

ETHANOL

Mr. NELSON of Florida. Mr. President, I am here for my daily speech on oil independence for this country. Before the assistant minority leader leaves the floor, as he has been such a leader in this area, and before this Senator launches into this series of conversations for the Senate about the need to have oil independence and the ways that we can be going about it, bringing to the Senate each day a new kind of technology we should be looking at—today I am going to talk about the expansion of ethanol—I invite the Senior Senator from Illinois, since he has been such a leader in this area, for any comments that the Senator would like to make in a colloquy before I continue with the series of speeches on oil independence.

Mr. DURBIN. Mr. President, I thank the Senator from Florida. He has identified an issue which every American family understands every time they go to the gasoline station.

The cost of filling up the tank nowadays is stunning. Even the automobile manufacturers are starting to advertise cars with good gas mileage. We haven't seen that in a long time, have we? It reminds all Americans how dependent we are on foreign fuel and foreign sources of energy.

The Senator from Florida, a leader on this issue, remembers we brought an amendment to the floor on the Energy bill saying we believe America should set as a national goal reducing our dependence on foreign oil by 40 percent over the next 20 years. Sadly, it was defeated on a partisan rollcall.

I cannot believe this is a partisan issue. Our dependence on foreign energy puts us at the mercy of the Saudis and others who really do not lose a lot of sleep if our economy is not doing well and if our families suffer.

I am glad the Senator stepped forward. He identifies ethanol. It is near and dear to my heart because my State produces more than any other State. And it is homegrown. We do not need to have a Saudi prince smiling at us to find a gallon of ethanol. All we need is for God to bless us with a little sunshine on that corn crop, and we know just what to do with it.

I am glad the Senator is raising this issue. It goes back to a point I made in my earlier statement about public health: a stronger America begins at home. What the Senator from Florida is reminding us is whether it is public health or energy, it is time to focus the ingenuity, creativity, and innovation of this country into making America stronger at home. I am glad the Senator is leading us in that discussion today.

Mr. NELSON of Florida. I would like the Senator from Illinois to respond to the fact that Hurricane Katrina and now Hurricane Rita has given us another lesson of just how thin and delicate this oil supply and refinery pipeline is, so that the least little disruption in it—a hurricane or the shutting

down of a refinery, in this case, five or six refineries that are shut down, or, Lord forbid, a terrorist act, the sinking by a terrorist of a supertanker in the Strait of Hormuz in the Persian Gulf—any one of these things could absolutely disrupt the world that is so thirsty for oil consumption, and could send our gasoline prices not shooting through \$3, but could be sending it through \$4 and \$5 and \$6 a gallon.

Would the Senator comment on that?

Mr. DURBIN. I would like to comment, through the Chair, and say to the Senator from Florida that because of the hurricanes we have lost 22 percent of our refining capacity in America. So if you wonder why the price of gasoline is high, higher than it has been historically, that is one of the reasons. I might add, parenthetically, when it comes to the price of gasoline and oil companies, almost any excuse will do to raise the price of gasoline. But in this case, we know that the reduction of 22 percent of our refining capacity means there is less gasoline on hand and, therefore, prices are being pushed upwards.

Today at a press conference, I announced a bill that I am going to introduce which will create a national gasoline reserve and jet fuel reserve. Presently, we have 700 million barrels of crude oil which are being held as our National Petroleum Reserve. The President started releasing that. But releasing crude oil does not meet the need for refining capacity. So the crude oil coming into this narrow funnel of reduced refining capacity does not solve the need.

What I believe we should do is give to any President a tool to respond to shortages in gasoline in various regions that cause price spikes; the same thing with jet fuel. Three new airlines are in bankruptcy mainly because of the increase in the price of jet fuel. So we think we should be setting aside these resources, again, keeping America strong at home, so we are not watching our economy flounder and our families suffer because of these skyrocketing gasoline prices.

