

if that is a proposal we ought to consider.

Mr. REID. Of course, we should consider it.

I say through the Chair to my friend from Illinois, we are in this predicament because the Republicans have put us here. We are spending an inordinate amount of time on seeing if they can run up a debt of approximately \$1 trillion to the American people to take care of 8,100 people. That is why we are here. It is not because of the minimum wage; they hate the minimum wage. You know that, I know that. It is not because of the extenders. The extenders are good for most everybody. That is why they put it on the pension bill in conference. We are here because of the estate tax repeal. That is what this is all about. All the rest is fluff. As I say, the dominating issue of this Republican Senate has been estate tax repeal. That means more to them than spending time debating the war in Iraq. It means more to them than talking about health care.

It means more to them, certainly, than talking about global warming because, according to them, it doesn't exist. It certainly has taken away time to talk about why the President vetoed stem cell. This issue relating to the estate tax has taken care of everything for them. That is their No. 1 issue. You talk about the minimum wage being our No. 1 issue. They don't have No. 2, 3, 4, 5, like we do. Estate tax is it.

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. FRIST. Mr. President, I will be very brief. Our agenda has been very clear. It has been clearly articulated and, as people look back, as they look forward, they will see how all the pieces come together because each time we take a bill to the floor there is a complaint. On child custody, there is obstruction; we are going to stop it. But it is clear to the American people. When we go back to our States and talk to the people, they get it. The Democratic leader is right in many ways. He says Iraq and dead Americans—the words he used—\$3 billion, all of which I look at as securing America's homeland and those enduring values of freedom and liberty that we know are so important to our generation and that next generation. That is what this war on terror is about. It is the No. 1 issue, securing America's homeland. I will come back to that in a second.

I hope we can address supporting our troops overseas in the Department of Defense appropriations bill, this week. We need to do that this week as well. We could go to that tonight. I will talk to Chairman STEVENS as soon as I finish here to see if we can take that to the floor tonight and address it over the next couple of days.

Securing America's homeland, we addressed in part through our border security bill, and addressing immigration, we did spend several weeks on the floor of the Senate.

The second thematic is securing America's prosperity. By prosperity, the other side wants to talk about rich people because they know it has connotations to it and the sound bites work. But if you look at what we are doing, we are talking about people at the lowest rung of the economic ladder. We are talking about small businesspeople. We are talking about people who feel the squeeze that we know they feel because of energy prices and because of health care. Although they can say we are not addressing those, at 5 o'clock today we are voting on the bill that can have the single greatest impact since our last Energy bill a year ago, which was very successful, a bill which has the potential for reducing that squeeze that people are feeling today when they fill their tractors with fuel. We are addressing it on this floor.

We addressed health information technology, which I think is the single most incremental variable that can transform health care today in terms of improved quality, improved availability, and reduced cost, by getting rid of the waste and the abuse and even the fraud and the medical errors that do typify our health care sector. We addressed that in the Senate. We passed it in the Senate, and the House passed it last week. Now we can go to conference and pass it. So when we talk prosperity, too often the other side just talks about rich people. We too often talk about the 5.4 million jobs created—very, very important—the 4.7 percent unemployment rate, the lowest of the average of the 1960s, 1970s, 1980s, and 1990s—all very important. We are addressing what the average person, the typical taxpayer is feeling—energy prices—on the floor of the Senate today.

We are addressing health care costs through health information technology by trying to take small business health plans to the floor but having it stopped from consideration by the other side of the aisle. People feel those health care costs.

The third thematic is securing America's values. We have securing America's homeland, No. 1; securing prosperity, No. 2; and securing America's values, No. 3. Last week, on child custody protection, it is being stopped by the other side of the aisle. This body has spoken, but it is being obstructed. The Adam Walsh child protection bill, passed, signed by the President. We are going to continue to fight for America's values.

I will close by saying, there is a lot we will be talking about over the course of the week. I restate once again that vote will be Friday. Are we ready to address a permanent solution to the death tax this Friday? We are going to say yes or no. If it is no, we are not going to do it this year. Extension of tax relief, the issues and the policies that I outlined before, we are going to do them now, this week, or we are not going to do it, as well as the minimum

wage. Remember, if we pass it this week, or if we demonstrate that we are going to pass it this week, people across this country who are making the minimum wage will have that minimum wage go. It has already passed the House, from \$5.15 to \$7.25, a \$2.10 increase, if we vote correctly on this Friday.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I wanted to correct the RECORD. I spoke inaccurately in that on the issue of pay-go, there is available under pay-go approximately \$300 billion to cover the cost of this tax bill. In one 5-year period, it may be out of compliance, but over the entire 10-year period, it is clearly within compliance. I did want to make that clarification.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

GULF OF MEXICO ENERGY SECURITY ACT OF 2006

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. 3711, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 3711) to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes.

Pending:

Frist amendment No. 4713, to establish an effective date.

Frist amendment No. 4714 (to amendment No. 4713), to amend the effective date.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, we just heard an interesting exchange between the Democratic and Republican leaders about the week's agenda. The Democratic leader indicated that this was a do-nothing Congress and in the same remarks he indicated he was going to try to keep us from doing something this week. As the occupant of the chair has frequently said, block and blame. But the truth is, it must be confusing for the people in the gallery and for those who might be watching on television to try to figure out in the middle of all this what is happening. Let me explain it again before addressing the Gulf of Mexico Energy Security Act, which is my principal reason for rising at this point.

This week, we are considering four bills, each of which enjoys bipartisan support: the Energy Security Act, which I will get back to in a minute, but also the Democratic version of the increase in the minimum wage, a tax extender bill that enjoys broad bipartisan support, and a modification and

permanent reduction of the estate tax which also enjoys bipartisan support. So the Senate will have an opportunity, as the majority leader pointed out, later this week to do what it is about to do at 5 o'clock this afternoon on this important Gulf of Mexico Energy Security Act. We saw a vote yesterday in which 20 Democrats joined all but one Republican to discontinue debate and move toward passage of an extraordinarily significant Energy Policy Act. And there are a number of heroes and a heroine who have been involved in this process.

First, the chairman of the Energy Committee, Senator DOMENICI; this is a singular accomplishment for his leadership. He stepped into the breach, was able to figure out exactly what the Senate could handle and was willing to pass on a bipartisan basis some 3 or 4 months before an election and carefully crafted a compromise that will succeed this afternoon in making a major step forward in addressing our shortage of both domestic oil and natural gas.

Another hero in this story is the Senator from Florida, MEL MARTINEZ. He stepped up to the plate and protected the interests of his State by getting a boundary around the gulf portion of Florida that ensures, up until 2022, that there be no exploration and drilling. There had to be Democrats for this to go forward. Senator LANDRIEU was able to very skillfully line up, as of yesterday—and we assume many of those 20 Democrats who voted for cloture yesterday will be there today—20 Democrats for final passage. Her colleague, Senator VITTER, and, for that matter, all of the gulf coast Senators who reached in to this atmosphere and realized a significant accomplishment would be available on a bipartisan basis that would benefit their States. And for other Members of the Senate not on the gulf coast who realize that getting money for the Land and Water Conservation Fund is an important step forward, a kind of permanent revenue stream for land and water conservation, all of these forces came to work, and we had an example of the Senate working in its finest tradition on a bipartisan basis.

We will have that opportunity again at the end of the week, as the majority leader pointed out, as we have our last chance this year to get an increase in the minimum wage, a permanent solution to the onerous death tax, which is coming back at a confiscatory rate in a few years, and a tax extender package that is widely supported on both sides of the aisle.

Hopefully, the Senate will not block and blame but act in the best interest of the American people later in the week.

Now let me address my remarks specifically to the Gulf of Mexico Energy Security Act. I know that some have said this bill goes too far and others have said it goes not far enough. With apologies to Goldilocks, I think this bill is just right.

We have only reached the point of what I believe will be final passage of this bill after the negotiation I described earlier in the best tradition of the Senate—bipartisan negotiations producing an extraordinarily important piece of legislation. Senators from both parties have worked diligently and in good faith to craft legislation that could win the support of as many Senators as possible. This bill has the support of every single Senator from a Gulf State.

I am pleased to be a cosponsor of the bill and to have been involved on behalf of the leadership in these seemingly endless discussions that went on for the last couple of months in order to put this together.

I know a little something about marshaling support for a bill. Believe me when I say, although this bill may not have in it everything everyone wants, it will greatly improve our country's energy independence and move us toward greater economic prosperity and stronger national security. And it is absolutely the best bill the Senate could pass at this time.

