

rural America. The first generation of biofuels has paved the way for the next generation of advanced biofuels. The first commercial-scale cellulosic ethanol plant is being built this year in Emmetsburg, IA, where it will be making ethanol from corn cobs.

According to a recent study done by the researchers at Iowa State University and the University of Wisconsin-Madison, the growth in ethanol production reduced wholesale gas prices by an average of 89 cents per gallon in 2010. In the Midwest, that number was higher: \$1.37 per gallon. Let me repeat that. At a time when so many American families are struggling to pay their bills and make ends meet, they would have paid an average of 89 cents more per gallon of gas last year had we not had ethanol.

But instead of giving this industry the tools it needs to grow and reduce our oil dependence even more, this amendment hangs the ethanol industry out to dry. It makes no sense.

I share the concern of my colleague from Oklahoma about the deficit and our national debt. To cut our deficit, everyone in America will have to make some sacrifices, and that includes the ethanol industry. The easy part here is that the ethanol industry agrees. Ethanol producers stand ready to phase out the ethanol blenders credit. But we need to be consistent. If the ethanol industry is being asked to make some sacrifices, other fuel industries need to be willing to do the same. Yet, just a month ago, many of my colleagues, including my colleague from Oklahoma, voted against repealing billions of dollars in subsidies we pay every year to the biggest five oil companies. We are talking about companies that have made almost \$1 trillion in profit over the last decade. My colleagues chose to leave those tax breaks in place, amounting to 21 billion in taxpayer dollars to oil companies over the next 10 years. Expert after expert has basically concluded these subsidies are not lowering the cost of gas and would not cause it to increase if they were eliminated. But we do not need experts to tell us that. Subsidies for oil and gas are on the books right now, and some have been on the books since as far back as 1916, but they have done nothing to stem the skyrocketing gas prices that are squeezing the budgets of American families. Yet when we are talking about ethanol—a homegrown alternative to foreign oil that lowers prices at the pump—my colleagues seem to think it is absolutely imperative to repeal this tax credit now.

When it is repealing subsidies for oil and gas companies operating in oil-producing States such as Oklahoma, that somehow is a tax hike. But cutting a tax credit that supports an American renewable fuel, that is “fiscal responsibility.” The hypocrisy here is stunning.

Regardless, America’s ethanol producers are ready and willing to phase out this credit. But there is a right way

and a wrong way to do it. The Coburn amendment, which abruptly ends the credit at the end of this month, is the wrong way. The right way is to responsibly phase out the tax credit in a manner that allows the industry to build out the infrastructure it needs to bring advanced biofuels into the U.S. market.

Today my colleagues and I are introducing legislation that does it the right way, and I urge every Member of this body to support it. Right now, our biofuels industry is hitting a wall because of the national 10-percent ethanol blend limit we have had on the books. It also is hamstrung by the inability of most cars and gas pumps to use blends higher than 10 percent ethanol. That means cellulosic ethanol and other advanced biofuels have no market access or market to grow into. This isn’t an industry problem, it is a public policy problem.

The EPA’s E15 waiver was a step in the right direction to address this very problem. But without pumps that can deliver higher ethanol blends, American consumers have no way to access additional ethanol that would and should be on the market. What our legislation does is reform our ethanol tax policy by ending the ethanol tax credit in its current form at the end of the month. It then invests part of the savings into biofuels infrastructure, part toward extending the cellulosic ethanol credit, and puts \$1 billion toward reducing our deficit.

Reducing America’s dependence on oil is going to require a national strategy, and biofuels are just one part of that strategy. We also need to do things such as deploy more electric vehicles and make our entire economy more energy efficient. We have to recognize that if we don’t fix our national policies to allow the biofuels industry to grow, we are actively choosing foreign oil and dirty fossil fuels over domestic, homegrown, renewable fuels.

