deregulation law, the San Diego Unified Port District bought that plant and leased it to Duke and leased it for very, very, let us say, favorable terms. The terms under which they leased the plant they thought they would recoup their investment in 5, 7 years. They got it back in 3 months. That shows what the prices were that they charged.

They leased this plant from the public so they are stealing from the people who own this plant. They have violated the lease terms that they were under. They were supposed to operate that plant in a prudent manner. It is a prima facie case that they had not and these employees testified that they had not.

I think the Port District, a public agency in San Diego, ought to break that lease, take back the plant, operate it in the public interest. They produce power there for three or four cents a kilowatt. As the gentleman pointed out earlier, a thousand percent increase in our area, we are community members, paid taxes, had their kids go to school. They were let go. Apparently, Duke did not want people tied to the community working in their own plant.

Mr. FILNER. They made almost a billion dollars doing that in the course of the year. By the way, just to emphasize the gentleman's point of the cut in relationship to the community, the five employees I mentioned lived in our area were community members, paid taxes, had their kids go to school. They were let go. Apparently, Duke did not want people tied to the community working in their own plant.

Mr. DeFazio. I think the key point and one of my principal objections to deregulation was that it severed the relationship between a utility and the consumer. Historically in this country from the days of the early community with deregulation, utilities had a duty to serve. Their highest duty was to keep the lights on. They maintained a buffer over and above their demand or their anticipated demand. They were required to do that. They were required, except in times of catastrophe, to provide as nearly as possible 100 percent reliability.

Mr. FILNER. And they made a healthy profit doing that.

Mr. DeFazio. They certainly did. They always were favored by investors. They had no problem raising money. It was an industry that was known as a good place to put your money for a reliable and very healthy rate of return.

Now, what happened as the gentleman just pointed out with Duke and with all the others, they are an exception, is that they no longer had under deregulation a duty to serve their customers. Their only duty is to serve their stockholders and the people on Wall Street. If they can make more money by blacking you out, shutting you down, closing other businesses for lack of power, it is their duty, their fiduciary responsibility as their board of directors sees it to do that. That is why they tied their floor traders to the plant operators.

Mr. FILNER. They made almost a billion dollars doing that in the course of the year. By the way, just to emphasize the gentleman's point of the cut in relationship to the community, the five employees I mentioned lived in our area were community members, paid taxes, had their kids go to school. They were let go. Apparently, Duke did not want people tied to the community working in their own plant.

That leads me to believe that this is not primarily a supply and demand problem, although we have tight supplies and the Governor of California is doing everything he can to increase those supplies; but this was a crisis of maintenance, a case study of enormous greed, and still protect our environment. So this is an environment.

Let us show that we can produce the power there for three or four cents a kilowatt. As the gentleman pointed out earlier, a thousand percent increase in our area, we are community members, paid taxes, had their kids go to school. They were let go. Apparently, Duke did not want people tied to the community working in their own plant.

Duke, by the way, was the one that charged that $1,000 a megawatt, or $4.00 a kilowatt, hour and they did it out of a public plant. I think San Diegans understand that they have been gouged and they are ready, in fact, to embark with a municipal utility district, take over plants such as the one I mentioned, the South Bay Power Plant, and begin to get out of the control of this energy cartel.

Let me just conclude this part by saying, the gentleman made the point earlier about how we need renewables.

He made the point earlier about how we need conservation. Everybody in California, as I am sure in Oregon, is doing everything they can to do that. Only the Federal Government can deal with the wholesale prices. Only the Federal Government can regulate that. Our President has chosen not to be involved. Our vice president has refused to listen. The Federal Energy Regulatory Commission has taken some baby steps in this direction, but the Congress should impose what is called a cost-based rates on wholesale electricity prices and refund all the criminal overcharges since last summer when this started. Then we can begin to talk about a national energy policy, and as the gentleman pointed out, the President's plans say nothing about this area.

Mr. DeFazio. Unfortunately, the President's plans do say something about this, but it says what we should do is spread retail deregulation nationwide. We are going to take the model of California and we are going to impose it on the rest of the States of the United States of America.