High energy costs are hitting Americans in their pocketbooks because of supply problems for oil and for natural gas. This bill will begin to alleviate our supply problems and provide us with greater independence from foreign sources of energy. The Gulf of Mexico Energy Security Act of 2006 will open up over 8.3 million acres of the Outer Continental Shelf for energy exploration. The Department of the Interior estimates that this area will yield at least 1.26 billion barrels of oil and 5.83 trillion cubic feet of natural gas. That is more oil than the proven reserves in Wyoming and Oklahoma combined. That is enough natural gas to power nearly 6 million homes for at least 15 years.

The price of crude oil, as recently as mid-July, reached a whopping \$77 a barrel. Compare that with the price of \$34 a barrel in July 2004. Increasing our domestic supply of oil is the only way, in the long term, to bring those prices down. The same holds true for natural gas prices, which also have skyrocketed in the last few years.

As we all know, the price of natural gas is set domestically in America, unlike the price of oil. So we can have a direct impact on natural gas prices in America by increasing the supply. We all know we need to reduce our dependence on foreign sources of energy. The current strife in the Middle East and the rising level of threatening rhetoric from Iran all affect the price of energy in the world market. The more oil and gas we produce domestically, the more we can insulate ourselves from events over which we have little or no control.

Rising energy prices also threaten America's economic vitality. High energy costs hamper our industrial competitiveness, as companies choose to produce goods in other countries where their costs will be much lower. For the goods produced here, prices are higher

to take account of those higher energy costs.

The National Association of Manufacturers estimates that from 2000 to 2005, this country lost 2.9 million manufacturing jobs, due in part to high energy costs. Not only will this bill alleviate that problem by boosting America's energy supply, it will also generate revenues from lease sales, all of which are brand new. And 37.5 percent of those revenues will go to the Gulf States of Alabama, Louisiana, Mississippi, and Texas for coastal protection, restoration, and mitigation. Another 12.5 percent of the revenues will go to the Land and Water Conservation Fund, which will distribute the money to State and local governments for the improvement of public parks and recreation areas.

Finally, the remaining 50 percent will go to the General Treasury of the U.S. Government. Because this revenue comes from new leases, this will be an increase of funds—an increase, new money—to the General Treasury.

I also remind my colleagues that S. 3711 ensures that we carry out this energy exploration without sacrificing environmental concerns. This bill will install a 125-mile buffer against energy development in waters off of the coast of Florida, thanks to the negotiations of Senator MARTINEZ, as I indicated earlier. He has protected the coastland of his State. And the bill will extend until the year 2022 a moratorium on energy development in certain areas of the gulf that this Senate has decided are too close to the coastline. Again, that is at the insistence of Senator MARTINEZ.

This bill should garner all of our colleagues' support. It takes a step forward for our country's energy policy. I also thank the majority leader for all of his hard work to shepherd this bill to what I believe we are going to witness this afternoon, which is a strong, bipartisan vote of support. The Senate should pass it. It will reduce America's dependence on foreign sources of energy, while strengthening our economy.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I thank the Republican whip for his remarks. I will address them in the same context, first, the earlier debate, what we are considering in the business of the Senate this week, and finally this bill that is pending before us.

What we have before us this week is a historic decision to make. It is a historic decision because, if the Republican majority prevails and if the bill, which they are asking us to pass, is enacted and signed by the President, what we will do is add dramatically to the national debt of America.

This morning's Washington Post suggested that the repeal of the estate tax will cost us, with interest over a 10-year period of time, about \$750 billion.

This Federal estate tax affects very few Americans—only those in the highest income categories. It is a tax that is imposed on about 2 out of every 1,000 people who die in the course of a year—2 out of 1,000. So 8,200 families each year will get a tax break if the Republican proposal is enacted. Those families, on average, will be spared paying a Federal tax, on average, of \$1.4 million.

When you project that over a long period of time, it means that we will be paying out—I should say not collecting—\$750 billion that otherwise would have come into our Treasury. The responsible thing to do, for either side of the aisle, if you are going to take \$750 billion out of the Treasury, is either cut spending by that amount of money or impose another tax, another revenue source. That would be pay-as-you-go. So you would balance the books. You would say, for example, it is so important for us to reduce the taxes paid by 8,000 families a year—the highest income families—that I would propose raising another tax or I would propose making a cut. But that is not what is happening.

What is happening has become the ordinary course of business under our friends on the Republican side of the aisle. They continue to spend money and they continue to cut taxes without any concern for the impact on our national debt. Here is the record that Republicans have written on the budget: 4 years in a row of record deficits in the United States of America. In the closing years of the Clinton administration—and you can find this in the publications of our Government—we were generating surpluses. For the first time, we had turned the corner; we were reducing the national debt of America, strengthening the Social Security trust fund, and we had reached a point where we were moving forward with confidence that Social Security would be stronger for years to come and we would not be heaping more and more debt on our children. That was at the end of the Clinton administration.

Then came the Bush administration. President George W. Bush, in the 6 years he has been President, in the 4 years the Republicans have been in charge in the Senate, has seen record deficits. The debt is projected to soar under the Republican policies, this one-party rule in Washington—with the President's party in the White House, obviously, and in the Congress, the debt is projected to soar to more than \$11 trillion by 2011. It will more than double; their policies will more than double foreign-held debt in 5 years, which I will speak to in a moment. There will be little real revenue growth since 2000. Every penny of the Social Security surplus, \$2.5 trillion, will be spent on tax cuts, such as these, for wealthy people in America; and we will find that we are getting deeper and deeper in debt.

Let me illustrate that in a chart which Senator CONRAD, our ranking

Democrat on the Budget Committee, uses. This is his "wall of debt." This indicates what has happened since 2000, when President Bush came to office. He faced \$5.8 trillion in debt. That was the entire accumulated debt of America, \$5.8 trillion, when President Bush was sworn into office. Now, by the year 2006, that number is up to \$8.5 trillion. Think about that. It went from \$5.8 trillion up to \$8.5 trillion today—under the people in charge who call themselves "fiscal conservatives." The debt of America, as projected under their policies, will rise to the level of \$11.5 trillion by 2011.

So by the policies President Bush and the Republicans in Congress put into place when they came to Washington, projected out over the 10-year period—that is how we do our budgeting here—it doesn't quite double the national debt, but it comes very close. Where do we get the money to do this? How can we continue to spend money we don't have? How can we build up all this debt? Who is going to provide the mortgage for America?

Well, it turns out that this President has found a source which he uses, which is historic. President Bush has turned to foreign governments to borrow money to sustain this overspending and cutting taxes without cutting spending. President Bush has more than doubled the amount of American debt held by foreign governments in 5 years. It took 42 Presidents in the history of the United States 224 years to build up \$1.1 trillion in indebtedness to foreign governments. This President, in 5 years, has more than doubled that amount.

So who are our bankers? Who are America's mortgagors? When you look at the world's biggest borrowers, the United States dominates the scene. We borrow more money from around the world than anybody; 65 percent of all of the borrowing in the world comes from the United States. For instance, this estate tax repeal—by heaping on another \$750 billion of debt on America that is not paid for and could rise as high as a trillion dollars, we have to turn to somebody and say loan us the money so we can give a tax break to the wealthiest people in the world. And we borrow more money than any other country. Other countries pale in comparison in terms of how much they borrow. Who are these mortgagors, these bankers who come to our rescue and loan us the money? No. 1, Japan; 2, China; 3, United Kingdom; 4, oil exporting countries—a recurring theme in our policy, our dependence on oil exporters—South Korea, Taiwan, and so forth.

So what we are doing is asking them to loan us money so we can give tax breaks to wealthy people. That is what this choice is this week. How bad is this? Well, the General Accounting Office Comptroller, General Walker, chosen by the Republicans, a very bipartisan man—I respect him. I wasn't sure when he came in if he had a political

agenda, but he has been proven as a leader at the GAO who calls them as he sees them. Sometimes his messages make Democrats happy, sometimes they make Republicans happy. But I believe he does his best to be honest and candid. He said:

"Our problem is our large long-term deficit, and the sooner we deal with that the better," said Comptroller General David Walker. Walker warned of a false sense of security. We are in much worse shape fiscally today than we were a few years ago.

That was an interview in the L.A. Times of July of this year.

So this week, the Republicans will make this proposal: If we will agree to reduce and eliminate, in some cases, the estate tax on the wealthiest Americans who pass away—8,200 of them each year—then they will agree to increase the minimum wage for workers across America.

