

ENERGY POLICY ACT OF 2005 -- (Senate - June 28, 2005)

[Page: S7458]

Mr. OBAMA. Mr. President, during the 2 weeks or so that we have been debating this Energy bill in the Senate, the price of crude oil has climbed to a record high of \$60 a barrel. Gas is now up to \$2.24 per gallon. The Saudis are pumping at near-full capacity, and their own oil minister says that the price of crude will probably stay at this level for the rest of the year.

At this price, the United States is sending \$650 million overseas every single day. That is \$237 billion a year--much of it to the Middle East, a region we have seen torn by war and terror. It doesn't matter if these countries are budding democracies, despotic regimes with nuclear intentions, or havens for the madrasas that plant the seeds of terror in young minds, they get our money because we need their oil.

As demand continues to skyrocket around the world, other countries have started to realize that guzzling oil is not a sustainable future. What's more, these countries have realized that by investing early in the energy-efficient technology that exists today, they can create millions of tomorrow's jobs and build their economies to rival ours.

China now has a higher fuel economy standard than we do, and it has got 200,000 hybrids on its roads. Japan's Toyota is doubling production of the popular Prius in order to sell 100,000 in the U.S. next year, and it is getting ready to open a brand new plant in China. Meanwhile, we are importing hydrogen fuel cells from Canada.

These companies are running circles around their American counterparts. Ford is only making 20,000 Escape Hybrids this year, and GM's brand won't be on the market until 2007. As falling demand for gas-hungry SUVs has contributed to Standard and Poor reducing the bond rating of these companies to junk status, these giants of the car industry now find themselves in the shadow of companies and countries that realize the time has come to move away from an oil economy.

So here we are. We have people paying record prices at the pump and America sending billions overseas to the world's most volatile region. We have countries such as China and India using energy technology to create jobs and wealth while our own businesses and workers fall further and further behind.

And we have the Energy bill that is before us today.

Now, this bill takes some small steps in the right direction. It will require utilities to generate 10 percent of their electricity from renewable sources. It will help us realize the promise of ethanol as a fuel alternative by requiring 8 billion gallons to be mixed with gasoline over the next few years, and by providing a tax credit for the construction of E85 stations all over America. It will provide funding for the clean coal technologies that will move America to use its most abundant fossil fuel in a cleaner, healthier way, including for low-emission transportation fuels. It will support the development of 500 mile-per-gallon

automobile technology. And it will provide a good mix of tax incentives to move America towards more energy efficiency instead of simply rewarding the oil and gas industries, as the House bill does. The good that these proposals will do is reason enough to vote for this bill, and I will do so.

But we shouldn't kid ourselves today. This isn't time to pat ourselves on the back and think we have put America on the path to energy independence. Experts say that this bill will reduce our foreign oil consumption by 3 percent. Three percent. Our own Department of Energy predicts that American demand will jump by 50 percent over the next 15 years. So 3 percent doesn't amount to much--and it certainly won't make a difference at the pump. Even President Bush admits this. We tried to pass an amendment that would have reduced our foreign oil dependence by 40 percent in 2025, but too many Senators said no.

And so when you look at this energy crisis and realize that it is about so much more than energy, when you realize that our national security is at stake and that the global standing of our economy hangs in the balance, when you see prices continue to rise and other countries continue to innovate, you can't help but ask yourself, "Is this the best America can do?" The country that went to the Moon and conquered polio? The country that led the technological revolution of the 1990s?

It would be one thing if the solutions to our dependence on foreign oil were pie-in-the-sky ideas that are years

away. But the technology is right at our fingertips. Today, we could have told American car companies, we will help you produce more hybrid cars. We could have made sure there were more flexible fuel tanks in our cars. We could have addressed the big reason why car companies are hurting in this country--legacy health care costs. Had we taken all of these actions, we could have put America on the path to energy independence once and for all.

We also could have addressed the fact that global warming is threatening us with higher temperatures, more drought, more wildfire, more flooding, and more erosion of our coastal communities. People who don't believe this can yell about it as loudly as they want, but it doesn't change the fact that the overwhelming scientific evidence proves this over and over again. We could have taken care of this problem now and left a better world to our children.

With each passing day, the world is moving towards new technology and new sources of energy that will one day replace our current dependence on fossil fuels.

And so America has a choice.

We can continue to hang on to oil as our solution. We can keep passing Energy bills that nibble around the edges of the problem. We can hope that the Saudis will pump faster and that our drills will find more. And we can just sit on our hands and say that it is too hard to change the way things are and so we might as well not even try.

Or we could realize that this issue of energy--this issue that at first glance seems like it is just about drilling or caribou or weird-looking cars--actually affects so many aspects of our lives that finding a solution could be the great project of our time.

It won't be easy and it won't be without sacrifice. Government can't make it happen on its own, but it does have a role in supporting the initiative that is already out there. Together, we can help make real the ideas and initiatives that are coming from scientists and students and farmers all across America.

Abraham Lincoln, who first opened our National Academy of Sciences, once said that part of Government's mission is to add "the fuel of interest to the fire of genius in the discovery of new and useful things."

Today, when it comes to discovering new and useful solutions to our energy crisis, the fire of genius burns strong in so many American innovators and optimists. But they're looking for leadership to provide the fuel that will light their way. This bill is a reasonable first step, but I know that we can do much, much better.

.....

[Page: S7460]

Mr. OBAMA. Mr. President, I would like to express my gratitude to the managers of the energy bill, Senators *Domenici* and *Bingaman*, for their support of two amendments that I offered. I am proud that these amendments have been included in the legislation that the Senate will vote on today, and I believe that their enactment will help America increase its energy independence and transition our energy industry to full usage of 21st century technologies.

The first adopted amendment, which was cosponsored by Senator *Lugar*, provides \$85 million to three universities for research and testing on developing Illinois basin coal into transportation fuels, including Fischer-Tropsch jet fuel, a type of low-emissions diesel that can be used in jets and diesel. The funds provided in this amendment will assist Southern Illinois University, Purdue University, and the University of Kentucky in upgrading existing facilities and constructing new facilities to conduct research and testing on this technology. It is critical that our Government invests in domestic fossil fuel supplies in an innovative manner, and this is a commonsense way to expand our coal industry in an environmentally friendly manner.

The second adopted amendment, which was cosponsored by Senator *Bayh*, provides \$40 million for research on combined plug-in hybrid and flexible fuel vehicles. Today, we have the technology to produce both plug-in hybrid vehicles, which run partly on electricity rather than fuel, and flexible fuel vehicles, which run on a blend of 85 percent renewable fuel and 15 percent petroleum. But we don't yet have the technology to combine both technologies into the same car. If we could do this, there is the potential for developing a car that could get 500 miles per gallon of gasoline. At a time when our country spends billions of dollars a year on importing foreign oil, it is imperative that we take meaningful, proactive steps that not only stem our future oil dependence but also reduce our reliance on overseas sources. My amendment would do just that by stimulating the commercialization of

this technology at a cost of only 6 percent of our Nation's daily spending on foreign oil.

Again, I thank the bill managers for their assistance with these amendments.