Now, if there was some place we could turn to and say, well, look how great deregulation has worked, well, first off the model was Great Britain. They are still trying to fix the problems they created with deregulation. Their prices are 70 percent higher than the average in the United States. They suffer a much higher percentage of blackouts, brownouts. They have extraordinary complaints about service. That is the model on which the 1992 deregulation was written.

Maybe we have done better in the States. Let us turn to some of the pioneers in the United States. Montana in my region, they have a public utility industry, which was deregulated, as were the rates in Montana, go up by 1,000 percent because Pennsylvania Power and Light bought all of the generation in Montana, which is a State that can produce 150 percent of its needs and they can make more money by exporting that power, some of it to the gentleman, and charging extraordinary prices for it. So that has not worked out real well in Montana.

Rhode Island, another pioneer, prices are up 60 percent. The list goes on and on and on. Everywhere that we have seen energy deregulation, with the promise of competition, lower prices, better service, we have seen higher prices, worse service and now rolling blackouts and brownouts. Guess what? I have never had an Oregonian come up to me and say, Congressman, I am tired of this utility that provides me electricity day in and day out at a reasonable price; I want a chance to choose my energy provider. I get those phone calls at 5:00 at night from AT&T and MCI and all the others, offering me stuff that I cannot quite fathom and does not ever really seem to work out.
Mr. DEFAZIO. Deregulation is working for a few individuals. Mr. FILNER. We have scores of small businesspeople just had to close up. I mean, we have had people in my office in tears that had to go to those lengths to try to get a discussion of a situation which can still destroy the economy of the western States. I do not understand it. I have been struggling to have my constituents’ voices heard in Washington, but there seems to be a deaf ear to our complaints. When I listen to the recital of the kind of income that the CEOs have made, I just get madder and madder. Those people ought to be in jail, not receiving these kinds of checks. Mr. DeFAZIO. If the gentleman would yield back, we have not had yet the extraordinary impact that the gentleman has felt in San Diego but it is coming. We are facing about a 47 percent rate increase this winter with the Bonneville Power Administration because we are having a drought. That normally would not be a big problem because we normally would turn to our neighbors in California and say look, wintertime, you have a lot of excess capacity, we would like to buy some electricity from you for the winter. We have traditionally done that. In the summertime, during the gentleman’s high demand season, we have sold to him. We cannot sell to him this year because of the drought, but we would buy from the gentleman next winter and hopefully it will snow and rain next winter and we will be back into that normal equilibrium. Confronted with these kinds of markets, our Bonneville Power Administration has to go to extraordinary lengths to shed load for the coming winter, closing down the aluminum industry, getting all the other utilities to go to those lengths to try to reduce their consumption by a minimum of 10 percent, and still we are going to see this 47 percent rate increase because they are going to have to buy some.

Now, if this were an earthquake or a hurricane or a tornado, the Feds would be in there instantly and offering loans and helpful economic incentives. This is worse than 10 or 20 earthquakes and the Federal Government has not been called on. So when there has been the Clinton administration or the Bush administration, the Federal Government chose not to help out. These are incredible human problems. It is not just statistics. When the person on a fixed income whether they be older or younger, who is faced with a doubling or tripling of his or her utility bills and they have to chose now not between just food and medicine but between food, medicine and a comfortable sleep with air conditioning, this is ridiculous. This is tragic. This is criminal, in my opinion. We have not acted. We have not even had a debate on the House floor about any of the legislation that we have proposed to try to deal with this. The leadership of this House has chosen not to bring up a debate. We have what is called a discharge petition. That is a mechanism that if a majority of the Members of this body want to discuss a bill, whether the leadership does or not, we can have to go to those lengths to try to get a discussion of a situation which can still destroy the economy of the western States. I do not understand it. I have been struggling to have my constituents’ voices heard in Washington, but there seems to be a deaf ear to our complaints. When I listen to the recital of the kind of income that the CEOs have made, I just get madder and madder. Those people ought to be in jail, not receiving these kinds of checks.

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Now this same gentleman, one of the principal authors of the national energy policy. When Vice President CHENEY was asked to name who he met, he said I met with people. He said I met with him when I developed this document, lots of people. They said, well, name some. He said, well, they said, Ken Lay of Enron? And they said, was that the only person? He said, no, I met with lots of people, but he will not tell us who the other lots are.

