sensitive subject. Whenever externalities are calculated into the overall cost, there is often wiggle room for debate. However, on this Web site, Set America Free has a link to the National Defense Council Foundation's summary of the hidden cost of imported oil.

The report finds that the economic impact of U.S. dependence on imported oil includes almost $49 billion in annual defense outlays to maintain the capability to defend the flow of Persian Gulf oil, the equivalent of $1.17 to the price of every gallon of gasoline; the loss of 828,000 jobs in the U.S. economy because we are depending on foreign oil; and the loss of $159 billion in GNP, not to mention $13.4 billion in Federal and State revenues. Total economic penalties from our importation of oil, $297 billion to $304 billion every year. And the voices on the other side objecting to this Cantwell amendment are content to let those figures grow. I think that is just plain wrong.

One final striking figure is the cost of periodic oil shocks the U.S. economy has experienced over the last three decades. They estimate they have cost us $2.2 trillion to $2.5 trillion.

Today, vulnerabilities in oil infrastructure could easily send oil prices skyrocketing.

We all know about terrorism and terrorism in the Middle East. Unstable governments in Iraq and Saudi Arabia can certainly threaten the U.S. supply, not to mention Iran.

Finally, I would like to note that the money we spend annually in the Middle East to feed our oil thirst goes directly to the production of hate literature throughout the region. So today, while American men and women are fighting in Iraq, the U.S. consumers continue to send billions of dollars overseas funneled off to support operations that completely undermine our service men and women overseas.

Can we not see the connection here, that in this same Middle East, where we are sacrificing and have lost 1,700 American lives in combat, our enemies are being fed by our dependence on foreign oil?

We have seen the dramatic surge in Chinese economic growth at a rate of 7 percent a year. This week's U.S. News & World Report cover story is, ''The China Challenge: What the Awakening Giant will Mean for America.'' China is the world's most populated country, with 1.2 billion. In 2003, China overtook Japan as the second largest oil-consuming nation in the world, and projections are that the Chinese demand for oil will double by 2025.

Mr. President, I see that the majority leader is on the floor. He has asked to be recognized. I yield the floor to the majority leader for whatever purpose and then reclaim my time after he is finished.

The PRESIDING OFFICER. The majority leader.

Mr. FRIST. Mr. President, I apologize for the interruption. A number of people have called asking for the schedule for tonight in terms of voting. We will be voting on the Cantwell amendment sometime tomorrow morning, and we will not have rollcall votes tonight.

I have one unanimous consent request.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar: No. 58, David Garman to be Under Secretary of Energy, and Nos. 137, 138, and 139. I further ask unanimous consent that the nominations be confirmed and the motions to reconsider be laid upon the table.

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

The nominations considered and confirmed are as follows:

DEPARTMENT OF ENERGY

David Garman, of Virginia, to be Under Secretary of Energy.

UNITED STATES POSTAL SERVICE

Carolyn L. Gallagher, of Texas, to be a Governor of the United States Postal Service for the remainder of the term expiring December 8, 2009.

Louis J. Giuliano, of New York, to be a Governor of the United States Postal Service for a term expiring December 8, 2005.

Louis J. Giuliano, of New York, to be a Governor of the United States Postal Service for a term expiring December 8, 2014 (Reappointment).

NOMINATION OF BEN S. BERNANKE TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar No. 151.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read the nomination of Ben S. Bernanke, of New Jersey, to be a member of the Council of Economic Advisers.

Mr. BUNNING. Mr. President, I rise today to state my opposition to the nomination Dr. Ben S. Bernanke to be a member of the President's Council of Economic Advisors.

Mr. Bernanke is a member of the Board of Governors of the Federal Reserve, and he has previously come before the Senate Banking Committee. I voted for his nomination in committee and on the Senate floor to become member of the Board of Governors. I supported him based on our conversation in a private meeting we had in my office. As Members of the Senate and those who follow the Senate know, I have had some concerns about the Federal Reserve.

