over the four U.S. border states—California, Arizona, New Mexico and Texas—and to pick up loads for their return trip to Mexico. U.S. trucking firms would get similar rights to travel in Mexico. And by January 2000, Mexican trucks would be allowed throughout the United States.

However, bowing to pressure from the Teamsters union and the insurance industry, President Clinton blocked implementation of the NAFTA provisions. The Mexican government retaliated by imposing a similar ban on U.S. trucks.

As a result, the longtime status quo continues: Trucks from either side must transfer their loads to short-haul ''drayage'' truckers, who cross the border and transfer the cargo again to long-haul domestic trucks.

The complicated arrangement is time-consuming and expensive. Mexico estimates its losses at $2 billion annually; U.S. shippers say they have incurred similar costs.

In 1998, Mexico filed a formal complaint under NAFTA, saying the U.S. ban violated the trade pact and was mere protectionism. The convoluted complaint process lasted nearly six years, until a three-person arbitration panel finally ruled Feb. 6 that the United States must lift its ban by March 8 or allow Mexico to levy punitive tariffs on U.S. exports.

COMPARING TRUCKING REGULATIONS

The planned border opening to Mexican trucks will pose a big challenge to U.S. inspectors, who will check to be sure that trucks from Mexico abide by stricter U.S. truck-safety regulations. Here are some of the differences:

Hours-of-service limits for drivers—In U.S.: yes. Ten hours' consecutive driving, up to 15 consecutive hours on duty, 8 hours' consecutive rest, maximum of 70 hours' driving in eight-day period; in Mexico: no.

Driver's age—In U.S.: 21 is minimum for interstate trucking; in Mexico: 18.

Random drug test—In U.S.: yes, for all drivers; in Mexico: no. Automatic disqualification for certain medical conditions in U.S.: yes; in Mexico: no.

Logbooks—In U.S.: yes, standardized logbooks with date graphs are required and part of inspection criteria; in Mexico: a new law requiring logbooks is not enforced, and virtually no truckers use them.

Maximum weight limit (in pounds)—In U.S.: 80,000; in Mexico: 135,000.

Roadside inspections—In U.S.: yes; in Mexico: an inspection program began last year but has been discontinued.

Out-of-service rules for safety deficiencies—In U.S.: yes; in Mexico: not currently, program to be phased in over two years.

Hazardous materials regulations—In U.S.: a strict standards, training, licensure and inspection regime; in Mexico: much laxer program with far fewer identified chemicals and substances, and fewer licensure requirements.

Vehicle safety standards—In U.S.: comprehensive standards for components such as antilock brakes, underride guards, night visibility of vehicle; in Mexico: newly enacted standards for vehicle inspections are voluntary for the first year and less rigorous than U.S. rules.

The PRESIDING OFFICER (Mrs. CARNAHAN). The time under the control of the majority has expired.

Under the previous order, the time until 1 p.m. shall be under the control of the Senator from Wyoming, Mr. THOMAS, or his designee.

The Senator from Arizona.

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, Senator THOMAS, will be addressing that briefly as well.

THE ENERGY CRISIS

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 simply 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 that has largely been ignored 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 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 will be taking 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 could have been spent 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. The administration has pushed for 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 rely 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 to protect those energy sources as we did during the Persian Gulf war? That is one path we can take.

There are some in this country who would have us ignore the potential for energy development in this country. I think we ought to have a plan that both recognizes the potential within the United States for oil production as well as buying what we can on the market internationally.

The other aspect of that problem is refineries. We have not built new refineries in this country for 20 to 25 years. We have actually had some shut down. As one of my Democratic colleagues 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 this should 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 bipartisanship 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 address this problem firsthand. Unfortunately, energy shortages and price increases are spreading to other parts of the country.

I want to make it as clear as I can that we should quickly address the energy recommendations offered by the administration. With oil consumption expected to grow by over six million barrels per day over the next 20 years, natural gas consumption to jump 50 percent and electricity demands to rise by 45 percent, we must act aggressively to increase production in each of these areas before the entire nation suffers from the shortfall. Just to meet expected electricity demands, for example, we must begin now to build between 1,300 and 1,900 new power plants over the next 20 years.

To address this reality, we should act now on the 105 recommendations of Vice President CHENEY's energy task force. This plan makes 45 recommendations to modernize and increase conservation through tax credits and the expansion of Energy Department conservation programs. It proposes 35 ways to diversify our energy supply and expand our infrastructure by encouraging new pipelines, generating plants and refineries, and streamlining our regulatory process. And this proposal strengthens America's national security by decreasing our dependence on foreign oil through increased energy production within our borders.

Some opponents of the President and Vice President rely on ad hominem attacks, misinformation, and demagoguery to cast aspersions on the administration's proposals. They claim that, because the President and Vice President were once connected to the oil business, they somehow are disqualified from energy discussions. On the contrary—these are people who actually know something firsthand about the problems in the energy industry. They do not benefit personally from efforts to increase energy production.