He did admit that he met with Ken Lay of Enron, the same Ken Lay of Enron who called the chair of the Federal Energy Regulatory Commission, who is no friend of consumers, Mr. Hebert of Louisiana, who has refused to act to rein in prices, but he even called him to say that what he was doing was not enough for his company as chair of the Federal Energy Regulatory Commission and if he would do what Mr. Lay wanted, well, then they might be able to assure him that he could continue to be chairman.

Mr. Hebert, again no friend of consumers, was outraged. He went to the press about this and said I cannot believe that this gentleman called me. Well, this is who is writing the energy policy of this country.

Mr. FILNER. Some of our colleagues do watch us as we make these statements and talk about the situation in the West, and they say stop your whining. It is your own damn fault. If you did not have these environmental whackos in California and Oregon who stopped the building of power plants, you would not be in this situation.

Now I would like to hear what the gentleman says to them, but I say that is the ridiculous argument. Number one, it was the government of the West that chose not to build power plants because they had calculated that they had a surplus. They miscalculated that, but that was a decision made in their economic interest, they thought, not because of any environmental regulations.

I am going to soon announce in San Diego the building of a new power system. Mr. HILTON. Mr. DeFAZIO. Well, what are you going to build it with? It is going to be natural gas.

Mr. HILTON. It is going to be a power plant.

Mr. DEFAZIO. Natural gas. Mr. Filner. It works.

Mr. DeFAZIO. Natural gas, it is a lot cheaper.

Mr. HILTON. It works.

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plant, hopefully about a thousand megawatts, built by a responsible citizen of San Diego who has built power plants all over. The country, in fact, has won environmental rewards for them.

Mr. DEFAZIO. He is going to show that you can follow every environmental regulation that is there to protect us, every permitting policy, build a plant in a rather quick amount of time, and charge what would be the price under previously regulated rates, say a nickel a kilowatt, as opposed to the 40 cents, $1 or even $4 we have been charged. He is going to put a lie to the notion that it was environmental wackos who caused this.

We are going to have a plant in San Diego that is environmentally sound and produces electricity in a reliable fashion and at moderate price, at a price we can afford in San Diego. When we have control, I hope the City of San Diego, the County of San Diego will own that power plant. That will give us one-third of our needs and give us tremendous leverage over the whole system.

But I am sick of hearing that somehow we caused this thing because we were trying to protect the environment. I know the gentleman has heard the same arguments. I think we have to answer those directly and show that what we are proposing makes more sense to solve this issue.

Mr. DEFAZIO. In fact, I would quote from a spokesman for Reliant Energy on January 25 from the Los Angeles Times. He stated that “claims that air quality restrictions were holding back output were absolutely false.”

Similarly, in May in the New York Times, “Industry executives have been pressing to get relief from environmental laws, most notably the Clean Air Act and land use restrictions, but such regulations are viewed by many executives as nuisances;” of course, they do not live there and breathe the air there, “rather than barriers to meeting demand. This is borne out by the ongoing surge in construction of transmission lines and power plants that has occurred without any easing of environmental regulations, despite the best efforts of the Bush Administration.”

So, this is a falsehood that was initially and early widely perpetrated across the West that this was a self-induced trauma. Of course, that was before we had the numbers to show that all these plants were off line and driving up the price. In fact, California was about 30 percent below its maximum production a number of times when the lights went out. The winter is your low demand period. That is when you usually export energy. Yet the prices were sky high and you were experiencing rolling blackouts and brown outs. This was not the fault of environmental restrictions, it was the fault of greedy companies.

The interesting thing is they have been reined in a little bit. As the gentleman and I know, we tried to get the Federal Energy Regulatory Commission for months to act. Their own staff had found that these prices violated the law, they were not just and reasonable. That was a staff finding by the Federal Energy Regulatory Commission.

But Mr. Hebert, as Chairman, refused to take action and do anything about that, refused to do further investigations beyond one whitewash investigation saying there was no manipulation of the market. We now have a GAO report saying there is no way they could have reached that conclusion. They do not have solvency requirements to reach all that conclusion. Yet he refused, stonewalled, stonewalled, it was called a sit down strike at FERC. I attended one meeting where he said he would pray for us, but that was all he could do.