One of my biggest concerns is that the Federal Open Market Committee—FOMC—suffers from group think which seems to have no cure—because it seems to me that no one ever challenges Chairman Alan Greenspan.

I think for the FOMC to function properly, members must be true to their convictions and challenge the chairman. No chairman should be able to dominate without dissent. There must be intellectual sparring so all of the committee members are heard and the FOMC can come up with the best decision for our country. The FOMC needs independent voices.

Governor Bernanke promised me he would be an independent voice. He promised me he would stand up to the chairman if the thought he was wrong or was being rolled. He promised that he would be that independent voice on the FOMC that would challenge the chairman if he thought he was wrong.

Sadly, I have not seen very much evidence of his independence—or anyone else's independence for that matter. I have not seen him ever vote against the chairman. I have not seen him use his bully pulpit to challenge the chairman. As far as I can tell, they have not had a major disagreement. I find it hard to believe that he and Chairman Greenspan think exactly the same about all of these diverse and important opinions within the FOMC.

I As important as I think it is for a member of the FOMC to be independent, it is more important for the head of the President's Council of Economic Advisors—CEA—to be independent. The chairman of the CEA must stand up to the President when he believes the President is wrong. He must challenge him. And based on his performance at the FOMC, I am not convinced that Mr. Bernanke will do that.

Because he has not convinced this Senator that he will be an independent voice, I regretfully cannot support his nomination.

Mr. FRIST. Mr. President, I know of no further debate on this nomination, and we are ready for the Chair to put the question. However, I note for the RECORD that Senator BUNNING is opposed to this nomination and would have voted in the negative. We appreciate him allowing us to go forward and duly note his opposition.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Ben S. Bernanke, of New Jersey, to be a member of the Council of Economic Advisers?

The nomination was confirmed.

Mr. FRIST. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FRIST. Mr. President, I ask unanimous consent that the President be immediately notified of the Senate's actions and that the Senate then return to legislative session.

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

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. FRIST. Mr. President, I thank the distinguished Senator from Illinois. Let me ask—because I know the Senator from Kansas is going to want to follow the Senator from Illinois—about how long he will be?

Mr. DURBIN. Ten minutes.

Mr. FRIST. Mr. President, I thank the Senator again.

ENERGY POLICY ACT OF 2005—Continued

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I see the Senator from Kansas waiting patiently. I do not want him to sit here and miss the picnic. I will just speak for a few minutes more.

The point I was trying to make when I yielded to the majority leader is there is dramatic growth in the Chinese economy, and with that growth, there will be an increase in their demand for oil. They will be competing with the United States around the world.

We will find the old laws of supply and demand will not work. Increased demand without increasing supply means higher prices. So we will be in competition for this foreign oil, paying more for it, watching our economy strangled by this dependence on foreign oil.

Obviously, there are some who say that is fine, that is the way life is, get ready for it. We do not see it that way. On the Democratic side of the aisle, the Cantwell amendment sets a goal of reducing this dependence on foreign oil by 40 percent over the next 20 years. It is an achievable goal. People who follow this closely will tell you there are variety of ways to achieve it. The measures that can be used, short of changing CAFE standards, which I support personally—but if you do not want to change CAFE standards, there is market growth in hybrid vehicles, industrial, residential, and aviation efficiency, heavy-duty truck efficiency gains, replacement tires—that sounds like a small thing but it turns out to be a large element in increasing fuel efficiency—transportation choices, such as mass transit and growth in biofuels.

All of these are here. The National Commission on Energy Policy has come up with these recommendations and have given us things we can point to, to reduce our dependence on foreign oil.

Some on the other side of the aisle just do not want to concede this point. They are obviously prepared to accept this indefinitely, that our dependence on foreign oil will grow. But how can that make us stronger as a Nation, how can that make us more secure? It moves us in the wrong direction.

There may be some who profit from our dependence on foreign oil, but it is not the American economy, and it is certainly not the American taxpayers, nor the sons and daughters who are serving overseas defending America's interests.