Mr. NELSON of Florida. Mr. President, I would like the Senator from Illinois to comment on the fact that in America most of the oil consumption is in the transportation sector. In the transportation sector, most of the oil is consumed in our personal vehicles. So we could start reducing the consumption of oil in our own vehicles a little, have increased miles per gallon, substitute ethanol for gasoline, have hybrid engines, hybrid engines you plug in to give a full charge at night while it is in the garage. We could have ethanol not made just from corn, which is homegrown, but made from sugarcane, sugar beets, cellulose. It could be grass. We happen to have 31 million acres of prairie grass in this country. Cut the grass. Make cheaper ethanol. Therefore, for every gallon of ethanol that goes into that gas tank—and you can use existing engines in our per-

sonal vehicles—you are making a mixture of gasoline and ethanol, and that means we are burning that much less gasoline, which means we are burning that much less oil that we have to import from foreign shores.

I would like the Senator from Illinois, who has been a leader in this area, to comment.

Mr. DURBIN. Responding to the Senator from Florida, through the Chair, the nation of Brazil decided, years ago, they were tired of their vulnerability to foreign energy sources and they said: We are going to make a national mission of energy independence. By moving toward homegrown fuels and conservation, they have reduced their dependence on foreign oil to less than 15 percent, while the United States depends on foreign oil, consuming over 60 percent at the current time. And most of it, as the Senator said, goes into the cars and trucks we drive.

The Senator raises an issue that is near and dear to my heart about the fuel efficiency of cars and trucks. A little walk down memory lane: In 1975, when the price of a barrel of oil went up from \$3 to \$5, to \$12, America went into a panic and Congress said: We have to do something about it. The average fuel efficiency of cars and trucks in America was about 18 miles a gallon. So we put in a Federal Government mandate that the auto manufacturing companies had to have an average fleet fuel efficiency of 28 miles a gallon, which they had to reach over the next 10 years. They had to move from 18 miles a gallon to 28 miles a gallon over the next 10 years. They screamed bloody murder. They said: It is technologically impossible. The cars and trucks we build will not be safe. And you are forcing America to buy foreign vehicles.

We ignored them. We said: Do it. We believe you can. If we have to order you to do it, we are going to order you. We ordered them to do it, and in a matter of 10 years they reached the goal of an average fleet fuel efficiency of 28 miles per gallon. The year was 1985.

It has been 20 years since then, and we have done nothing except watch the truck exemption—which we converted into SUVs—create this new breed of heavy, fuel-inefficient vehicle such as this god-awful Hummer. If you want to drive a Hummer, for goodness sakes, join the Army.

In this situation, these fuel-inefficient vehicles have dominated our market, and our average fuel efficiency in America has gone from 28 miles a gallon in 1985 to less than 22 miles a gallon today. We are importing more and more oil to drive the miles we need.

So I offered an amendment on the floor—and the Senator from Florida, I am sure, remembers it—and said: Is it too much to ask the auto manufacturers to increase the fuel efficiency of cars and trucks in America by 1 mile a gallon each year for the next 10 years so we can get to 32 miles a gallon?

The Senator knows what happened. We had resistance not only from the

automobile companies but their workers. Do you know what they said? They said: It is technologically impossible. The cars and trucks you want us to build will not be safe. And you are going to force foreign manufacturers on American consumers. They will not have any place to go. It is the same story we heard 30 years ago. The amendment was defeated.

But today I think if we called it up for reconsideration there would be a few more votes. People are understanding you cannot control your fate and you cannot control your pocketbook if you are spending \$100 every time you drive into the service station to fill the tank of that SUV. So I think folks are more sensitive to it.

I have written to the big three manufacturers, to their CEOs, and said: Listen, it is time to sit down and get serious. The American consumers want a more fuel-efficient vehicle. You know you can do it. How can we work together to achieve it?

Mr. NELSON of Florida. Mr. President, just exactly what the Senator from Illinois says, there is a waiting list a mile long to get the hybrid vehicles that, in the case of Toyota, get 50 miles to a gallon in city driving. Yet what do we have to do to get the rest of the automobile manufacturers?

Maybe it is going to take Hurricane Katrina, with a scare of a shortage, with the shutting down of refineries, that is going to finally get our collective heads out of the sand and face the fact we are so dependent on oil—and foreign oil—and that this is not a good position for this country to be in.

Does the Senator from Illinois remember when we offered a simple little amendment, and it was only to increase miles per gallon on SUVs, phased in over a multiyear period, and we could not get anymore than about 39 votes out of 100 Senators in this Chamber? Yet we are facing the crisis we are today.

