

reserves are. Instead of using “recoverable reserves,” they use “proven reserves.” That is a technical term. In order to prove a reserve, you have to drill and analyze and core and see how much oil there is. Obviously, if we will not let anyone drill, they cannot prove it.

When they say we only have 2 percent of the world’s proven reserves, that is absurd because we have to drill to determine what that is. Other countries do not have that problem. We are the only country in the world that does not exploit our own resources.

People are going to have to realize that if you want to do something, it is such a simple thing to do deal with. It is supply and demand. There is not a person here or a person listening today who has not gone through the elementary experience in school of learning supply and demand. We have the supply in America and we have the demand. The politicians will not let us exploit our own resources. That is the problem we have. You do not have to overly complicate this issue.

It is interesting—and I hate to say it; I am not pointing fingers in a partisan way—when Democrats and the administration say: We are going to tax big oil, they say actually they are going to do away with some of the benefits big oil has. They are not benefits. These would be four huge tax increases the Democrats are doing on big oil. That is not big oil. That is oil, period. I will not go into the details of depletion allowances and percentages. It is not important.

The point is, they have the same benefit every other manufacturer has, and to single them out and say: We are going to punish big oil, all that is going to do is make the price at the pumps skyrocket. It gets right back to supply and demand.

By the way, those who are trying to use the argument that this somehow is going to produce revenue that is going to be used, I suggest even the White House’s figures, the maximum revenue generated would be \$4 billion. Keep in mind, they lose all the benefits, so that is not a net of \$4 billion.

Take the State of Texas, for example. They do not have an income tax. They have the oil tax that has run that State very well for a long period of time. Senator MENENDEZ made a statement and said taxing the oil companies is not going to bring down the price of gas. They are not even claiming it will. I just think that when one sees such an obvious solution to the problem—just exploit our own resources—we are very foolish not to do that.

We all talk about the solutions to the problem. We talk about the spending of this administration, more debt increases in just the first 2 years of the Obama administration than the entire debt since George Washington, in the history of this country, the huge spending, the \$5 trillion in the President’s three budgets of deficit—I remember coming down and complaining

in 1995, at this very podium, when the Clinton administration came out with a budget for fiscal year 1996 and it was \$1.5 trillion. I said: We cannot sustain that level. Now it is \$1.5 trillion in each of the three budgets, just the deficit. That is more than the entire United States of America back in 1996.

I suggest that when people say there are only two solutions to this problem, either reduce spending, which would be my choice, or increase taxes, which I would not do, I say there is a third option. That option is to do something about the cost of regulation. Right now, if we just take what the EPA is doing in five—in fact, I will say three of the major overregulations we are going over right now—people in the Senate know we have defeated cap-and-trade legislatively by massive percentages five times since 2003. This administration says: If we cannot have cap and trade, we are going to do it, not legislatively, we will do it through the EPA. That is what is going on now with greenhouse gases.

If you add up what the administration is doing in terms of the cost of greenhouse gas regulations, that is between \$300 billion and \$400 billion; on ozone, if they choose—and they said they are going to choose—the 60-parts-per-billion standard, that would be \$676 billion; the boiler MACT would be something in excess of \$1 billion. Throw in utility MACT and cement MACT, it comes to \$1 trillion. This is what I am trying to get at. I used the figure that for every 1 percent increase in economic activity, it produces new revenue of \$42 billion. That has changed. According to the Congressional Research Service—they are bipartisan, they are factual—for every 1 percent increase in GDP, it produces \$50 billion additional revenues.

If we just take these regulations and add them up, all the increase of costs to GDP of the three regulations I mentioned, that is \$1 trillion. If we take the fact it is \$14 trillion GDP in a given year, this would be 7 percent of that \$14 trillion. For each 1 percent, it would be \$50 billion. We could generate new revenue of \$350 billion just by taking this overregulation out of our society.

One can argue: INHOFE, that is not true because these regulations have not passed yet. That is right, so it would probably right now be about half that. When the Obama administration came in and announced these regulations were coming, the manufacturers, the producers, those who are driving the economic ship were the ones who said that because of the uncertainty of these regulations, we are going to slow down what we are doing. If we were to lift all these regulations, I assure my colleagues we would be approaching, at least by 1 year, \$350 billion. That is without a tax increase. That is without reducing spending.

We need to look at this realistically because this is an opportunity we have. A lot of people remember back in the days of Ronald Reagan. I can say the

same thing back in the days of President Kennedy. Of course, he was a Democrat. They felt overregulation and high taxation was an inhibiting factor to slow down revenue. Of course, in the case of Ronald Reagan, the total revenue coming from the marginal rates of 1980 was \$244 billion. In 1988, it was \$466 billion. That was at a time when we had the largest reduction of taxes and regulations in this society. It is shown to be true over the years.

My bottom line is this: People know about spending. People know about taxes. They do not know about regulations. The people who are affected directly—the manufacturers—understand it. The figures I am using are actual figures we have gotten with which no one argues. The fact that \$50 billion of increased revenue comes from each 1 percent increase in GDP is a fact that is supported by the CRS.

I offer that, along with our opportunity to become totally independent from the Middle East, with regard to our ability to run this machine called America.

Before I yield the floor, I see the Senator from Alaska. I hope he was listening to what I was talking about because the opportunities in Alaska are tremendous—26.6 billion barrels of oil. I am sure he understands that. I wish to make sure everybody else does.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BEGICH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF ARENDA L. WRIGHT ALLEN TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF VIRGINIA

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to consider the nomination of Arenda L. Wright Allen, which the clerk will report.

The assistant legislative clerk read the nomination of Arenda L. Wright Allen, of Virginia, to be United States District Judge for the Eastern District of Virginia.

The PRESIDING OFFICER. Under the previous order, there will be 1 hour of debate with respect to the nomination, with the time equally divided in the usual form.

Mr. LEAHY. Mr. President, I thank the majority leader for scheduling today’s vote on the nomination of Arenda