Let me tell my colleagues something: We are never going to see a massive ethanol spill in the Gulf of Mexico that kills 11 workers, destroys thousands and thousands of livelihoods, and does irreparable harm to vital ecosystems. We are never going to see foreign countries collude to restrict the supply of ethanol and drive up gas prices for American families. As we transition to advanced biofuels and expand this industry, we are not going to see these jobs go overseas. This is an American industry, it is American jobs, and it is American energy independence. I urge my colleagues to make the responsible choice—one that will keep this industry moving forward.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Ms. KLOBUCHAR. I thank the Chair. (The remarks of Ms. KLOBUCHAR and Mr. THUNE pertaining to the introduction of S. 1185 are printed in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

The PRESIDING OFFICER (Mr. BENNET). The Senator from Oklahoma.

ETHANOL

Mr. COBURN. Mr. President, I had a good time this afternoon listening to the debate on the amendment I have offered and visiting with Senators. I think there is an important distinction that needs to be made in the arguments that have been brought forward.

The first is we have a mandated level of ethanol that has to be produced and blended into gasoline, and it grows from now on. There will be zero job losses if this amendment is approved.

The second thing is, my colleague—and I love him to death—from South Dakota says we are going to save \$1 billion. We can save \$3 billion if we eliminate the VEETC blending subsidy.

Now, why should we do that? Here is a subsidy that goes to all the blenders of gasoline in the United States—all of them—and they all have called and written and said: We do not want the \$3 billion for the rest of the year. We do not want it.

We actually have a letter from the National Petrochemical and Refiners Association, which they are all members of, saying: We do not want this money. So the best way to get money against the deficit is to not give money to people who do not want it on something that is already mandated anyway.

I spent a great deal of time listening to my colleague from Iowa, Senator GRASSLEY, and his figures were very good. But they were only up through 2008.

According to the U.S. Department of Agriculture, 40 percent of last year’s corn crop was utilized, converted to ethanol. Why would the American Bakers Association, the American Frozen Food Institute, the American Meat Institute, California Dairies, the Grocery Manufacturers Association, the International Dairy Foods Association, the Milk Producers Council, the National Chicken Council, the National Council of Chain Restaurants, the National Meat Association, the National Restaurant Association, the National Turkey Federation, the National Wildlife Federation—which is just about one-third of the people who are endorsing this—why would they be for this?

Because it is not just less than 3 percent of the cost of food, it has been, this last year, the significant driver. Corn prices are at \$7.65 a bushel. They are 2½ times what they were 3½ years ago. And I am not against the farmers. I am for ethanol. I do not want to do away with ethanol blending. I do not want to do away with ethanol as a substitute. But we have a way to get the same amount of ethanol produced and put into our cars without spending \$3 billion between now and the end of the year—\$5.8 billion is what it has averaged over the last few years.

We spent \$34 billion of money we didn’t have subsidizing something that

is mandated. I mean, it even goes beyond the Reagan quote, which was that the government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. If it stops moving, subsidize it.

We have the incentive to blend the ethanol, and that incentive is you by law have to blend it. They do not have a choice. So we are going to use ethanol in this country.

Another factor the American people ought to take into consideration when they go buy a gallon of fuel today—you already have \$1.72 worth of subsidy in there. That does not have anything to do with oil and gas drilling; that has to do with the subsidies that go to this program for ethanol. And I am for using cellulosic. I am actually for using corn ethanol. I just do not think we ought to pay twice for it. I think we ought to pay once.

The number the Senator from Minnesota talked about in terms of subsidy, there are—I have worked on the President's commission on debt. I have worked with the Gang of 6. You cannot be for changing the Tax Code to get rid of tax expenditures and vote against this amendment. I mean, how do you explain? Here is one we do not need the incentive for and we are going to pay for, and yet you say you want to solve the problems of the country. But the first time we have a vote to really eliminate one that will make no difference in terms of the amount of ethanol that is produced in this country—it will just save us \$3 billion—you can't be on both sides of that issue.