The difference is stark when one looks at the beneficiaries. The numbers tell the story: 8,200 families benefiting from a reduction in the estate tax to the tune of 41.4 million each family by average; the minimum wage affects 6.6 million beneficiaries, and their average benefit is \$1,200. A \$1,200 minimum wage increase; \$1.4 million in estate tax relief or reduction for the wealthiest people. The ratio is 1,000 to 1; 1,000 to 1 the benefit for the wealthier people in America from the estate tax versus the benefit from the minimum wage.

And who will pay for this repeal of the estate tax? Our children will pay; the next generation will pay. America will go deeper into debt because the Republican leadership is going to add dramatically to the national debt of America. That is not responsible. It really doesn't have the best long-term interests of America in mind.

Many of us are concerned that those who work hard every day have been waiting 9 years for an increase in the minimum wage. For 9 years, the Republicans have stopped us from increasing the minimum wage. Imagine for a moment, if you will, trying to live on \$5.15 an hour. Who are these people? They are the people who cleaned your hotel room this morning. They are the folks who cleared the table of dishes when you were finished at the restaurant. They are the ones who are watching your children at the daycare center. They are the people who are probably frying the hamburgers back in the little shop where you went in for lunch. They are making \$5.15 an hour. That comes out to about \$10,000 a year. Can you imagine? Can you imagine trying to get by, and imagine still if you have a child trying to get by?

For 9 years we said to the Republicans: Shouldn't we turn to the bipartisanism of increasing the minimum wage? That is just basic fairness, a humane approach to dealing with people. They have said no repeatedly. It is one of the longest stretches of time in American history that we have failed to increase the minimum wage.

So now this week they have said: We have a bargain for you. If you will cut

the estate taxes on the wealthiest Americans, if you will build up debt for future generations of \$750 billion or more, if you will cause us to borrow more money from foreign governments to sustain this indebtedness in America, if you will do that, then we will consider giving some of the hardest working, lowest paid Americans an increase in the minimum wage.

Doesn't this tell the story? Doesn't this tell the story between the differences between the two parties and their approach and attitude? We believe that an increase in the minimum wage is good for America and good for people who get up and go to work every single day. We think it is good for families, and it is good for their children. We think it is good for us in the long haul to reward work and to give a decent wage to people who get up and go to work. The Republicans, for 9 years, have said no.

We also think if you are going to cut taxes, for goodness' sake, why don't we start by trying to help working families? Wouldn't we be better off as a nation to talk about tax cuts that are limited and focused instead of these that are absolutely out of control? Wouldn't we be better off as a country saying working families, middle-income families could deduct the cost of college education expenses for their kids?

Isn't that a much better investment in our future than saying the wealthiest people in America, those who have benefitted the most from living in this great Nation should be spared and resolved from paying their taxes to our Government?

Shouldn't we be helping these working families and small businesses when it comes to providing health insurance? That is an increasing cost for most families, and certainly for small businesses. That is worthy of a tax break, one that means families will have peace of mind to have basic health insurance. These are things that most Americans would applaud.

But, no, the Republican proposal is take it or leave it. You either give a tax cut to the wealthiest Americans at great expense to our Government, increasing our national debt dramatically, or the Republicans say: We won't increase the minimum wage for the hardest working workers in America.

I think that is a terrible idea. I hope we come to our senses. I hope we say to Republicans there is something more to life than rewarding those who are the most comfortable in America.

This is a time in America's history when we are asking for sacrifice. We are asking for great sacrifice from our men and women in uniform and their families, many of whom have given their lives for our country, many of whom have left behind grieving families who will never get over their loss.

We usually say in time of war: America has to pull together; we all have to sacrifice together. Back in World War II, there were savings bond drives, col-

lection of metals that might be important in the war effort, and victory gardens. People really pulled together.

This administration and this Republican Congress see it differently. When they ask for the greatest sacrifice from families who provide our soldiers and give them the support they need, they turn around and say to the wealthiest people in America: You don't have to sacrifice anything. In fact, we will give you a tax break.

This is the first President in the history of the United States of America who has cut taxes in the midst of a war, the very first. For obvious reasons, it makes no sense. If you faced a medical crisis in your family, if you faced medical costs in your family that exceeded your health insurance, medical costs that might wipe out your life savings, would you consider it responsible at that point to put an addition on your home or take a luxury vacation? No, you would make the commonsense, reasonable decision that in time of great need we cannot afford luxuries.

But listen to this administration and this Republican Congress: In time of war, a war that costs us \$3 billion a week, they are proposing tax cuts for the wealthiest people in America. Think of it: the debt that future American generations will face because of this war is going to be increased by this tax cut for the wealthiest people in America. It tells the whole story about their priorities.

So as we bring this week in the Senate to a close before the August recess, I believe there is a report card which the American people would like to have us address. The first part of the report card is this: What are you going to do about the war in Iraq? The Democrats came together—the leadership in the House and the Senate—and said to the President in a letter we sent just recently that it is time to start bringing American troops home. We have lost 2,573 of our best and bravest. They are now in a crossfire of a terrible civil war where 100 Iraqi civilians are being killed on average every single day.

We have had promises over and over again that the Iraqis will stand up and defend their own country. Yet they have not done it, at least not to the extent where any American soldier has come home. It is time for that to change.

It is time for change in Iraq. The Republicans don't want to address this issue. During the debate on the Defense authorization bill, they offered no amendments in terms of Iraqi policy. They rejected our effort to start bringing American troops home this year. They say: We are going to stay the bloody course in Iraq.

It is sad. It is time for us to assess honestly our future in Iraq.

The scorecard would obviously go to energy costs. As I travel around Illinois, and other Senators in their States, people are paying more for gasoline and hardships are being created. I

was in Decatur, IL, on Saturday and had a roundtable. People came in and talked about the impact of gasoline costs on their lives and businesses. There were businesses large and small. There was a trash hauling business which has a lot of big scavenger trucks on the road around Decatur talking about increased costs. A woman came in from the UPS with 700 trucks that she moves around downstate Illinois and talked about the increased diesel costs. We had concerns, as well, from our veterans. There was a group that forms an honor guard and volunteers to perform an honor guard at military funerals. They travel about 1,200 miles a year to 150 funerals where they present the flag and have the appropriate respectful sendoff for the veteran who has died, and they are talking about the increased cost of gasoline.

Families and businesses, large and small, farmers—they are all talking about that. Yet the best we can do for an energy policy is the bill pending on the floor which will allow more drilling in the Gulf of Mexico but which will come up with only a few months' worth of natural gas for America and a few months' worth of oil.

We are not addressing the larger questions—questions, for example, about why we don't have CAFE standards for more fuel efficiency and fuel economy for the cars and trucks that we drive. This Congress, this Republican-led Congress has not seriously engaged in that conversation.

There is no conversation about giving businesses, small businesses across America and the people of this country the same basic health care protection that Members of Congress have.

That is what the Democrats believe we should do and move forward to do as quickly as possible.

We also believe when it comes to jobs in this country, this is an issue often overlooked. Our Tax Code rewards companies that send jobs overseas, and that has to stop. We have to have an increase in the minimum wage and not be held at gunpoint to say you can only have it by cutting the estate tax. The agenda is clear for America, but it is not the agenda of the Senate. That is why this November there is an appetite for change and leadership, a change in direction, a significant change for a new direction in this country.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from Alabama.

Mr. SESSIONS. Mr. President, one thing we are about to do today after many objections and difficulties over the years from the Democratic leadership is to pass a bill that will allow offshore production of oil and gas. It will absolutely positively affect the pocketbooks of American citizens.

This is a bipartisan effort, although as one can see from my colleague and his polemic—political polemic—that he just completed, even the Democratic leadership is not comfortable with making progress, but many of the Members are.

Before I talk about the energy bill, I want to take a moment to respond.

He talked about the war. We had a vote on withdrawal from Iraq. It was 93 to 6 against that. We voted a year later on it again and only 13 Democrats voted for it then.

We need to have more bipartisan work to accomplish issues that are important to the American people, and we can do it. But we are being driven by the politics of elections, and I don't think it is healthy for us. That is the way it goes around here, unfortunately. We will continue to proceed.

I just want to know how the Senator comes up with this number, 700-something billion dollars of costs for the partial repeal of the death tax. Who knows where that number came from? The Congressional Budget Office which, in my view, tends to overscore, making it higher than reality, said it was \$260 billion over 10 years. I submit that even this is a high number. I submit also that we have voted in this body—and it is now the law of the United States—that in 2010 the death tax will be completely eliminated. It phases out and goes to zero, but if we don't do something about it permanently, it will go back to 55 percent. Plus, if a State has another 5 percent, such as Alabama does, that is 60 percent of a person's net wealth confiscated by the Government. The polls show the American people are not happy with that. They don't think that is legitimate.

