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# Congressional Record

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# House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. CULBERSON).

## DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
*May 2, 2006.*

I hereby appoint the Honorable JOHN ABNEY CULBERSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
*Speaker of the House of Representatives.*

## MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 31, 2006, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Michigan (Mr. STUPAK) for 5 minutes.

## THE PRICE OF GAS

Mr. STUPAK. Mr. Speaker, as the ranking Democrat on the Energy and Commerce Committee's Subcommittee on Oversight and Investigations, I have been calling for hearings on gas price gouging for over 8 months. For 8 months I have been asking for consideration of my legislation, the Federal Response to Energy Emergencies Act, which is designated to crack down on gas price gouging. For 8 months, Republicans in Congress have stone walled. When Republicans finally started to feel the political heat, they put forth shallow imitations of Democratic ideas and returned to their old standby, drilling in the Arctic National Wildlife Refuge.

The simple fact is this: as gas prices climb, the majority party has been shamed into doing something, but they still are out of ideas. Our legislation, the Democratic legislation, the FREE Act, the Federal Response to Energy Emergencies, would instruct the Federal Trade Commission to develop a legal definition of gas price gouging, predatory pricing and market manipulation. Most people are shocked to find that there is no Federal law against gas price gouging. Therefore, the Federal Trade Commission has never brought a case to court for gas price gouging. Let me repeat that. Never in the history of the Federal Trade Commission has it brought a case of price gouging to court. Why is this? Because there is no definition of price gouging.

Well, even if the President and congressional Republicans don't know how to define price gouging, consumers know it when they see it. Gas costs 70 cents more a gallon right now than it did at the same time last year. Profits for refineries are up 255 percent between September 2004 and September 2005. Last week, Valero, the Nation's largest refinery company, posted a 60 percent increase in profit in the first quarter alone. That's gouging. And while it happens, unfortunately the majority party turns a blind eye.

In contrast, 125 House Democrats have signed a discharge petition. A discharge petition removes our legislation from the committee of jurisdiction and brings it to the floor for a vote. More and more Members each day are signing their name to the discharge petition. These Members are tired of the Republicans' stonewalling. We want action on a real price gouging bill with teeth, not a watered-down imitation.

Just as we need to address gouging, Congress should also take a look at the way oil futures are bought and sold. Seventy-five percent of the multibillion-dollar oil futures industry is completely unregulated, without transparency or oversight by the Federal Government or the Commodity Futures Trading Commission. This is Enron all over again. Without Federal oversight, there is no way to ensure that speculators are not manipulating the market to drive up the price of oil.

Last week, I introduced the PUMP Act, or the Prevent Unfair Manipulation of Prices Act. This bill would require all traders to play by the same rules, ending the speculation, fear and greed that drives today's oil prices. It has been estimated that by stopping this speculative trading, we could reduce the price of a barrel of oil by as much as $20 per barrel, providing consumers with immediate relief at the gas pump.

These are the kind of ideas that Democrats are promoting to provide consumers with immediate relief. But, instead, we get the same thing from the majority party: drill in the Arctic National Wildlife Refuge and provide big tax breaks to big oil. You don't drill your way to energy independence. Tax breaks for the big oil companies don't result in lower gas prices.

Today's USA Today, the Money section, has an article, States Find It Tough to Prove Gas Prices Illegal. In California, the Attorney General says that in 2006 in the first 4 months of this year, prices have gone up 14 percent, but the difference between what oil companies pay for crude oil and the price at the pump is up 130 percent. If that's not price gouging, I don't know what is. In Arizona, they showed that the profit margins realized by every segment of the oil industry were two or three times greater than normal. Is that price gouging? I think it is. But as Arizona says, the State has no law making price gouging illegal, underscoring, the report says, the need for Federal price gouging legislation.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I would hope, Mr. Speaker, that Speaker HASTERT would allow us to bring up the FREE Act so we could have a free and full debate on price gouging in this Congress.

Look at this next article: Fuel Costs Ease But Could Climb Higher. Why? Money is flowing into direct or indirect purchases of oil futures as an inflation hedge. That flow sends futures higher, fueling more inflation, and then fueling more money into futures positions as an inflation hedge. That is price gouging. That is market manipulation. That is why we have the PUMP Act.

If we would pass the PUMP Act, bring it to the floor for debate, get it out of committee and put it before the House here, we could lower the price of a barrel of oil by $20.

[From USA Today]

STATES FIND IT TOUGH TO PROVE GAS PRICES ILLEGAL

(By James R. Healey and Matt Krantz)

Arizona's comprehensive investigation into that state's high fuel prices after Hurricane Katrina concludes that while there was ''profiteering'' at all levels of the oil industry, nothing illegal took place.

Washington's attorney general's office said in a report last week that its more recent investigation of today's high prices ''has not found any evidence so far of illegal activity among gasoline retailers or producers in Washington.''

Together, the two reports show that it is hard for authorities to prove consumers are being ripped off even in times of extraordinary price increases.

Attorneys general in at least nine states, responding to outrage by their residents, are investigating whether current high gasoline prices are a result of wrongdoing by the petroleum industry. according to the National Association of Attorneys General

Arizona's statewide average price is $3.022, still nearly 11 cents less than the record $3.131 shortly after Katrina, according to travel club AM's daily survey.