Let me address the oil and gas industries for a minute. They get accelerated depreciation and writeoff. That is true. And that amounts to taking legitimate business expenses and saying: You can write them off sooner. Why did we do that?

It started in 1903, by the way. That is when we started. We started it because it is a capital-intensive business in terms of the exploration. It is associated with a lot of dry holes.

Now, the very companies that we say we want to take some of their "subsidies"—there is a big difference between a subsidy that is a tax credit and allowing someone to advance depreciation because they are going to get to write it off anyhow. The net effect to the Federal Government's revenue, if you take all of those away, is still zero. The Federal Government does not get any additional money because under accounting standards they get to write off those expenses anyway; they just do not get to write them off fast.

So the body has already chosen to not do that because they are legitimate business expenses. We are not saying: Take away legitimate business expenses from the ethanol distilleries or the blenders. We are just saying: Do not pay them money for something that they are going to have to do anyhow that they have already said to us they do not want.

Tomorrow during the debate, I will add to the RECORD the statement from the National Petrochemical and Refiners Association.

The other point I would make: There is no question we are not energy independent, and there is no question that biofuels and cellulosic ethanol can contribute to what our results can be in terms of maintaining that independence. But we are the only Nation in the world where we as citizens own more oil and gas than Canada, China, and Saudi Arabia combined, and our Government will not let us have it. Think about that for a minute. According to the Congressional Research Service, there is more oil, gas, and gas liquids untapped in the United States than is known in all of Canada, all of China, and all of Saudi Arabia combined. So the reason we are in trouble and importing oil is because our own government will not let us have our own resources. Why would we continue that? That is a debate for another time.

No matter what we believe in terms of green energy, what we do know is that we are 30 years away from getting away from carbon-based fuels—at the earliest. So we can either pay a price or we can buy from the Saudis or buy from other Middle Eastern countries or we can develop our own. Talk about jobs. The estimate is that if we would truly go after our own energy, we would generate over 100,000 jobs a year the next 10 years in the oil and gas industry in this country—cleanly.

The other comment I have heard is that this amendment was not brought up properly. Well, let me talk about something for a minute. When the Senator from South Dakota and I came to the Senate, the first 2 years you could offer an amendment on anything, on any bill at any time because that is the way the Senate was intended to operate. As a Senator, a Member of this body, you had the right to offer an amendment. Now, you may lose it or it may get tabled, but you had to right to do it. That is not a majority leader's prerogative; it is a prerogative of every individual Senator that you ought to cherish and protect because if the majority leader is the only one who will decide what amendments get offered and when they get offered, this is no longer the Senate. There is no longer an ability to offer what is in the best interests of our country or our constituency.

The very fact that we do not want to have controversial amendments that we have much disagreement on coming to the floor because we do not want to have to go home and defend them or we do not want to vote on them because we might lose—the Senate ought to be a free place to offer ideas and get them voted down.

In my first 2 years in the Senate, I had tons—in fact, I had every amendment voted down. There was not an amendment I won. But I had the freedom to offer the amendments. And do you know what. We passed 10 times as

much legislation in that Congress than we have the last two. So limiting amendments is not the prerogative of the majority leader. Deciding what bills come to the floor is the prerogative of the majority leader.

If we want to go home and tell our constituents that we have voted against saving \$3 billion, that we are going to borrow 40 percent of it from outside of this country because we do not like the way an amendment was brought up—how else do you bring up an amendment if you cannot in the Senate?

Every true and proper procedure was followed in bringing up this amendment, and had this amendment been allowed to come up, if other Members had not objected to it, we would have never used cloture to bring up an amendment. You should not have to use cloture to bring up an amendment. You should be able to bring up any amendment you want and let Senators have the courage to vote the way they want on it rather than to say: I am going to hide behind not having to vote, so I am going to object to having a vote on an amendment.

Well, if we start down that process, we are never going to have any amendments and every amendment is going to end up having 60 votes just to be brought up. If we are going to move to that procedure—and I know procedure in this body pretty well—then I will insist that we do it all the time. That will dead stop the Senate.