So we spend a lot of time here figuring out how to make this death tax law stable so that people know what they are facing and what they are going to have to pay and what their families will have to pay.

We looked at it, and we have come up now with a flat rate of 30 percent for estates that would qualify at that level. That would be the maximum rate—not 55 but 30, a compromise that deals with this extraordinary confiscation of wealth by the Government of people who have worked hard, have paid their taxes, made money, paid a third of it to the Government, saved something for their children, and then the Government comes in and takes 55, 60 percent of it.

We do not think that is fair. The American people do not think that is fair. Polling data shows they do not think that is fair. This is a matter we need to fix.

We have this zero rate out there at 2010, about a little over 3 years from now, that we need to fix—a permanent fix. We are on the verge of doing that. We will have bipartisan support for that despite the assistant Democratic leader's arguments against it. We need to work on these things. We can and will move forward with that proposal.

Also, our Democratic colleagues say they wanted the minimum wage raised, according to the Kennedy bill, and so as a compromise we proposed to do that and work that out. That is where the negotiations are going. Hopefully we will be successful in that.

Mr. President, I will talk briefly about some good news, for a change.

We have had, I have to say, Members of this body—almost entirely on the other side—who have blocked energy production in our country for a number of years. It has caused the cost of living and the price of gasoline, natural gas, and heating oil for Americans all over this country to go up.

What have we seen in the 10 years I have been here? We have seen this. We have seen the proposals to produce oil and gas from the vast Alaskan ANWR region blocked. A substantial majority of Senators have voted for it, but the Democrats have been able to block it with a filibuster each time.

We have had a long-term battle on nuclear power, and just this last fall that battle broke in the right direction. We have not had a nuclear plant for over 30 years in this country. We are burning a lot of natural gas to generate electricity when it could be produced for a fourth or a fifth of that cost by nuclear power with no air pollution. Also, it wouldn't drive up the cost of natural gas for heating our homes. We have had that nuclear power blocked. Finally, we passed a bill that gave us the opportunity for more nuclear power. We now have 18 different preliminary requests to develop new nuclear powerplants in America, all filed within a year of the bill's passage. The Tennessee Valley Authority in my home State—and we have two nuclear plants in Alabama—tells me that nuclear power comes in at 1.2 cents per kilowatt hour compared to 1.8 cents for coal—that is 50 percent higher for coal—and natural gas at 6 cents, five times as much. We need more nuclear power. Finally, under the leadership of President Bush and this Congress, we have moved forward in that direction. That is positive.

We have also passed an energy bill that enhances wind, solar, and ethanol, and included mandates that will cause us to utilize more of our domestically produced biofuels—something I support.

I have worked with Senator EVAN BAYH, Senator JOE LIEBERMAN, Senator SALAZAR, Senator BROWNBAC, Senator LINDSEY GRAHAM and others on this issue. We have a bipartisan group to treat energy production as a national security issue. And we should.

It requires conservation. It requires efficiency. It requires biofuels. It requires enhanced production.

Nobody suggests our demands are going down. We can do better to contain the growth in demand, and we should do everything possible to do that, but the world is growing economically and more people are utilizing energy and it is causing shortages and driving up the price.

So let's celebrate a little bit. We had a vote yesterday. The opposition to drilling in the Gulf of Mexico has broken. It was, I believe, 72 to 23 against the filibuster of this bill. So I believe we are heading toward passage of it,

and it is a fabulous thing. We would be so much better off today had we passed this legislation 5, 6, 7, or 8 years ago. But we have had a moratorium on drilling in huge portions of the Gulf of Mexico. Around Texas, Louisiana, Mississippi, and Alabama—off our shores, pretty far out in the gulf in most cases are some 4,000 producing oil and gas wells. But a few areas of the Gulf of Mexico, with very large reserves, have been under a moratorium. We have been blocked by law from having production in those areas. As a result, we have sent around the world huge amounts of American wealth, the wealth earned by American citizens—huge amounts of that to other nations, many of them not friendly to us. As a result, it has made the price of gasoline and natural gas for American citizens higher. It has resulted in many of my constituents and others around the country paying \$50 or \$75 more a month for gasoline so they can go back and forth to work—money they didn't have to spend on that a year or two ago. Prices have gone up.

We have ceased to expand our domestic production. We have had to buy it on the world market, 60 percent from foreign nations, many of those hostile to us politically and otherwise. It is not a good thing.

One of the things we need to do is to make a step in the direction of producing more at home. It is overdue. I am glad my colleagues on the other side have moved forward.

Once again, we had to reach a compromise. We talked with Senator MARTINEZ and Senator NELSON of Florida and they have come around to this 125-mile buffer zone around Florida. That is far more than I think is necessary, but certainly there are strong feelings in Florida about it. Under all the circumstances involved, I think it is a good decision. I am prepared to go forward with that. I would like to see more, but this, certainly, with 8.3 million acres that could be produced, will provide an opportunity for us to get out there, prove these reserves exist, and have production there.

I want to say one thing here. I want to be clear. This is very important. It is not correct it is exactly wrong, in fact—and it must never be the policy of this Senate, this Congress, or this Government to conduct drilling anywhere for the purposes of helping oil companies. That must never be our mission. Our mission must be to study what is happening in our country and in our world and to take actions that will help reduce the cost of energy for American citizens. That is what our responsibility is. That is our duty.

Congress has created laws that put a moratorium on production on areas where large reserves exist. I don't know what oil companies may desire to produce there. Most of them out there, I understand, are independent firms doing the production, but regardless, whoever produces it, that is not whom I am trying to help.

If we produce more natural gas in our domestic system, we help drive down the cost of natural gas. In fact, this production could have a larger impact on natural gas than it is likely to have on gasoline. It should really have a positive impact on both.

Let me show this chart. I didn't realize this originally. I met a businessman in Alabama. He has a big chemical company, an international company. He was telling me how much his natural gas costs have gone up and he said it is hurting him. It is putting his business in a position where they might have to close it or cut back.

I said, Why? Aren't other places in the world paying more?

He said, No.

I suppose that is the first time I realized that fact. You know, for gasoline, we pay \$3 a gallon here. It is \$7 or \$8, or more in Europe—more in Japan, I think. So I have always thought we were cheaper.

But look at this chart. In the United States we are now at \$8.85 per million Btus of natural gas. Lots of Americans heat their homes with natural gas. Lots of American electricity is generated by natural gas. Lots of businesses utilize great amounts of natural gas in their chemical and other processes that they need to be successful.

But look at these numbers. In Trinidad it is \$1.60. Bolivia is \$1.65. Even in England—the United Kingdom, it is \$7. In Belgium, \$6.95; in Russia, \$1.20; Ukraine, \$2.70. In the Gulf States, it is a little over \$1. Even in China, it is \$5.05. In Japan, it is \$6.05.

If you are a business and you make fertilizer with natural gas—we make fertilizer, plastics and other things from natural gas—it is clear that our corporations and businesses that hire Americans are having to pay more, as are consumers of natural gas, than many areas around the world.

I say that to say this has a potentially significant positive impact for our economy if we can knock down the price of natural gas. Natural gas goes into pipelines. It is moved by pipelines throughout our country. We have the pipeline infrastructure. We have the pipelines on the coast. We have a pipeline right now that runs from Mobile, AL, across the gulf to take our natural gas that we produce—that Florida does not produce—to Florida so they can generate electricity or do other things with it in Florida. They can have their air conditioning running and live near the beach and be comfortable.

Somebody has been producing it. We have been producing it on the western part of the gulf. We need to produce it further toward the East.

Natural gas is not easily transported. Only 2 percent of our natural gas comes from LNG, liquefied natural gas. That gas is cooled tremendously, it becomes a liquid instead of a gas, it is put in a ship, and it is brought to the United States. Then it has to be heated up, returned to its gaseous state, and then put in the pipeline.

That is what we do. We do very little of that because natural gas is primarily a domestic product. So the more natural gas we can produce in the gulf, the more likely we will see these prices decline. If we have more nuclear power to generate our electricity with rather than natural gas, we could also see a decline.

What I am saying is that I am not here, and the people in support of this bill are not here, to say we want to help energy companies.

We want to create a market out there that would contain the rising cost of gasoline and natural gas.