Furthermore, unstable governments, in Iraq, in Saudi Arabia also threaten U.S. supply.

Finally, I would like to note that the money that we spend annually in the Middle East to feed our oil thirst, goes directly to the production of hate literature throughout the region. So today, while American men and women are fighting in Iraq, the U.S. continues to send billions of dollars overseas that are funneled off to support operations that completely undermine our service people's efforts there.

In the past few years we have witnessed China's surging economic growth. China's real gross domestic product is growing at a rate of 7 percent a year. In the U.S. News and World Report this week, the cover story is, ''The China Challenge, What the awakening giant will mean for America.''

China is the world's most populated country with 1.2 billion people.

In 2003, China overtook Japan as the second largest oil consuming nation in the world and projections are that Chinese demand for oil will double by 2025, nearly meeting current U.S. imports. The US News reports notes that China's economy is expected to surpass Japan's by 2020, making it the second largest in the world.

Recent data indicates that the number of automobiles in China has grown 19 percent annually, surpassing Germany with the number of cars they have on their roads. By the year 2010 China is expected to have 90 times more cars than in 1990. Consequently, China could surpass the total number of cars in the U.S. by 2030.

China's oil consumption has grown by 7.5 percent per year reaching a current daily demand of about 6.4 million barrels a day, yet China's oil production is flat at around 3.4 million barrels per day.

Currently, 58 percent of China's oil imports come from the Middle East and it is projected that by 2015, the share of Middle East oil will reach 70 percent.

With projected growth in automobiles, projected oil demand in China could increase to 15 million barrels a day by 2020.

This growth in demand will increase global competition for oil resources, likely to increase, not decrease the price of crude oil.

While China is attempting to diversity its oil interests, like the United States, China recognizes that the world's most substantial oil reserves are in the Middle East.

If we look at this chart, we can clearly see that in 2020, 83 percent of projected global reserves based on current production rates will be in the Middle East. The United States and China will be in very similar positions with regard to domestic oil reserves.

A story last week's Washington Post reported that nationally, daily production of oil and natural gas liquids dropped last year to an average of 7.2 million barrels a day, a 36 percent decrease since peaking in 1970. And at Prudhoe Bay, average daily production last year was about 450,000 barrels a day, a 72 percent drop from its peak, and production is expected to continue to drop.

What does this mean for the U.S.? Our increasing decline in domestic production and growing global demand on Middle East oil supply could have serious implications on foreign policy. A report by the U.S.-China Security Review Commission, a group created by Congress, warned:

> A key driver in China's relations with terrorist-sponsoring governments is its dependence on foreign oil to fuel its economic development. This dependency is expected to increase over the coming decade.

China is already competing with us for world supply, and this competition is—not may—is going to increase.

It is very clear from China's economic growth, with India emerging as well, that the United States, if it continues on the current course, feeding its thirst for energy using foreign oil, will face increasing pressures caused by increasing demand and tightening supply.

Inevitably the production decisions of foreign nations and organizations like OPEC, will determine the price of our energy, and in turn control of our economy and America's national security.

Earlier this year, in April, the price of a barrel of oil rose above $55, today it is hovering around $53. With the increase in crude prices in the spring, gas prices jumped too, increasing 40 or more cents per gallon in many parts of the country since that time last year. While we have witnessed a slow drop in gas prices, they still remain over $2 per gallon in much of the country.

An AP report noted yesterday that oil prices rose yesterday on news that OPEC may increase production quotas, and that oil prices will remain high well into 2006, even if the production ceiling is raised.

In this same report, a group of finance ministers from the Group of Eight industrialized nations, over the weekend, called for greater investment in increased energy efficiency and alternative sources of energy. They noted that sustained high energy prices ''are of significant concern since they hamper global economic growth.''

Not only do high oil prices hamper global economic growth, they hamper America's economic growth.

Back when oil was $43 per barrel, the International Air Transport Association estimated that the airlines would lose $5.5 billion. Yesterday's oil price, however was $10 higher than this, $53.47