So the idea that you can hide behind the excuse that even though you want to save the \$3 billion but you do not like the way the amendment was brought up is a pretty flimsy excuse to go home and explain to your public that you think we should not ever have cloture motions on amendments. We ought to be able to bring any amendment up at any time.

I see the majority leader coming to the floor. He is a dear friend of mine. He has the hardest job in Washington, there is no question. But the privilege to bring an amendment to the floor ought to be protected for both sides of this aisle, and you vote it down, you table it, but you do something with it.

Let me just finish by saying that I agree this is supposed to expire at the end of this year. I hope it does because we do not need it. Our corn farmers do not need it. The worldwide demand for corn is high. We are going to continue to produce ethanol. We have a federally mandated requirement that we produce ethanol. This amendment does not touch that, never intended to touch that.

But ethanol as a fuel should be processed to the next stage, which is methanol, because methanol is not water soluble and it has the same octane rating as gasoline. Ethanol is not a great fuel. It is not an economical fuel. But we can take that same carbon atom and add to it and create methanol from corn and get a much better fuel that can be transported much easier and

have much greater effect on our economy and have much better gas mileage and less effect on the engines and drivetrains and all of the other—the smog prevention we have on automobiles today.

So let me say it again. I am not against using biocrops. I am for biocrops. I am not against cellulosic-based. I am not against ethanol. I am not against algae. But ExxonMobil has spent a couple of billion of their own money on algae-based biofuels without the government's help, which is one of the points with this amendment. We no longer need to help. We no longer need to spend the money.

So I look forward to the debate tomorrow. I will be on the floor all day to answer questions and to debate the pros and cons of this amendment.

I yield the floor.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Neiman, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC-2070. A communication from the Director of Defense Procurement and Acquisition Policy, Department of Defense, transmitting, pursuant to law, the report of a rule entitled "Defense Federal Acquisition Regulation Supplement; Inclusion of Option Amounts in Limitations on Authority of the Department of Defense to Carry Out Certain Prototype Projects" ((RIN0750-AH23)(DFARS Case 2011-D024)) received in the Office of the President of the Senate on June 8, 2011; to the Committee on Armed Services.

EC-2071. A communication from the Director of Defense Procurement and Acquisition Policy, Department of Defense, transmitting, pursuant to law, the report of a rule entitled "Defense Federal Acquisition Regulation Supplement; Warranty Tracking of Serialized Items" ((RIN0750-AG74)(DFARS Case 2009-D018)) received in the Office of the President of the Senate on June 8, 2011; to the Committee on Armed Services.

EC-2072. A communication from the Commission on Wartime Contracting in Iraq and Afghanistan, transmitting, pursuant to law, a report entitled "Sustainability: Hidden Costs Risk New Waste"; to the Committee on Armed Services.

EC-2073. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the

report of a rule entitled "United States and Area Median Gross Income Figures" (Rev. Proc. 2011-37) received in the Office of the President of the Senate on June 8, 2011; to the Committee on Finance.

EC-2074. A communication from the Under Secretary of Defense (Personnel and Readiness), transmitting the report of (11) officers authorized to wear the insignia of the grade of brigadier general in accordance with title 10, United States Code, section 777; to the Committee on Armed Services.

EC-2075. A communication from the Acting Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed technical assistance agreement for the export of defense articles, including, technical data, and defense services to Singapore for depot repair, overhaul and modification supporting the AH-64 Apache in the amount of \$50,000,000 or more; to the Committee on Foreign Relations.

EC-2076. A communication from the Acting Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed technical assistance agreement for the export of defense articles, including, technical data, and defense services to Spain to support the design, manufacturing and delivery phases of the Amazonas 3 Commercial Communications Satellite Program for Spain in the amount of \$100,000,000 or more; to the Committee on Foreign Relations.