I will note that it is a good thing for me that after all these years, some 40 years of production in the gulf, some 4,000 wells that are offshore, that for the first time the Gulf States that have been bearing the brunt of this effort will receive some funds from it, 37.5 percent—a little more than a third of the value. Two-thirds will go to the Federal Government, 63 percent will go to the Federal Government through either the Land and Water Conservation Fund, which will be spent all over the country on environmental matters, or for the General Treasury.

I think that is a good mix. I think it is fair. It will be limited, however, to be spent in the Gulf States for things that benefit the environment and the Nation. We have people from all over the Nation who come and enjoy our coast. The funds will be utilized for coastal protection, mitigation in damage to fish, wildlife, and natural resources, implementation of federally approved marine, coastal, or comprehensive conservation management plans, and mitigation of offshore drilling activities through funding of offshore infrastructure projects.

Yes, for the first time there will be some sharing with the States on this offshore production, but it is not a huge amount, No. 1.

No. 2, the funds are to be used for conservation-type programs that will benefit the entire Nation.

In conclusion, I believe that what we are doing now is a direct response to the cries of Americans working citizens and middle-class Americans who are concerned about their high heating costs. They are concerned about their high gasoline costs. They are concerned about our wealth being transferred overseas—\$200 billion a year is what we pay for oil and gas around the world. If we can produce more at home, we can help contain the cost of gasoline and natural gas, and maybe even reduce it. We can keep that wealth right here at home. We can create good, high-paying jobs here. And those citizens with those high-paying jobs will pay taxes to the Government so that we can have money in the U.S. Treasury instead of spending it in Venezuela and having it go into Hugo Chavez's treasury.

I am excited about it. It is historic. I thank Senator LANDRIEU, and I thank other Democrats on their side that are

now coming around to support it. Senator LANDRIEU has been our most knowledgeable supporter on this issue for many years.

I believe we are going to make it happen today. It is going to be good for America. It will be a bipartisan act, and we need to do more of that around here.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I thank the Senator from Alabama for his statement about the efforts we are making today to reduce the price of natural gas and to use the revenues to pay the bills of the Federal Government, while at the same time to spend some of those dollars for conservation purposes, which is a subject that the Presiding Officer, the Senator from New Hampshire, has advocated both as a Member of the House and while he has been in the Senate.

I would like to speak today to the Energy bill, the Gulf of Mexico Energy Security bill. I would like to speak on three points.

The first is to emphasize why it is important, exactly what are we doing, and why is it important to the blue-collar workers, the chemical workers, the autoworkers in Tennessee and in Michigan, to people who are trying to pay their home cooling bills as the temperature soars above 100 degrees, and to farmers who have seen their fertilizer prices double in the last several years all because of the high price of natural gas.

Second, I would like to put this single piece of legislation into some perspective and reemphasize why it is the rest of the story. Most of what we are doing to try to reduce the price of natural gas came with the comprehensive Energy bill last summer. This finishes the job—not completely. We have more to do, but this is something we should have done a year ago. We couldn't command 60 votes then. We didn't have a formula for passing it in the Senate last year, so we left it undone. This finishes that part of the job.

Third, I would like to say a word about what I like to call the outdoor recreation and conservation royalty that this legislation establishes to help create soccer fields and city parks with what we call the State side of the Land and Water Conservation Fund. This Fund, for 40 years, has provided modest but very important Federal dollars to help Americans enjoy our outdoor spaces.

First, why is this so important? We hear a lot of talk about the high cost of gasoline because we are reminded of it all the time when we fill up our tank. It is \$3 a gallon, or \$2.80 or \$3.10. We hear it might go higher. All across the country in American restaurants people are eating out a little less and thinking a little bit more about long drives because of the high price of gasoline.

What if the price of the gasoline at the pump were \$7 a gallon? What do

you suppose the reaction would be in the United States if the price of gasoline at the pump were \$7 a gallon? That is exactly what the situation was in terms of natural gas last year. The price of natural gas went up to \$14 a unit.

Testimony before the Energy Committee showed that if we translated that into gasoline prices, it would be the same thing as if gasoline prices were \$7 a gallon.

That is how big the hurt is. Where does the hurt apply when the price of natural gas is too high, when it is \$14?

Let's start with manufacturing jobs in this country. We hear a lot of speeches being made about manufacturing jobs. Let's not send them overseas, people say. I agree with that. We don't want them to go overseas. What will send them overseas in the chemical industry? There are 1 million blue-collar and white-collar jobs—jobs at Eastman Chemicals in east Tennessee. I have spoken about this many times on the Senate floor. My uncle used to work there. For three or four generations, Eastman Chemicals has been a part of east Tennessee and the Great Smokey Mountains. People came to depend on Eastman Chemicals. It led to strong families, high wages, good schools, and low crime rate. It is hard for people to imagine what life would be like in the Appalachian Mountains in upper east Tennessee if Eastman had not been there for three or four generations.

But how long is Eastman going to stay in upper east Tennessee if the price of natural gas is at \$14? Not long, if what it does is make chemicals. The chief executive of Dow Chemical testified that when the price is that high, his raw material cost is 40 percent of his costs.

When the price, as the Senator from Alabama was saying, of natural gas in other parts of the world is \$2, \$3, \$4, or \$5 a unit, and it is \$14 here, where do you suppose the new chemical plants are going to be built? Not here, not in Tennessee, not in New Hampshire, not in Kansas, not anywhere. In fact, there are about 100 new chemical plants being built around the world today. One is being built in the United States.

There are several reasons for that, but a primary reason is the unpredictable and high cost of natural gas. It is \$7 or \$8 today per unit. But our economy was built on \$2 natural gas. Every little addition to costs in the manufacturing process increases the likelihood that a job, or a plant will go to Mexico or some other place. It is incumbent upon us to do everything we can to keep the prices down: First, to stabilize and then begin to keep the price down.

That is why it is important to begin with manufacturing jobs, and not just the chemical industry.

At a roundtable I had with the Farm Bureau in Tennessee, the chief executive of Saturn, the auto manufacturing plant, said to me: We have done about all we can to save on costs by efficiency. The price of natural gas is raising the price of our cars. If you raise

the price of cars and the supply parts are made in the United States, where do you suppose they are going to be made? They are going to be made in some other country where the price of natural gas is a lot less than it is in the United States.

One-third of all the manufacturing jobs in Tennessee are automotive jobs. In Tennessee, there are not just manufacturing jobs and automotive jobs but jobs in our agricultural community. The Tennessee Farm Bureau was helping to sponsor that natural gas roundtable because in every part of a production-oriented enterprise, which agriculture is, energy adds to cost. It especially adds to cost when we are talking about the price of fertilizer.

As with Eastman Chemicals, natural gas is the main raw material in making fertilizer. So we can begin to see pretty quickly why it is difficult for our economy, on us as families and individuals for the price of gasoline at the pump to be high. I would argue that it is even worse for us for the price of natural gas to be too high because of the effect of high natural gas prices on our jobs and because of its effect on agriculture.

Finally, we are today reminded, certainly in Tennessee and in Washington with the heat going over 100 degrees, of the cost of heating our home in the winter and cooling our home in the summer, which many people do with natural gas.

The price of natural gas is tremendously important. This legislation opens up the most promising new area for the most rapid large amount of new natural gas that is under the control of the United States to come into our system: 8.3 million acres in the Gulf of Mexico where we are already busy producing a lot of oil and gas, where we know what we are doing.

There are a lot of ways to talk about it, but one is to say it is enough to heat and cool nearly 6 million homes for 15 years. Will this by itself stabilize the price of natural gas, by itself lower the price of natural gas back to \$3 or \$4? No. But it is an important part of the whole picture—a part that was left undone last year when we passed the comprehensive Energy bill.

That is my second point. Some have said we can't drill our way out of this problem of high gasoline prices and high natural gas prices. I think we agree on that. Nobody is suggesting that we do so, which is why we passed the comprehensive Energy bill last year. Here is what we did.

We started with conservation. In fact, the name of the bill probably should have been the Natural Gas Price Reduction Act of 2005 because that is the way we began to think about it. We were looking for ways to produce large amounts of clean, low-carbon, or carbon-free energy.

The United States of America uses 25 percent of all the energy in the world. We are not on some desert island. We need a lot of energy. We increasingly understand that it has to be reliable energy. And we increasingly understand it has to be less expensive en-

ergy. Now we understand it has to be clean energy.

In the Great Smoky Mountains National Park in east Tennessee where I live, we have too much sulfur, too much nitrogen, too much mercury in the air. That produces asthma, that produces particulate matters which harms our health. The Smokies has become the most polluted national park in the country. So clean air is important.

A great many people are concerned about global warming—a majority of this Senate is. That is why we in our bill said let's have more carbon-free, low-carbon energy.

