

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Ms. LANDRIEU. I thank the Chair.

#### ENERGY POLICY

Ms. LANDRIEU. Mr. President, I am happy to have some time this morning to speak about the important issue that is before the Senate and has been for some time. It is very important legislation that will help us set the course of our energy policy for perhaps the next several decades.

While we have spent a great deal of time on this bill, I am glad we have spent this time because this is one of the most, if not the most, important issue we could be addressing at this time. It relates to our national security posture and it relates to the issues that are before our eyes and on our hearts: what is happening in the Mideast and around the world.

Although I understand the leadership wanting to move to other issues, hopefully, we can have the final votes and move on to other issues.

I have come to this Chamber a number of times to relay what people in Louisiana are thinking and hoping for in this bill, and I have tried to express their frustration in some ways over what they and I also perceive as a conflicting policy.

It seems as though our Nation has a test of our will every 20 or so years: Are we willing to take the steps necessary to become more energy independent? The last time we had this test was in the 1970s when oil spiked because of international circumstances. Our gas lines were very long. It put a clamp on our economy, helped to raise interest prices and threw our economy into a tailspin. We failed the test.

Over the last 25 years, we have not become more energy independent. We have become more efficient. Our technologies have improved significantly in terms of environmental impacts, but we have not passed the test for energy independence. It is now 25 years later and we are taking this test again.

It is my hope that as we cast these last important votes on this energy bill that we will this time pass the test and move our country on a steady and sure march toward energy independence.

Instead of reducing our reliance on imported oil over the last 25 or 30 years, we have increased our reliance on foreign oil and energy sources, the exact reverse of what we were hoping to do. And we have not increased renewables in our energy portfolio nearly to the point where they can help us reach that self-reliance.

I do not have to explain to the Presiding Officer, who knows this issue well, or to my colleagues, how important it is for us to pass this test now because it has a direct relation to our national security. It has a direct relation to our ability to fight clearly, and without compromise, our war on terrorism. It helps us to broker a peace

and a compromise in the Mideast based on our values of freedom and democracy.

I have a chart which I hope will help people understand how important this is. As I said, 25 years ago we failed the test of trying to help our country march towards energy independence. Instead of standing still, we have actually taken a reverse course. In the last 30 years, instead of putting more places on the map for production of oil, gas, coal, and other traditional fuels, as well as nuclear power, hydro and alternatives, we have actually taken places off the map.

So in 2002, we have this great, mighty, and very wealthy United States of America that consumes more energy per capita than any nation on Earth and any nation in the history of man, and yet we refuse to produce it. We want to consume it. We do not want to produce it.

We have been misled to believe that we cannot produce oil and gas without great environmental damage. This is simply not true.

What is true is when we began producing oil and gas in the 1930s, the 1940s, and the 1950s, prior to rules and regulations, before the science was clear and before we were able to understand some of the great negative consequences, we did make a lot of environmental mistakes.

We have now minimized the risk financially, economically, as well as environmentally in our drilling, whether it is onshore or offshore. Are there still problems? Yes. Are there some environmental risks associated with drilling? Yes.

I do not know any exercise in life that is without risk. The question is: what is the measure and the weight of the risk? I say unequivocally, coming from a State that has done a lot of oil and gas drilling, the benefits of drilling outweigh the environmental risks if rules are followed and polluters are prosecuted.

When we are free of Mideast-set oil prices it helps our Nation be secure internationally. Every time violence escalates in the Mideast, it drives prices higher causes our economy to tailspin.

When our economy takes a tailspin, as I have tried to explain, it is not only charts and graphs where the lines start moving. Dreams are shattered. Houses are lost. Businesses are lost. People lose their jobs. Kids do not go to school. Families fall into despair. These are serious issues. These economic trends affect real people, in my State, and all over our country. Let us take a step now for more domestic drilling.

We have no amendments to open these places shown here where moratoria exist. But we must consider opening drilling both on and off of our shores because there are rich, significant reserves of meaningful proportion. Let me give one example.

In the Gulf of Mexico, where we see this blue area where we have been drill-

ing for many years, the red dots indicate all current and active leases. Where it says "gas, 105.52 trillion cubic feet," that is the estimated reserves of the gas that is located in this part of the gulf. Notice this is only the central and the western part of the gulf, not the eastern part, off of the Florida coastline.

One hundred and five trillion cubic feet of gas is a lot of gas. In the whole Nation, we use 22 trillion cubic feet a year. So in this one small part of the gulf, if we drilled it in its entirety and were committed to a good drilling program, we could supply enough gas for the entire United States, according to my math, for between 4 and 5 years.