Mr. FILNER. I think this administration has a faith-based energy policy. They not only pray for us to do something, they pray to the market where there is no market.

Mr. DEFAZIO. Well, that is exactly it, worshipping the market where there is no market. But, finally, and strangely, after the Senate changed hands from Republican to Democrat and two committees subpoenaed in the Federal Energy Regulatory Commission and their staff to come in under oath and testify about what was going on in western energy markets, somehow 2 days before they were supposed to testify in the United States Senate under the new Democrat control, FERC held an emergency meeting and imposed some minimal price caps.

Now, this is something they refused steadfastly to do for the first 6 months of the Bush Administration. But, suddenly, just because of a little tiny bit of scrutiny, let alone real scrutiny, let alone real regulation, let alone enforcement of the law, investigation by the Justice Department for price fixing, market manipulation, price gouging and all of the other things we know is going on, you cannot take the price of an essential commodity and drive it from $7 billion for the same output, which this could then more readily be exported in the future, for it to go sky high and you were experiencing rolling blackouts and brown outs. This was environmental wackos who caused this.

Mr. DEFAZIO. The Reagan Administration sold that to the country. The country, in fact, was Environmental wackos who caused this. So, this is a falsehood that was initially and early widely perpetrated across the West that this was a self-induced trauma. Of course, that was before we had the numbers to show that all these plants were off line and driving up the price. In fact, California was about 30 percent below its maximum production a number of times when the lights went out. The winter is your low demand period. That is when you usually export energy. Yet the prices were sky high and you were experiencing rolling blackouts and brown outs. This was not the fault of environmental restrictions, it was the fault of greedy companies.

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In fact, I had some FERC people into my office last week and we talked about there is a new area coming. They are going to game transmission right now. Right now they are just gaming generation, but they figured out a new, bigger, more lucrative potential game for the future, and it is right now.

Mr. FILNER. The gentleman said it earlier, that Enron and the President were trying to get a national system which this could then more readily control. But I would like to also underline what the gentleman just said both manipulation of the market to increase the prices and also the incredible suffering in California and the West.

Not only does that market control give them the ability to fix the prices, but, tragically, for the future it allows them to pick and choose which energy sources will be studied and given development, and they have chosen, because they cannot control it, not to allow research and development into solar, into photovoltaic solar cells, and these other renewables, where we know a big part of the answer for our future energy needs lies, and yet we have had no interest in them because these companies, which control the price, control their research and development and have refused to allow that to occur.

So this Congress ought to be looking not only at, as the President, new production and et cetera of the fossil fuels, but the structure, the economic structure of the energy industry, which not only has fixed the prices, but has foreclosed or attempted to foreclose part of our future by not allowing the research and development that we so desperately need in these other areas.

Mr. DEFAZIO. If the gentleman will remember back 20 years, back in 1980 the United States of America through our labs, Federal labs in Golden, Colorado, was the world leader in photovoltaics, an endless source of energy coming from the sun, that could replace all fossil fuel use for quality electric, if we could get the price of photovoltaics down.

The Reagan Administration said that research and all of the proprietary work that had been done to the ARCO Corporation, and then the ARCO Corporation sold it to Siemens of Germany, and now the Germans are the world leaders in photovoltaics based on research payed for by U.S. taxpayers, and some day we will probably be buying photovoltaic gear cells from the Germans, like we are having to buy oil from the OPEC cartel.

These future supplies of renewable and sustainable energy are going to be more important to us, and for the United States of America, for the President of the United States to slash investment, which he did in his budget, in these sorts of research, is cutting the legs out from underneath the American consumers, the American people, and American businesses and industry, to make us a sustainable and affordable energy future.

We need to be investing more in fuel cells, more in photovoltaics, more in...
The SPEAKER pro tempore (Mr. OSBORNE). Under the Speaker's announcement policy of January 3, 2001, the gentleman from California (Mr. RADANOVICH) is recognized for 60 minutes as the designee of the majority leader.

Mr. RADANOVICH. Mr. Speaker, I appreciate the privilege to come on this floor and talk about the President's plan for energy and for the future of the United States of America.