What did we say?

First, we had major incentives for conservation and efficiency. Conservation is the place to start in any effort to have large amounts of reliable, low-cost, carbon-free energy.

Second, nuclear power. There is a renaissance of nuclear power in this country. Hopefully, it will continue. Nuclear power not only produces 20 percent of all of our electricity, it is 70 percent of our carbon-free electricity.

If you care about global warming, for example, it is not enough just to care about it—we need to do something about it. The two ways to do something about it are conservation and nuclear power—at least in the next generation.

Third, we had major incentives in the Energy bill last year for clean coal. Many people prefer that as a strategy because it doesn't run into some of the problems in waste disposal and the possibility of nuclear proliferation that nuclear power might.

But there are significant problems with clean coal. One is it is dirty. Even clean coal production is dirtier than nuclear power.

Finally, we don't know exactly what to do with all of that carbon we produce.

We have some inventing to do in order to sequester and recapture the carbon and perhaps bury it.

Because we wanted to get on with natural gas price reduction, we also made it easier to bring in natural gas from other places in the world—freeze it, bring it in, unfreeze it, put it in terminals, and put it back into our pipelines.

That is an elaborate process. But for the next 5 or 10 years, we are going to have to rely on that.

We did some things to make it easier for refineries to operate. There are a variety of other things we did. Last year, we did conservation, nuclear power, clean coal, liquefied natural gas—a number of other things. But the one thing we didn't do enough about was more natural gas supply. We are not going to drill our way out of this problem. We are trying to reduce our dependence on foreign oil and lower the price of natural gas in a variety of ways.

In this transition period, it helps to take the most obvious area of supply

and take it and do something with it, which is what we are doing here.

My second point is we have to finish the job that we started last year. I suspect—I know—there is much more to do. We should be more aggressive with conservation and efficiency, more aggressive in support of nuclear power, more aggressive in research for clean coal. I would like to see us accelerate our efforts for hydrogen fuel cell production and give more incentives for fuel-efficient cars as a way of dealing with reducing our supply of oil on the transportation side. Here we are doing what we need to do to finish the job.

Finally, I will say a word about where the money goes. Before the money goes into the Federal Treasury, it first goes into two important royalties. Royalties are not a new concept. Land owners get royalties when someone finds oil or gas. Then the money goes to the production company or to the State or the Federal Government. The idea of State royalties is not a new concept. If you are drilling for oil in Wyoming, the first 50 cents of a dollar goes to the State for various purposes. If you are drilling in Alaska, 90 cents goes to Alaska and the other 10 cents to the Federal Government.

Senator DOMENICI and the Framers of this piece of legislation wisely said the first 50 cents of the money we get from this deep sea exploration will go to the States. States along the gulf coast get the bulk of it, 37½ percent for wetlands, coastal renewal, and conservation purposes, and the other 12½ percent goes to the State side of the Land and Water Conservation Fund.

The Land and Water Conservation Fund was created by the Outdoor Recreation Resources Review Commission. It was recommended in 1958. It was called the Rockefeller Commission, headed by Laurance Rockefeller. Congress enacted it in 1965. The idea was very simple. When we spend an asset, we create another asset.

In 1977, Congress authorized that one of the sources of funding for the Land and Water Conservation Fund would be receipts from the Outer Continental Shelf mineral lease—in other words, the kind of revenues from the oil and gas drilling we are authorizing today. Congress has authorized in the law that we spend \$450 million a year on the State side. It goes to States for city parks, soccer fields. The amount of money has gone up and down over time, so in 1985 and 1986 President Reagan's Commission on Americans Outdoors, which he asked me to chair, and I did, recommended we make some of that money permanent. So for the first time in 40 years, this legislation does just that: 12½ percent of the revenues go for the State side of the Land and Water Conservation Fund.

Exactly what are we talking about? Since 1964, the State side has created improved parks and forests in all 50 States, helped to create more than 40,000 athletic and playing fields, 12,000 hiking trails, 20,000 family picnic loca-

tions, 5,000 campgrounds, 10,000 swimming and boating facilities, and 600 hunting and nature areas.

In Tennessee, since 1965, our State has received 170 Land and Water Conservation Fund grants totaling \$67 million in Federal dollars. It has been vital to stretch local matching dollars to fund the acquisition of parks, ballfields, trails, and playgrounds across Tennessee.

The funding has been modest. The new funding in this bill is modest, but it is important. It will grow over time. It has been recognized by those who have worked for a long time to support the Land and Water Conservation Fund.

I have a letter from Patrick Noonan and Henry Diamond. Mr. Noonan is the founder of the Conservation Fund and is chairman emeritus. Henry Diamond is the former commissioner of New York Parks and Environment and was involved in the writing of the original Land and Water Conservation Fund in 1962. They say:

If the precedent of a conservation royalty can be established, it would be an important first step in the right direction, one that we have spent 40 years attempting to achieve.

I ask unanimous consent to have printed in the RECORD the letter from Mr. Noonan and Mr. Diamond, written in their individual capacities.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, DC,
July 21, 2006.

HON. LAMAR ALEXANDER,
U.S. Senate,
Washington, DC.
HON. KEN SALAZAR,
U.S. Senate,
Washington, DC.

DEAR SENATORS ALEXANDER AND SALAZAR: We are writing to express our strong support for the concept of permanent federal funding for the state side of the Land and Water Conservation Fund. If the precedent of a conservation royalty can be established, it would be an important first step in the right direction, one that we have spent 40 years attempting to achieve.

We and others have long advocated the principle that some of the funds from offshore oil and gas drilling should become in effect a royalty for conservation and outdoor recreation, providing a reliable and permanent stream of funding for the Land and Water Conservation Fund. This basic concept was put forward by the Rockefeller Commission to President Kennedy and the Congress in 1962 and was also a primary recommendation of President Reagan's Commission on Americans Outdoors in 1986. Unfortunately, during the last 40 years, the Land and Water Conservation Fund has been subjected to the unreliable annual appropriations process. During recent years, those appropriations have averaged less than \$100 million for the state side of the Land and Water Conservation Fund and this the Administration recommended zero.

Our goal is full funding for both the federal and state side of the Land and Water Conservation Fund, each of which is authorized at \$450 million per year. At a minimum, we believe there should be \$125 million a year available for the state side now and \$450 million no later than 2017.

Sincerely,

PATRICK F. NOONAN.
HENRY L. DIAMOND.

Mr. ALEXANDER. Mr. President, I salute Senator DOMENICI, Senator SESSIONS, Senator LANDRIEU, Senator VITTER, Senator MARTINEZ, and many others who have worked hard on this piece of legislation.

Two years ago, the idea of giving additional authority for offshore drilling for oil and gas was an unmentionable subject around here. No one would bring it up in polite conversation.

Last year, with the price of natural gas reaching \$14 a unit, we had about 50 Senators who would support it, but that wasn't 60. Yesterday, I believe we had more than 70 on the cloture vote.

We recognize there are environmentally sound ways to go a long way offshore, as we are here, where we cannot see it from the shore, and look for oil and gas. We have learned to do that in a way that is so safe that less oil and gas seeps into the ocean from that process than comes from natural seepage out of the ground. We have learned to do that and to do that well.

We have also come a long way in recognizing that it is good policy to say if we are going to spend an asset—and by that I mean create an environmental burden—drilling for oil and gas, we ought to create an asset and spend some of the money for wetlands in the more affected States and through the State side of the Land and Water Conservation Fund in all of the other States.

This is an important piece of legislation. It helps blue-collar workers. It helps farmers. It helps homeowners who are paying skyrocketing bills to deal with 100-degree heat. It helps reduce our reliance on parts of the world such as the Middle East where we should not be importing as much oil and gas, and it establishes for the first time good clear policy about how and when we take initial steps of offshore drilling. We not only should do it in an environmentally sound way, but we should use some of the revenue to create other conservation and outdoor recreational assets.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, we heard debate start this morning on permanently cutting the estate tax. I heard some of my colleagues again this morning refer to it as the death tax.

There is no death tax in America. We have no tax that applies at death. We do have an estate tax. We have a tax on wealthy accumulations that occur in families. That tax does not affect an individual unless they have at least \$2 million. For a couple, that would be \$4 million before they face any estate tax.

Of course, my colleagues know there are many ways you can further reduce the taxes that apply to wealthy estates. But the first thing we ought to say clearly and directly to the American people is, there is no death tax. There is no tax that applies at death. None.

One of the most interesting stories I have heard was a colleague of mine who was at the airport. A baggage handler said to him: My God, you have to get rid of that death tax. That is going to affect my family.