I have to assume that the geology does not stop at this line. Just because the political boundaries divide Louisiana, Mississippi, Alabama, and Florida does not mean that the geographic or geological formations stop. So there are tremendous gas and oil reserves in this part of the gulf. There are probably tremendous reserves all along our Nation's shorelines. Does that mean we have to drill within sight of the coast? No. It used to be that way 20 years ago, where drilling would have to be in shallow water. But one of the great advances that has occurred because of wise tax credits, encouragement, research, and development is that we now can drill safely in deeper water.

What does that mean? That means we can have great beaches, wonderful coastlines, a tremendous tourism industry, and never see an oil rig.

The technology is there to drill, and drill safely, and move gas and oil throughout this country. We would not have to rely on Iraq or Saudi Arabia and be held hostage to world oil prices.

We need more oil and more gas. It is simply hogwash when people say it will not help. That is not true. It will help, and we can do it.

Regarding the ANWR situation, people might not be clear. It was not to me until I visited Alaska and began to understand how huge Alaska is. I asked my staff to place Alaska on the map of the continental United States so we could appreciate how big the State is. We are lucky to have purchased this land, this wonderful State with so many resources. It is a great asset for the United States of America.

When we purchased Alaska, people thought it was a folly. We have the last laugh. It has given us great natural resources, an abundance of wildlife, timber, and oil and gas.

We cannot turn all of Alaska into a national park. We cannot afford to do it. We have set aside some areas of Alaska. One area the size of the State of South Carolina is a refuge. It is the Arctic National Wildlife Refuge.

Are we suggesting to drill in the whole refuge? No, the debate over ANWR is regarding 1.5 million out of 19 million. That is what the fear is about. A huge number of people say we absolutely, positively, cannot drill in this little dot because a major catastrophe will befall our environment or Nation.

Other nations hear this and say: What is the United States thinking? They have so much land, so much more than we do, so many more resources than we do. What is keeping them from drilling in a place far removed from any urban population? If they will not drill here, the question is, where will these people in America drill? That is my question.

While some of the Democratic leadership is getting blamed for this position, neither party has been instrumental in opening up lands for drilling. This motto of not in my backyard, not in anyone's backyard, not now, not ever, is going to bring this country to its knees.

I don't mean to sound pessimistic, but we cannot maintain the great military strength we have, and the great economic strength we have, if we refuse to produce the energy we consume. We have to produce more. We have the land. We have the skill. We have the technology. We have people who want jobs, good jobs. I have thousands of workers out of a job. They want a job that can pay \$20, \$25, \$30, \$35, \$40 an hour; scientists who can make a fabulous living exploring new ways for drilling; engineers, geologists, truckers, suppliers, small business owners.

More domestic production in little areas like this or in places in the gulf or in some parts of California and some parts of the east coast would be very helpful. I hope we can do it.

In addition, we must diversify our fuel source. We need more oil and gas. If anyone says we don't, they are leading you astray. We also need more nuclear power. There is also a byproduct of hydrogen that will help America move to hydrogen fuel cells in our transportation sector. That is very exciting.

The Presiding Officer and Members from agricultural States know we can help develop fuels from excess agricultural byproducts and help to produce the kind of fuels for our automobiles, from corn, wheat and sugarcane. This is a careful way to produce our food: consume what we need, and use the excess to produce energy to run the new vehicles of the next decade—this is truly exciting—and wean ourselves off of the oil and gas that is so necessary today and will be for the next several years.

The second important area is improving the transmission grid. I compare it to the National Highway System. If you came to Louisiana or Mississippi before we had a National Highway System, you would reach the State line and the highway might end because we in Louisiana decided to build the road in a different way. Imagine not being able to get to Texas because we had our highway going north when we needed it going west.

That is what would have happened. But we came together a number of years ago and said: We are going to have a National Highway System so we

can move goods from the East to the West. To do that, the Federal Government is going to have some say about how this highway system is built.

We need to do the same thing with transmission. Let me show the problem with transmission. Even if we drilled more, we don't have adequate infrastructure to move electricity. Even if we increase our production, we have to be able to move it from the source to the user.

What this chart shows is the increase in system demand. There is an increase in demand. Why? Because we are using more electricity. This country is moving aggressively to using more power, not less.

So, this is our demand curve. Here, though, is the net transmission investment, which is going down, not up. This is what causes blackouts and brownouts, this separation. The reason for this is 50 States are doing their own thing.

Senator BINGAMAN he has some wonderful language in this bill to help us build, if you will, an interstate, national transmission system to move electricity to the places that need it.

I would like to improve upon this language, so I am going to be offering an amendment next week that will produce more transmission capacity through participant funding.

The current electricity pricing system is a tremendous obstacle to enhanced transmission capacity. This system dictates that new transmission capacity be rolled in, or socialized across the system, but when power moves from one system to another, customers who receive no benefit, like those in my State, still shoulder the burden of the cost of building more transmission. This situation leads to state utility commissioners and consumer groups to oppose badly needed expansions of the transmission grid.