Mr. DURBIN. I would say, in response to the Senator from Florida, through the Chair, I think America understands what this means. Our vulnerability, our dependence on foreign oil, means we are drawn into wars and foreign policy decisions which we may not want to make. It also means our economy is burdened by inefficiency and vehicles that are really burning too much gasoline. It also means that for every extra gallon we burn, there is more pollution in the air. So it is from three different perspectives.

Our lack of fuel efficiency in our vehicles is burdening America with responsibilities and decisions which American consumers would agree and American families would agree we should not have to make as a nation.

Now, I know I voted for the Energy bill—I do not know how the Senator from Florida did—because it contained provisions about ethanol and biodiesel. But if you look beyond those provisions, you will find in that bill many subsidies for oil companies. What an

irony that we provide subsidies to oil companies at a time when they are experiencing the highest profits, windfall profits, they have ever seen—billions of dollars. And do you know why? Because the price of gasoline is much higher than is warranted by the price of crude oil. So that Energy bill we had the President sign last August really does not step up to the plate and address the reality of the energy challenge of America.

I believe Americans want us to move toward energy independence, to move toward using fuels that are efficient and do not pollute. And I believe they want us, as a nation, to create incentives for renewable, sustainable energy sources, for innovation in energy technology that will create new companies, new jobs, new opportunities in this country.

We cannot be looking backward. We have to look forward in terms of what our children need for energy in the 21st century.

Mr. NELSON of Florida. Mr. President, this Senator would say that it is only going to get worse if we do not do something now. This Senator thinks we are approaching a crisis because China is now on the scene, and China is becoming a huge consumer of oil. They are second only to the United States in the consumption of oil. They have had 40-percent growth in their demand on the world's oil supply. China's purchases of new passenger cars has risen by 75 percent.

In a tight world oil market, with new demands put on the supply by emerging nations such as China, it is only going to get worse. And here we are, the United States of America, importing 58 to 60 percent of our daily consumption of oil from foreign shores. It is an accident waiting to happen.

What does it take to collectively shake the American people to the point that the body politic will demand of their elected representatives that we start making changes—synthetic fuels, alternative fuels, higher miles per gallon, alternatives such as ethanol, hybrid vehicles, encouraging them, satisfying the demand? The waiting list is a long list. What is it going to take?

Will the Senator give me any kind of reflection?

Mr. DURBIN. I would like to respond to the Senator from Florida through the Chair and say that Hurricane Katrina, those catastrophic winds that blew down the coast of Mississippi and Alabama caused a great deal of suffering. People still suffer today from the consequences.

Maybe, in that terrible natural disaster and tragedy, something good will come of it. If those winds blow down the doors of indifference when it comes to some basic issues in America, then we can build, as a country, from that sad experience—whether it is caring for the most vulnerable in America, who were the ones who suffered; whether it is standing together as a nation, saying we are part of an American family, and

if that tragedy hits your State of Florida or my State of Illinois, we will stand together to make sure your State gets back up on its feet; or whether it is looking at our dependence on foreign energy and saying: We have to change. This struck a part of America from which energy comes and is refined. We have to change in terms of our policy.

So I would say to the Senator from Florida, maybe that great disaster, that terrible suffering that came from it, will also bring with it a new awakening in this country about a new direction we need, a direction that moves our Nation together, unified as a community, to solve the serious challenge we face today.

It was not too long ago, I say to the Senator from Florida, we would sit on the floor and argue about the "ownership society." Remember that? Privatizing Social Security: We don't need Social Security. Just let me have my own private account. Well, you heard that a lot. And the model of the ownership society group was: Just remember, we are all in this alone.

Well, we learned better. We learned with Hurricanes Katrina and Rita and other challenges, the only chance we have is when we are all in this together. And together as a nation we have done amazing things.

I think the life of the Senator from Florida tells that story. Most people don't know—but I sure do—you served in the House of Representatives. You were an elected statewide official in Florida and managed to squeeze into that public service career a trip in space as an astronaut. And I know you then came to the Senate with dedication even greater to this country.

Together, Florida is strong, Illinois is strong. We are strong as a nation.