And my colleague said to him: Unless you have at least \$4 million as a family, you do not have to worry about any death tax because there is no death tax.

This baggage handler was completely shocked to hear there was no death tax. He has heard over and over and over there is a death tax. He believed it. Everyone in this Senate knows there is no death tax.

What is most extraordinary about the proposal before this Senate is the context in which it occurs. Our country is deep in debt—deep in debt. Now our friends on the other side, their idea in the last week we are in session for the next month is to come out here and put us deeper in debt. Dig the hole deeper and deeper and deeper. What an extraordinary proposal that is.

And for what purpose? To help the struggling middle class? No, no, they are out of this. This is not even the upper class. This is the wealthiest among us. That is who this is designed to help.

Here is our current circumstance. The deficit last year was \$318 billion. The deficit for this year is now projected to be just under \$300 billion, some modest improvement in the deficit.

But that completely misses the point because at the same time the deficit is showing some modest improvement, the increase in the debt is getting much worse. Last year, the debt increased by \$551 billion. This year, we now project the debt will increase by almost \$600 billion.

Someone out there listening might say: How can that be? How can it be the Senator is saying the deficit is less than \$300 billion, but the debt is going to increase by almost \$600 billion? How can that be?

That is largely because under the President's plan, they are also taking hundreds of billions from Social Security to use to pay other bills. All of it gets added to the debt. None of it gets counted for the deficit.

This chart shows the deficit for 2006 just under \$300 billion. Here is the amount added to the debt—almost \$600 billion. And you can see the biggest difference between the deficit and the increase in the debt is the amount of Social Security money that is being taken to be used for other purposes: \$177 billion in this 1 year alone, Social Security money taken to pay other bills. And, of course, it all gets added

to the debt. None of it gets counted to the deficit.

When one looks at what is happening to the debt, here is what one sees: We are building a wall of debt that is extraordinary. At the end of this President's first year in office, the debt was \$5.8 trillion. We do not hold him responsible for the first year. But at the end of this year, the debt will have climbed to \$8.5 trillion. And if the President's plan is put in place, for the next 5 years, the debt will go over \$11.5 trillion.

The debt under this President has taken off like a scalded cat, and at the worst possible time. The debt is increasing before the baby boom generation retires.

What are the implications of this rapidly rising debt? Well, one of them is that increasingly we are borrowing this money from abroad. Increasingly, we are going, hat in hand, all around the world borrowing money. This chart shows that it took 42 Presidents—all the Presidents pictured here—224 years to run up \$1 trillion of debt held abroad. This President has more than doubled that amount in just 5 years. That is a completely unsustainable course. You go back to President Clinton, you go back to the previous President Bush, you go back to President Reagan, President Carter, President Lyndon Johnson, and all the other Presidents—224 years of American history—they ran up \$1 trillion of external debt. This President, in just 5 years, has run up more than \$1 trillion of U.S. debt held abroad.

So what we see are these countries to which we now owe money. We owe Japan \$638 billion. We owe China \$326 billion. We owe the United Kingdom almost \$200 billion. We owe the oil exporters over \$100 billion. My favorite down here, the Caribbean banking centers, we owe them over \$60 billion. Mexico now is on the top 10 list of countries that we owe money. We owe Mexico \$43 billion.

I asked my staff the other day: What do we see in terms of our borrowing compared to other nations borrowing? Sometimes that is a good way to get a sense of where we stand. They came back with this answer. It is not their numbers; it is the International Monetary Fund. It shows the percent of world borrowing by country. These are the world's biggest borrowers. And who is No. 1? Our country. We borrowed over 65 percent of the money that was borrowed by countries last year—65 percent borrowed by our country. Turkey borrowed about 2 percent. I see the United Kingdom borrowed about 4 percent. Spain was the next biggest after the United States. We borrowed 65 percent of all the money that was borrowed by countries last year. The next biggest was Spain at 6.8 percent; then the United Kingdom at just under 4 percent; then Australia, just over 3 percent; France, under 3 percent; Italy, just over 2 percent; Turkey, just under 2 percent. The United States, 65 percent.

With all of this occurring, with the deficit skyrocketing—that is by historical comparison; yes, it improved somewhat over last year, but these are the biggest deficits our country has ever run—and the debt taking off like a scalded cat, what do our colleagues do in the last week before we break for a month? They come out here and propose to virtually eliminate the tax on wealthy estates. Now, there is an idea whose time has come. While we cannot pay our bills now, while we are borrowing money from Japan and China, their answer is: Let's go give an enormous tax break to the wealthiest among us. And where will we get the money to fill in the gap because we cannot pay our bills now? Let's go borrow some more money from Japan and China. Let's go borrow some more money from Japan and China. You would think you were in a movie—not even a very good movie—that somebody had dreamt up if you were to describe what is going on here.

Our country is the biggest debtor nation in the world. Our colleagues have cut the revenue, cut the revenue, cut the revenue, increased the spending, increased the spending, increased the spending; and now their answer is: Let's cut the revenues some more, and let's cut it on the wealthiest of the wealthy, the top three-tenths of 1 percent of the estates in this country, because they are the only ones who are paying the estate tax now.

Our friends say: Oh, no, my goodness, let's cut them some more. Let's cut them some more. The wealthiest among us have already gotten the greatest benefit of the tax cuts that have been enacted—by far. Now they say: Let's cut their taxes some more and borrow the money from China and Japan. This is a farce—a farce—which is occurring here. And it is a disaster for the economic strength of our country.

Here is what the size of estates has to be before they pay any tax. We are in 2006. These are the estate tax exemption levels under current law for a couple. Couples have to have \$4 million before they pay a penny of estate tax—\$4 million, not of gross assets, of net assets. They have to have \$4 million free and clear before they pay a dime. And in 2009, that will go up to \$7 million.

Our friends on the other side of the aisle say: Whoa, that is not nearly enough. Let's jack this thing up dramatically. Let's lower the rates. Let's increase the exemptions. And let's borrow the money from China and Japan. Now, there is a format to strengthen America.

The number of taxable estates is already falling very dramatically under current law. In 2000, there were 50,000 taxable estates in the whole country. This year, there will be 13,000 in the whole country.

Now, people say there is a death tax. There is no death tax. There is no tax that attaches to anybody at death in this country. The estate tax applies to

people who have accumulated wealth. Good for them. I am glad for their success. But does a further tax cut on multi-million dollar estates make any sense for our country? Does it make any sense at all when we cannot pay our bills now that we would go out and dramatically cut taxes on the very wealthiest among us who already have tax cut after tax cut after tax cut—let's give them one more—when we have to borrow the money from China and Japan?

In 2009, the estimates are that there will only be 7,000 estates taxable in the whole country. In 2009, only two-tenths of 1 percent of estates will be subject to tax. That is under current law. Under current law, 99.8 percent of estates will not pay a penny of tax—99.8 percent. Our colleagues say: That is not good enough. Let's cut it some more. Even though we cannot pay our bills now, let's give another big tax cut to the wealthiest among us and go borrow the money from Japan and China and Great Britain and the oil exporting countries—because the money is gone. The money is gone. There are no surpluses here. We cannot pay our bills. We are borrowing 65 percent of the money that is being borrowed in the world today by countries. We are borrowing 65 percent of it.

This is insanity. This is irresponsible. This is reckless. And not just a little bit reckless, this is totally reckless. Now our friends come with a proposal to virtually eliminate the estate tax. Full repeal from 2012 to 2021 would cost just over \$1 trillion. This proposal costs \$753 billion from 2012 to 2021.

Now, our friends on the other side say: Hey, Social Security is short \$4 trillion. They say: Medicare is short \$29 trillion. And they are not doing anything about that. What they are doing is digging the hole deeper. Let's get rid of another \$750 billion we do not have—that we have to borrow from Japan and China and all the other countries in the world, even Mexico, because we now owe Mexico \$43 billion—let's do that so we can cut the taxes on the very wealthiest among us.

What earthly sense does this make? I will tell you for whom it makes sense. It makes sense for—as this article in the New York Times on June 7 says, it is “A boon for the richest in estate tax repeal.” Over the last decades, 18 of the wealthiest families in the country have spent more than \$200 million lobbying to repeal the estate tax. Eighteen families have put up \$200 million to repeal the estate tax. How happy they must be on this day. How happy they must be. The wealthy families include the Mars candy family; the Gallo wine family; the Wegman supermarket family; the Dorrance family, which controls Campbell's Soup; and the Waltons, who control Wal-Mart.