Opponents of this energy strategy applaud the recent imposition of price caps to the western states. However, price caps do nothing to increase energy supplies, and could very well discourage investment in new generation power production by artificially limiting a producer's return on his or her investment. Indeed, California's two largest utilities are basically bankrupt as a result of artificial price caps on retail electricity prices. 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. FERC's recent imposition of price caps could result in delayed construction or cancellation of these new facilities.

Opponents also say that the President's proposal will not encourage conservation. As an Arizonan, I certainly support commonsense conservation efforts that help preserve our natural resources. But these opponents must not have read the President's plan, for he devotes the bulk of his recommendations to efforts to enhance conservation. Among many provisions, the administration endorses tax credits to encourage use of more energy efficient products, such as hybrid or fuel-cell vehicles. It extends conservation programs in the Environmental Protection Agency and the Department of Energy. It increases funding for conservation technologies and orders federal agencies to reduce their energy usage by at least 10 percent. In total, the administration proposes $795 million for conservation programs as part of its overall budget allocation for the Department of Energy.

While these conservation efforts are important, we must also acknowledge that we cannot conserve our way out of an energy crisis. California has dramatically reduced its electricity use over the last two months, yet still faces the possibility of rolling blackouts. We must increase supply in the near-term or face even worse shortages than we have now.

Opponents also claim that we can meet our increased demand with renewable energy sources. We should support research into renewable energy technologies, such as hydrogen and fuel cells. Remember that, even so, non-hydro renewable energy produced only two percent of our energy supply last year and the Department of Energy reports that renewable energy will only produce, at most six percent of our energy supply by the year 2020. That isn't nearly enough to meet the growing demands of the next few decades.

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 with 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 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, in 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 they were a generation ago and high-tech drilling

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 portion 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 and often hostile 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 this 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 the parties could get together, that there could be peace in the Middle East, and that they could put their problems behind them and live in harmony.

So we ask—and I see newspeople basically asking different versions of this question—why can't they just go back to the peace process? Of course, Secretary Powell urged both parties to agree to a cease-fire, which temporarily they did, yet every single day there has been a bombing or other terrorist attack or attempt in the State of Israel.

The Israeli people have said: Peace is a two-way street. If Yasser Arafat and the PLO are not willing to enforce the multiple cease-fire agreements and the peace process that we thought we had agreed to before, then we will have to enforce the law, and that includes going after those terrorists who threaten our people. No nation can do otherwise.

I rise to comment briefly on this notion of ''returning to the peace process.'' The problem is that the 1993 Oslo accords, which were the genesis of this thing we call ''the peace process,'' we now learn were fundamentally flawed. That is now apparent to the Israeli people, despite significant differences. Talk about a robust democracy. It exists in Israel. You have very strongly held views by different citizens in Israel, and they fight it out. During their election process, they had a very robust election contest. Then they come together with a leader, and they hope to be unified as a people.

They had desperately wanted, to borrow someone else's famous phrase, to give peace a chance. As a result, they tried to make the Oslo accords of 1993 work. What they found after Camp David, just about a year ago this month, was that the PLO was unwilling at the end of the day to make the 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, it has been a question of buying peace with concessions, primarily of land, of territory. But the PLO and other Arab or Muslim groups in the Middle East apparently never had any intention of providing the quid pro quo of peace. Instead, too much of their effort has been focused on the illegitimacy, in their view, of the Israeli State, of the fundamental disagreement with the action that the United Nations took after World War II to literally create a homeland for the Jewish people. Because that homeland was taken from territory which the Palestinians saw as their lands, they have never been willing to concede the legitimacy of the Israeli State.

At Camp David, after historic concessions were made by Prime Minister Barak, concessions which had to do with the most basic rights of the Israeli citizens—to name their own capital and to have that capital an undivided city, Jerusalem; concessions with respect to over 90 percent of the West Bank land returned to the Palestinians; concessions made in removing its troops from Lebanon and a whole variety of other things—after all of those concessions had been made and there was an opportunity to seize the moment, Yasser Arafat, on behalf of the PLO, said no, he wanted one more thing. He wanted the right of return of all of the Palestinians, maybe 2 to 4 million people, maybe more, who he claims were dispossessed in order to create the Jewish state. All of those people had to have the right to go back to their homes.

That, of course, was the ultimate deal breaker. No Israeli leader could ever agree to that concession. That would literally have meant the end of the Jewish state as it is. As a result, those accords of a year ago, that discussion at Camp David of a year ago, concluded with no agreement. It exposed the fundamental fallacy of the Oslo accords in the first instance.

Very briefly, there were three essential premises of the Oslo accords. The first was that if the PLO was given this 30,000-manned 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-manned 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 agreement 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 ensuing 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 result, of course, has been no credible peace.

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 hard to 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.