I wanted to make a couple of points in response to some of the previous hour regarding the situation in California. I am from California. I represent Fresno, California, and the central part of the state, where we too are at ground zero of the California energy crisis.

There were a couple of statements made earlier which spoke ill of deregulation and used California as an example of that, and I would like to clarify that in California there was never really a deregulation plan. It was half a deregulation plan. In California's deregulation plan, the rates and the charges that the utilities were able to charge consumers were frozen. They were frozen rates and were not allowed to be increased, whereas the wholesale rates, or those rates that utilities had to go out and purchase energy for, were unlimited and put on the spot market, so that they would change minute by minute, hour by hour, every 24 hours, which made them very susceptible to high price spikes and such.

That was the problem in California, the problem that the price increases could not be passed on as signals to the consumer to start conserving was what created the energy crisis in California.

It was half of a deregulation plan, and under such a situation, it could have been easily corrected, up to a year ago. In May of the year 2000, when evidence started showing in San Diego that prices were going through the roof, the Governor of California, who I believe was more concerned about providing leadership in a crisis than, frankly, his own reelection prospects and obtaining the presidency, had he acted earlier and imposed or allowed the PUC, the State PUC, to impose a 20 to 25 percent rate increase, not like the 48 percent rate increase that was passed because he waited so long, I think, people would have been able to begin conserving and he would have saved a lot of these utilities off the spot market and into some long-term contracts that made sense, and we would never have faced a $20 billion hit to the State of California.

The minimum damage that could have been done would likely have been around $500 million to $1 billion.

It was due to lack of leadership in California that created the energy crisis, and it was lack of leadership from the Governor and the State of California that led the governor to come into effect, and people are starting to conserve, and the future prices of energy are beginning to come down.

The is what should have happened a year ago and did not happen until now. My own utility bill that I just got from my residence in California right now is about 4 times more than average of it. I think people in general are experiencing a doubling to tripling of their retail rates because of this. A 20 to 25 percent rate increase early on, with decisive leadership from the governor, would have prevented this entire thing and, instead, in waiting so long and in purchasing energy at such convoluted prices, he has led California into this crisis and we are still in the middle of it.

Mr. Speaker, in addition to that, the governor has entered into long-term contracts that do not start for about another year, but the average of those long-term contract prices range from about, again, 3 to 7 times more than what the utilities are able to charge for. I had a company in my office the other day that talked about the inability of the governor to sit down with all those that are involved in the energy crisis in California; that would be the utilities, that would be the marketers, that would be all the people that are looking to conserve, and everybody that cares about California and who has a business stake in California, not only in the short term, but in the long term, and to sit down and work through this process, really resulted in not only in the State of California, but in fact, democratically, that all of those people, the governor, people of the State of California, got together and worked it out.

I cannot explain that more. To be blaming a President who has only been in office for less than 6 months for all the woes of California I think is just unjust and unfair, and it is a diversion of what the real issue is, and that is that we have got poor leadership on this issue in the State of California.

If California really wants to get out of their energy crisis, they only need to do a couple of things. I would say three things.

First, the Governor has to stop buying power. I think the Governor has been taking on this responsibility for about 6 months now, and, since then, he has been purchasing energy up to seven times more than what the utilities are able to charge for and get back.

That is an upside down equation that leads to billions and billions of dollars worth of debt that the utilities, after $9 billion in debt, could not manage. So the State has started incurring those losses, and still do. Today, California's Department of Water Resources, under the eye of the governor, is purchasing power right now 3 to 7 times more than what utilities are able to get from it. Now, granted, those prices are starting to come down, because a rate increase of 48 percent was imposed by the governor a year after he could have done it and averted this whole problem, has come into effect, and people are starting to conserve, and the future prices of energy are beginning to come down. That is what should have happened a year ago and did not happen until now. My own utility bill that I just got from my residence in California right now is about 4 times more than average of it. I think people in general are experiencing a doubling to tripling of their retail rates because of this. A 20 to 25 percent rate increase early on, with decisive leadership from the governor, would have prevented this entire thing and, instead, in waiting so long and in purchasing energy at such convoluted prices, he has led California into this crisis and we are still in the middle of it.

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