Prior to recess, I introduced an amendment, along with Senator KYL, to establish an option of participant funding, whereby the utility customers who give rise to, and benefit from the expansion of transmission, pay the associated costs.

Now let me clear about one thing: this amendment does not mandate anything. Rolled-in pricing would continue to be the rule while participant funding would become an option.

Unfortunately, there has been a persistent tendency to misread or misinterpret this amendment to the contrary. In order to clarify this issue, I have made a series of changes to the amendment which make absolutely clear, beyond any doubt, that the amendment is not a mandate.

We are building support for this amendment. Again, besides increasing production, we have to build a national transmission system, similar to our highway system, and we have to do it in this bill right now or all the discussions about energy reliability are going to be for naught.

Mr. President, I ask unanimous consent for an additional 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Ms. LANDRIEU. Mr. President, I want to show another part of the problem: the need for some reinvestment in our energy infrastructure.

Let me put up the chart that shows drilling in the gulf. All of these red dots represent wells that are being drilled out in the gulf. It is really a sight to see. There are thousands of people working out in the gulf on these rigs. But they do not just get there from heaven. They have to come from some shore, usually from Texas, Louisiana, or Mississippi where the pipes, the supplies, and helicopters are located. We serve as the platform that allows this activity to go on. We are happy to do that.

But we have been doing it now for 50 years and getting no compensation whatsoever. In other words, all the taxes paid in this area do not come back to Louisiana. We do not see a penny of the royalties that are paid, and it is a lot of money. It is \$120 billion, since 1955; \$120 billion since 1955 has been paid to the Federal Government from the drilling. Some of it is off the shore of Florida, but most of it is off Alabama, Mississippi, Louisiana, and Texas.

Since 1955, these wells and energy have produced, for Washington, \$120 billion. Yet for the parishes, the States, and the communities that support that drilling, we get zero. It has to change. It is just not fair, it is not right, and it makes no sense.

This is what happens. This is Highway 1, the highway that goes down the boot of Louisiana to the gulf. This is what the highway looks like because we cannot get one penny, under the current law, to broaden or improve this highway. This is what happens when there is an accident on this narrow two-lane highway. These are all workers in these trucks. This is what we cause our citizens to have to deal with because we refuse to design a system, for coastal States, that interior States have.

Interior States, when they drill for resources, get to keep 50 percent of their money. That goes to help them fund their highways, their schools, to counter any negative environmental impacts, to invest in those local communities. Coastal States, for some reason, have not been able to share in that way.

My amendment, which is in this bill, establishes an authorization for that. I am going to ask this body to take a further step and make a direct appropriation—if we are going to drill in the gulf—for Alabama, for Mississippi, for Louisiana, and for Texas. We certainly deserve to keep a portion of those revenues so we can invest back in our communities and make this situation more tenable for the workers and for the community of people who produce energy for this Nation. We think it is our patriotic duty, but we cannot continue without just compensation.

That is a picture of what Highway 1 looks like on a bad day when there has been an accident. Frankly, on a good day when there has not been an accident, it looks a lot like that. There can be 1,000 trucks a day trying to get down to the gulf to produce oil.

First, we need to drill more in this Nation in places where we can. We can have protected waters so the beaches of Florida or the coast of Louisiana or places in Alaska can be protected and preserved. But we can drill in places where we can become more energy independent and self-sufficient.

Second, we should double our efforts to diversify our sources of energy and concentrate on developing renewables.

Third, we should create a transmission grid much like our national highway system so that wherever the power is created, we can move it to wherever the Nation needs it, efficiently and at low cost.

It will be fabulous for our consumers and for our businesses.

Finally, we need to make sure we compensate the States such as Louisiana that are producing and give them a fair share of these revenues so we can invest in our economic future, fix highways such as Highway 1, and restore the damage to our coastal wetlands.

I thank the Presiding Officer for the attention and the time to speak on this important issue.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Florida). The Senator from Nebraska.

Mr. HAGEL. Mr. President, I ask unanimous consent that I be given up to 15 minutes to address the Senate as if in morning business.

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

Mr. HAGEL. Thank you, Mr. President.

#### THE MIDDLE EAST

Mr. HAGEL. Mr. President, I come to the floor this morning to speak on the Middle East. I begin my comments this morning with a statement of support for Senator DASCHLE's comments yesterday concerning his call for restraint by our colleagues while Secretary of State Powell is in the Middle East. Senator DASCHLE's statement was wise. It is important we all listen carefully to what Senator DASCHLE said. And, more importantly, in my opinion, it is important that we follow his suggestion.