Washington's average $3.011 Monday set a record for that state.

The attorney general in California, where the statewide average hit a record $3.251 a gallon Monday, says he will subpoena documents from the state's 21 refineries, including those operated by major oil companies ChevronTexaco, ExxonMobil and ConocoPhillips.

The attorney general's office said state data for 2006 show that crude oil prices have risen 14%, but the difference between what oil companies pay for crude oil and prices at the pump has soared 130%.

Gasoline is made from crude oil, which accounts for roughly 55% of the pump price for gasoline, the U.S. government says.

And Washington Attorney General Rob McKenna, in a statement about his investigation, said, ''Gas prices are influenced by the basic laws of supply and demand.''

Energy-industry veterans wonder if such probes are misleading.

California's own Energy Commission, for instance, acknowledges in an explanation of fuel prices on its website: ''Rumors and charges of collusion among the oil companies have been raised for decades with nothing ever proven.''

Charles Swanson, director of Ernst & Young's Energy Center, says, ''Politicians can posture all they want, but there's nothing they can do to help.''

Some states have made price-gouging cases. Florida sued individual gas stations for overcharging after Katrina.

But Florida, unlike Arizona, has an anti-gouging law. It is in effect only when a state of emergency is declared. Florida was a hurricane target, making an emergency declaration logical.

Arizona's report, unveiled last week, says, ''Profit margins realized by every segment of the oil industry were two or three times their normal margins.''

But the state has no law making that illegal, underscoring, the report says, the need for a federal price-gouging law.

The Federal Trade Commission is expected to deliver a report by May 22 that will say whether the agency found any price manipulation after Katrina.

[From USA Today, May 2, 2006]

FUEL COSTS EASE BUT COULD CLIMB HIGHER

(By James R. Healey)

Gasoline prices have stopped their spring-loaded daily leaps, but it's too soon to say the worst is over.

The numbers on the pump have declined slightly three consecutive days, to a nationwide average $2.919 a gallon Monday, according to travel club AAA. It's the first time that's happened since late March. But the March respite totaled just 0.8 of a cent over three days and turned out to be only a hiccup that before prices zipped higher.

AAA warns that might happen again. ''A few days of slight declines does not make a trend,'' spokesman Geoff Sundstrom cautions. ''We may continue to see higher prices between now and Memorial Day.''

That's the beginning of the warm-weather driving season, when gasoline consumption rises as Americans take more vacations and weekend trips.

A weekly report by the U.S. Energy Information Administration showed a U.S. average Monday identical to AAA's—$2.919—up a just 0.5 of a cent from a week ago. That's a big slowdown after four weeks of prices jumping an average 10.4 cents a gallon per week.

On one hand, it should be no surprise that prices are easing. U.S. gasoline supplies are ample. U.S. demand is a little soft. Refineries are mostly through with their routine maintenance and are cranking out generous amounts of gasoline.

But prices aren't down as far as they should be under those circumstances, energy veterans say. That's partly because petroleum products have become an investment instead of traders' best guess about the value of crude oil, gasoline and heating oil the next few months.

''Money is flowing into direct or indirect purchases of oil futures as an inflation hedge. That flow sends futures higher, fueling more inflation, and then fueling more money into futures positions as an inflation hedge,'' says Tom Kloza, senior analyst at the Oil Price Information Service. Oil rose $1.82 to settle at $73.70 Monday.

Still, ''We can put to rest some of the hyperbole—$3.50 average for gasoline, or $4-plus,'' he says.

Keeping upward pressure on prices:

Hostility toward the U.S. in oil-producers Iran and Venezuela implies shortages at any minute.

Indelible memories of disruptions caused by hurricanes in the Gulf of Mexico last year keep petroleum traders jumpy about supplies. That makes them willing to pay more for oil and for the gasoline made from it.

''We're heading into the peak demand season and the potenial for refinery outages'' from hurricanes, cautions Thomas Bentz, senior energy analyst at BNP Paribas, a big investment bank.

The U.S. Minerals Management Service in its latest report, April 19, said that 22.3% of Gulf oil output still hadn't restarted after hurricane damage last year. The MMS plans to update that number Wednesday.

## RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 37 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

## AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. MURPHY) at 2 p.m.

## PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Most glorious Lord of life, You alone triumph over death and sin, for You alone are eternal and holy. Prove Your victory in us. Take this nation and make it Your own. With leadership from this body of Congress, raise up a people who are unafraid to look into the face of darkness, and by will, science, and prayer push back the door of death. Strengthen all human frailty that we may continue to fight against evil and become a Nation of hope and a people of virtue. For our soul takes wing by placing our trust in You, now and forever. Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Pennsylvania (Mr. PITTS) come forward and lead the House in the Pledge of Allegiance.

Mr. PITTS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## PRIVATE CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Private Calendar. The Clerk will call the bill on the calendar.

## BETTY DICK RESIDENCE PROTECTION ACT

The Clerk called the Senate bill (S. 584) to require the Secretary of the Interior to allow the continued occupancy and use of certain land and improvements within Rocky Mountain National Park.