Mr. NELSON of Florida. As we close this out—under the previous order, at 4 o'clock we will be in other business—I will continue my drumbeat on a daily basis about the need for energy independence. I know what our people in Florida believe. They feel very strongly about it. Before I engaged in the colloquy with the Senator from Illinois, I had intended to talk about some specifics of the use of ethanol and the manufacture of ethanol and how that could help us ween ourselves from dependence on foreign oil. I shall pick that up on another day, but I will continue this daily, trying to sound the alarm for this country that if we don't do something, we will rue the day that we did not.

I am told that we might have a couple of more minutes here. I will go ahead and close out some of my comments. As the Senator from Illinois and I discussed in our colloquy, it is true that transportation is where we are consuming most of our oil. If you want to do something about lessening your dependence on foreign oil, go to the place where we consume most of it. That is in our personal vehicles. One thing that we have to do is pursue alternative fuels to petroleum. Gasoline

and diesel, petroleum products, accounted for over 98 percent of transportation motor fuels sold in the year 2004. Only 2 percent are from alternatives to petroleum. We need to increase that 2 percent, and it can come from many different sources of alternatives to petroleum, such as ethanol.

As the Senator from Illinois and I discussed, corn is clearly a basis for ethanol. But with the advance of technology, there are many other sources as well. Cellulose and glucose are two. Glucose, sugar, we raise a lot of sugarcane in Florida. They do in Louisiana. We raise a lot of sugar beets throughout the Midwest and the West. That is a source of ethanol. It was one of the things that I pushed for, at the time of the discussion of CAFTA, to get the administration, through the Department of Agriculture, to start the study on making ethanol from sugarcane. I will pick up in the future with a discussion of ethanol made from sources other than corn, as I bring to the attention of the Senate how much this is getting to be an emergency situation that we are depending on oil. And of that oil, almost 60 percent of it comes from foreign shores. That is not good for this country. We have to change that.

I yield the floor.

MEDICARE COST-SHARING AND WELFARE EXTENSION ACT OF 2005

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Finance be discharged from further consideration of S. 1778 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER (Mr. CHAFEE). Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1778) to extend Medicare cost-sharing for qualifying individuals through September 2006, to extend the Temporary Assistance for Needy Families Program, transitional medical assistance under the Medicaid Program, and related programs through March 31, 2006, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. I ask unanimous consent that the Grassley amendment at the desk be agreed to; the bill, as amended, be read a third time and passed; the motion to reconsider be laid on the table, and any statements relating to the measure be printed in the RECORD.

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

The amendment (No. 1894) was agreed to, as follows:

(Purpose: To eliminate coverage under the Medicare and Medicaid programs for drugs when used for treatment of erectile dysfunction)

At the end, add the following:

SEC. 4. RESTRICTION ON COVERED DRUGS UNDER THE MEDICAID AND MEDICARE PROGRAMS.

(a) EXCLUSION UNDER MEDICARE BEGINNING IN 2007.—Section 1860D-2(e)(2)(A) of the So-

cial Security Act (42 U.S.C. 1395w-102(e)(2)(A)) is amended by inserting “and, only with respect to 2006, other than subparagraph (K) (relating to agents when used to treat sexual or erectile dysfunction, unless such agents are used to treat a condition, other than sexual or erectile dysfunction, for which the agent has been approved by the Food and Drug Administration)” after “agents”).

(b) RESTRICTION UNDER MEDICAID.—

(1) IN GENERAL.—Section 1927(d)(2) of the Social Security Act (42 U.S.C. 1396r-8(d)(2)) is amended by adding at the end the following new subparagraph:

“(K) Agents when used to treat sexual or erectile dysfunction, except that such exclusion or other restriction shall not apply in the case of such agents when used to treat a condition, other than sexual or erectile dysfunction, for which the agent has been approved by the Food and Drug Administration.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to drugs dispensed on or after the date that is 60 days after the date of enactment of this Act.

(c) CLARIFICATION OF NO EFFECT ON DETERMINATION OF BASE EXPENDITURES.—Section 1935(c)(3)(B)(ii)(II) of the Social Security Act (42 U.S.C. 1396v(c)(3)(B)(ii)(II)) is amended by inserting “, including drugs described in subparagraph (K) of section 1927(d)(2)” after “1860D-2(e)”.