President Bush was correct in his assessment that he presented to the American public and the world last Thursday in his speech when he informed the world he was going to be engaged in the Middle East by sending Secretary Powell to the Middle East. It was a correct decision.

Secretary Powell is now engaged in a very difficult, dangerous, and delicate mission. Yes, there are great risks for the President's prestige, our Nation's

risk to that prestige, and to America's prestige. There are risks all around.

We must not misunderstand the reality of with what we are dealing. We are not dealing with some abstraction or some theory. We are dealing with the cold, brutal reality of what is taking place in the Middle East. There are no good options. There are no risk-free options for America, for Israel, for the Palestinians, for the Arab world, and for, indeed, the entire world.

There are far greater risks if the United States of America does not engage and provide leadership where there has been a vacuum of leadership, which, in my opinion, has produced much of this danger, chaos, and turmoil, and which I believe borders on the brink of a raging inferno if this is not brought under control. We have no option but to lead. Terrorists win if we don't engage—if we allow ourselves to be held captive to terrorist actions.

As we follow this through, do we believe things will get better? Things won't get better. Things will get worse and more dangerous and will draw more and more of the world into this conflict. So we have no option.

The President is right. If this situation continues to spiral out of control, it serves no one's interest or purpose except the fringes, the radicals, and the terrorists.

It is not in Israel's interest, nor the Palestinians' interest, nor the world's interest to allow this problem to continue. Of course, our hearts go out to the Israeli people today, and to the victims and families of the latest terrorist bombing in Jerusalem. We can never justify nor condone acts of terrorism.

Unfortunately, I am not surprised that on the day Secretary Powell is in Israel meeting with leaders to attempt to bring some sanity to this situation that the terrorists have struck. That is what they always do. They try to drive us back. They try to fragment us. They try to get us to argue amongst ourselves as to strategy and policy. But we must not fall prey to terrorist actions and allow ourselves to become paralyzed by what they are doing.

No Nation and no people should have to live under the conditions the Israelis are presently living under and the Palestinian people are enduring.

That is why Secretary Powell is there. Let us not forget why he is there. Let us cut through the fog. He is there to try to bring some stability and peace and pull apart the warring factions so that we can get on with a settlement, get on with lives, and hopefully on into a future for all peoples of that region. That is why he is there.

President Bush has been very clear in his condemnation of terrorism and his unprecedented commitment to ending it. We understand Israel's right to defend itself. We are committed to that right. We have helped Israel defend that right. We will continue to do so. But it should not be at the expense of the Palestinian people—innocent Palestinian people and innocent Israelis

who are paying a high price. Both Israelis and Palestinians are trapped in a war not of their making.

We must step back from this great tragedy and recognize one constant: That the more the violence escalates, the more the terrorists win, and that further violence will embolden the terrorist bombers in Israel and elsewhere, and it will spread and spread.

We cannot allow a vacuum of leadership to develop in the Middle East. That, too, is why Secretary Powell is there. Secretary Powell is on a critical mission to help end this cycle of violence and eventually help both sides see a future where there can be peace. Look over the horizon. Is it imperfect? Absolutely. Is it full of problems and holes and gaps, imperfections and flaws? Absolutely. But if we do not anchor ourselves to some hope, some plan, some leadership—all, yes, full of risk—then what is there, what will there be?

We must be reminded that this cannot, and will not, be accomplished in one trip. This will take time. We must have patience. We must stay focused, disciplined, and prepared for setbacks. And there will be setbacks. But allowing this to spiral out of control is not an option.

The military solution alone is not an option. That is part of it. We will get to a time—I have confidence we will—where we will be asking, How do we guarantee this peace? Will America be called upon, NATO forces be called upon to help guarantee this peace? Maybe. But we should now put all our creative, new, wider-lens thinking on this issue, and all our foreign policy in this new world in which we live, on the table. It will require some new thinking.

Who guarantees this peace? If, in fact, we expect Israel to pull back to their pre-1967 borders, who guarantees that peace? Those will be difficult decisions for this body to be part of making, as well as the President having to make those difficult decisions. I do not tremble with any fear or quake with fear that we are not up to that. We will get to that. We must be prepared to think through that—and long term.

The Secretary's mission is all about the war on terrorism. Let's not get disconnected to the broader purpose. Its purpose is to end the violence and terror. The Middle East is connected to our policies in Afghanistan and Iraq. We are paralyzed now in some of these areas because we are totally consumed with the Middle East, and appropriately so. We have few options anywhere until this Middle East issue is on some track of resolution.

The situation in Afghanistan, as the Presiding Officer knows, is still very fragile and very dangerous. There is a long way to go. We must not allow Afghanistan to unwind. The investment, the progress, the good, the justice, the dignity—all that has been brought to that land as a result of American leadership, which we must preserve—we