EC-2077. A communication from the Acting Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed manufacturing license agreement for the export of defense articles, including, technical data, and defense services to support the replication of the Have Quick III and SATURN Electronic Counter-Counter Measure (ECCM) for integration into Radio Communications in Germany; to the Committee on Foreign Relations.

EC-2078. A communication from the Acting Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed manufacturing license agreement for the export of defense articles, including, technical data, and defense services to Japan to support the design, manufacture, and modification of the Lead Computing Gyro Systems for F-15 Gun Targeting; to the Committee on Foreign Relations.

EC-2079. A communication from the Acting Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed amendment to a manufacturing license agreement for the export of defense articles, including, technical data, and defense services to Japan to support the design, manufacture and modification of Bell 205 (UH-1H)-205B helicopters and spare parts; to the Committee on Foreign Relations.

EC-2080. A communication from the Deputy Director for Policy, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled "Benefits Payable in Terminated Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits" (29 CFR Part 4022) received in the Office of the President of the Senate on June 7, 2011; to the Committee on Health, Education, Labor, and Pensions.

EC-2081. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled

"Report to Congress: 2006 National Estimates of the Number of Boarder Babies, Abandoned Infants, Discarded Infants and Infant Homicides"; to the Committee on Health, Education, Labor, and Pensions.

EC-2082. A communication from the Assistant Secretary for Legislation, Department of Health and Human Services, transmitting, pursuant to law, a report relative to the interim final rule entitled "Health Insurance Issuers Implementing Medical Loss Ratio (MLR) Requirement Under the Patient Protection and Affordable Care Act"; to the Committee on Health, Education, Labor, and Pensions.

EC-2083. A communication from the Director, Employee Services, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "General Schedule Locality Pay Areas" (RIN3206-AM25) received in the Office of the President of the Senate on June 7, 2011; to the Committee on Homeland Security and Governmental Affairs.

EC-2084. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled, "Comparative Analysis of Actual Cash Collections to the Revised Revenue Estimate Through the 1st Quarter of Fiscal Year 2011"; to the Committee on Homeland Security and Governmental Affairs.

EC-2085. A communication from the Acting General Counsel, National Labor Relations Board, transmitting, pursuant to law, the Office of Inspector General's Semiannual Report for the period of October 1, 2010 through March 31, 2011; to the Committee on Homeland Security and Governmental Affairs.

EC-2086. A communication from the Chairman of the Broadcasting Board of Governors, transmitting, pursuant to law, the Office of Inspector General's Semiannual Report for the period of October 1, 2010 through March 31, 2011; to the Committee on Homeland Security and Governmental Affairs.

EC-2087. A communication from the Commissioner of the Social Security Administration, transmitting, pursuant to law, the Office of Inspector General's Semiannual Report for the period of October 1, 2010 through March 31, 2011; to the Committee on Homeland Security and Governmental Affairs.

EC-2088. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the Office of Inspector General's Semiannual Report for the period of October 1, 2010 through March 31, 2011; to the Committee on Homeland Security and Governmental Affairs.

EC-2089. A communication from the Secretary of Commerce, transmitting, pursuant to law, the Department of Commerce's Performance and Accountability Report for fiscal year 2010; to the Committee on Homeland Security and Governmental Affairs.

EC-2090. A communication from the Director of the Peace Corps, transmitting, pursuant to law, the Office of Inspector General's Semiannual Report for the period of October 1, 2010 through March 31, 2011; to the Committee on Homeland Security and Governmental Affairs.

EC-2091. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the Office's Federal Equal Opportunity Recruitment Program Report for Fiscal Year 2010; to the Committee on Homeland Security and Governmental Affairs.

EC-2092. A communication from the Director, Executive Office for United States Trustees, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Procedures Governing Administrative Review of a United States Trustee's Decision to Deny a Chapter 12 or Chapter 13 Standing Trustee's Claim of Actual, Necessary Expenses" (RIN1105-AB16) received in