The bill (S. 1778), as amended, was read the third time and passed, as follows:

S. 1778

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Medicare Cost-Sharing and Welfare Extension Act of 2005”.

SEC. 2. EXTENSION OF QI PROGRAM THROUGH SEPTEMBER 2006.

(a) IN GENERAL.—Section 1902(a)(10)(E)(iv) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)(iv)) is amended by striking “September 2005” and inserting “September 2006”.

(b) TOTAL AMOUNT AVAILABLE FOR ALLOCATION.—Section 1933(g)(2) of such Act (42 U.S.C. 1396u-3(g)(2)) is amended—

(1) by striking “and” at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting “; and”; and

(3) by adding at the end the following new subparagraphs:

“(D) for the period that begins on October 1, 2005, and ends on December 31, 2005, the total allocation amount is \$100,000,000; and

“(E) for the period that begins on January 1, 2006, and ends on September 30, 2006, the total allocation amount is \$300,000,000.”.

SEC. 3. EXTENSION OF THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT PROGRAM, TRANSITIONAL MEDICAL ASSISTANCE, AND RELATED PROGRAMS THROUGH MARCH 31, 2006.

(a) IN GENERAL.—Activities authorized by part A of title IV of the Social Security Act, and by sections 510, 1108(b), and 1925 of such Act, shall continue through March 31, 2006, in the manner authorized for fiscal year 2005, notwithstanding section 1902(e)(1)(A) of such Act, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority through the second quarter of fiscal year 2006 at the level provided for such activities through the second quarter of fiscal year 2005.

(b) CONFORMING AMENDMENT.—Section 403(a)(3)(H)(ii) of the Social Security Act (42 U.S.C. 603(a)(3)(H)(ii)), as amended by section 2(b)(2)(A) of the TANF Emergency Response and Recovery Act of 2005 (Public Law 109-68), is amended by striking “December 31, 2005” and inserting “March 31, 2006”.

(c) EXTENSION OF THE NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE AND CHILD WELFARE WAIVER AUTHORITY THROUGH MARCH 31, 2006.—Activities authorized by sections 429A and 1130(a) of the Social Security Act shall continue through March 31, 2006, in the manner authorized for fiscal year 2005, and out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated such sums as may be necessary for such purpose. Grants and payments may be made pursuant to this authority through the second quarter of fiscal year 2006 at the level provided for such activities through the second quarter of fiscal year 2005.

SEC. 4. RESTRICTION ON COVERED DRUGS UNDER THE MEDICAID AND MEDICARE PROGRAMS.

(a) EXCLUSION UNDER MEDICARE BEGINNING IN 2007.—Section 1860D-2(e)(2)(A) of the Social Security Act (42 U.S.C. 1395w-102(e)(2)(A)) is amended by inserting “and, only with respect to 2006, other than subparagraph (K) (relating to agents when used to treat sexual or erectile dysfunction, unless such agents are used to treat a condition, other than sexual or erectile dysfunction, for which the agent has been approved by the Food and Drug Administration)” after “agents”).

(b) RESTRICTION UNDER MEDICAID.—

(1) IN GENERAL.—Section 1927(d)(2) of the Social Security Act (42 U.S.C. 1396r-8(d)(2)) is amended by adding at the end the following new subparagraph:

“(K) Agents when used to treat sexual or erectile dysfunction, except that such exclusion or other restriction shall not apply in the case of such agents when used to treat a condition, other than sexual or erectile dysfunction, for which the agent has been approved by the Food and Drug Administration.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to drugs dispensed on or after the date that is 60 days after the date of enactment of this Act.

(c) CLARIFICATION OF NO EFFECT ON DETERMINATION OF BASE EXPENDITURES.—Section 1935(c)(3)(B)(ii)(II) of the Social Security Act (42 U.S.C. 1396v(c)(3)(B)(ii)(II)) is amended by inserting “, including drugs described in subparagraph (K) of section 1927(d)(2)” after “1860D-2(e)”.

EXTENSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that morning business be extended for 15 minutes.

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

Mr. BAUCUS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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