I applaud people who have been successful, but people who have been successful have succeeded not only because of their own hard work and creative approach to solving problems; no,

in part they have succeeded because they are part of this country. How incredibly fortunate we all are to be born in America.

Many very wealthy people I know believe they have an obligation to give back. We just saw an extraordinary example of that with Warren Buffett. Warren Buffett, the second wealthiest man in America, worth some \$40 billion, just decided to give virtually all of his wealth to Bill Gates's foundation, who is the wealthiest person in the country, in order to do good works, in order to give back, in order to make a difference for others.

What is being said here on the floor of the Senate? No, that should not be the test—giving back, helping others, making a difference to improve this world, understanding that part of each of our success is because we had the good fortune to be born in America. This proposal is all about me, all about me. I have it. I am keeping it. I am not giving it away. What is the result? Well, our country will have to go borrow more tens of billions and hundreds of billions of dollars from Japan and China and Great Britain and the oil exporting countries, and even Mexico. That is what is going to happen. Or our friends on the other side will, at some point, just shred Social Security and Medicare. That is where this is all headed. Make no mistake. That is where this is all headed because America cannot pay its bills now.

Hurricane Katrina put the estate tax repeal in some perspective.

The chairman of the Finance Committee said this:

It's a little unseemly to be talking about eliminating the estate tax at a time when people are suffering.

He said that last year. People are suffering this year as well, suffering the aftermath of Katrina—I have been with families suffering from losses in Iraq and Afghanistan—but also suffering because our country is in deep trouble. Our country is living on the credit card. Our country is borrowing money at a rate unprecedented in our history. We are borrowing 65 percent of all the money that was borrowed by countries of the world last year, our country. And who did we borrow it from? It used to be when we ran deficits we borrowed the money from ourselves. We issued bonds and Americans bought them. It has all changed because now more than half of the bonds that we sell are going to foreigners. Every time we have another month where we spend more than we take in, we have to borrow more money. Over half of it now we are borrowing from Japan, China, Great Britain, the oil exporting countries, and the Caribbean banking centers. What sense does this make?

Now we are told: Do you know what we should do? Here is a good idea. Just before we take a break for the month, let's go out and dig the hole deeper. Let's go out and have a plan that will reduce taxes on the wealthiest among us by \$753 billion for a 10-year period—

not million, \$753 billion—and put that on the charge card. Boy, we will have a real party in August.

The cost of the proposal before us absolutely explodes, because they have a clever device called a phase-in that hides the long-term cost. It is not in full effect until 2015, and then the cost goes up like a scalded cat, as this chart depicts. The cost between 2012 and 2021 is about \$600 billion plus an additional \$154 billion of interest cost, because, after all, where is the money coming from? Is it coming out of the Treasury of the United States? No, it is all going to have to be borrowed. And who are we borrowing from? Increasingly, we are borrowing from abroad.

And what is going to happen? Some in this town say deficits don't matter. Go ask the Germans about that. Ask the Germans what happened after World War I when they were on a course like this, borrowing, borrowing, borrowing, increasingly borrowing from abroad. How did they try to get out of it? They inflated their currency until the German mark was virtually worthless. If you wanted to buy a pair of shoes, you had to fill up a wheelbarrow with German marks and go to the store because the currency had so little value. That is one way out. It is a disastrous way out, but many countries have tried it.

The other way out is, you have to cut spending and raise taxes. That is tough. That is hardly popular politically, go out and tell people: Gee, none of this adds up. We have been spending money we don't have in your name. It is your debt. The President likes to say it is the people's money. He is exactly right, it is the people's money. It is also the people's debt. This debt is being run up in the people's name. This debt is owed and is going to have to be paid.

The cost of the House proposal, if you compare it with the cost of extending the middle-class tax cuts, is very interesting. Over the first 10 years of this proposal, it costs \$268 billion; from 2012 to 2021, it costs \$753 billion. But in just the first years, it dwarfs the cost to extend the child tax credit. That would cost \$183 billion. It dwarfs the money to extend the marriage penalty; that would cost \$46 billion. It totally overwhelms the cost to extend the college tuition deduction; over that period that would cost \$19 billion. Those are tax reductions and tax relief that do benefit the middle class. This is one of the most irresponsible proposals to come before the body in the 20 years I have been here. It is completely and totally irresponsible.

I was a conferee on the conference committee to deal with the issue of pensions. Last Thursday the conferees were to meet at 6 o'clock. We were there. House Republicans did not appear. They asked us to come back 2 hours later. They needed some more time. We came back at 8. They still did not appear. At that time they apparently made the decision to forget about

the conference committee. The conference committee worked since March of this year in good faith to deal with the pension crisis, and they added to that package the so-called extenders, those tax provisions that are about to expire that are critically important to the country. We were prepared to pass that package. The leaders from the conference on the other side decided, no, they didn't want to have that discussion in the public. Instead they didn't appear, and they hatched this other plan to have a pension bill come out of the House freestanding and this other package that includes elimination of the estate tax and an increase in the minimum wage for some States.

I was with the Senator from California, Mrs. FEINSTEIN, who informed me in her State the so-called minimum wage increase will actually reduce the minimum wage for millions of workers because of its provisions. They put together the Abandoned Mine Lands Act in this package in order to try to get the support of Members here, and they have wrapped it all in a big package to try to get this body to do something that makes absolutely no sense for the fiscal future of this country. That is, without question, the most irresponsible package I have seen offered here in my 20 years in the Senate. It is not just a little bit irresponsible; it is wildly irresponsible. This is reckless, the course this country is being taken on, utterly reckless.

Why do I say that? Because sometimes you wonder if anybody is paying attention. Here is what is happening to the debt of our Nation: \$5.8 trillion in 2001; \$8.5 trillion at the end of this year. If the budget the President proposed is followed, the debt will rise to \$11.5 trillion in 2011. If this proposal is adopted, it will be even worse. From 2012 to 2021, this proposal that is before the body will take another \$750 billion and add that to the amount this country will have to borrow. It is unbelievable.

This President has taken us on a reckless course. Forty-two Presidents took 224 years to run up a trillion dollars of our debt held abroad. This President has more than doubled that amount in only 5 years.

So what is before the body now? A plan to go out and put another \$750 billion on the charge card, because this money has to be made up from somewhere. We can't pay our bills now. If you reduce the revenue that is scheduled to come in, the debt goes up. You have to have more borrowing, more going to the Chinese, more going to the Japanese, and asking them for more money. How are we going to pay it back?

Our friends say this is a tax cut. I don't think so. I think what this is an enormous tax shift. Because at some point we are going to have to start paying our bills. And when we do, I have a feeling I know what they are going to do. They are going to come

out here and they are going to say: All of us have to contribute. All of us have to participate. We are going to have to cut spending. We are going to have to raise revenue.

I can see their proposal now. They will be coming right at the middle-class people who are the bulwark of this economy. They will either cut programs that are important to them, such as Social Security and Medicare, or they will raise taxes on them, all so that we could give a big reduction to the very wealthiest among us, the people who have benefitted most from the genius of the American economy.

Many of the wealthiest people I know say: Don't do it in my name. Don't do that in my name. I don't need another tax cut. I do need a country that pays its bills. I do need a country that isn't borrowing more and more money from China and Japan and Great Britain and Mexico.

I can't think of a more consequential fiscal decision that will be made than this one. Are we going to keep digging the hole deeper and deeper? Or are we going to head in a new direction and get serious about getting America back on track?

I thank the Chair and yield the floor. The PRESIDING OFFICER (Mr. BURR). The Senator from Arizona.

Mr. KYL. Mr. President, in response to my friend from North Dakota, I would note that the difference between the position he articulates—and it is a position a lot of people in Washington hold—and the position that a lot of the rest of us hold is between those who worry a lot about how much money the Government has versus those of us who think it is a better idea to let people keep more of what they earn, that they are probably in a better position to make good judgments about how that money should be spent, and especially when it comes to their death and their loved ones who have to face the difficult choice of deciding how to pay the death tax that, unless something is done, is going to go up to effectively 60 percent. Can anybody imagine a 60-percent tax rate? It is actually on the books at 55 percent, but because of the way the Code works, it can be as much as 60 percent. Can you imagine a 55-percent or 60-percent tax rate? You cannot pay it unless you sell the farm or sell the business. I know people to whom that has applied. So it is a difference between those who worry how much money Washington has and those of us who are concerned about people keeping more of what they earn.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:31 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. VITTER).

GULF OF MEXICO SECURITY ACT OF 2006—Continued

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I note that the next Democratic speaker after me will be Senator HARKIN, and the next Democratic speaker after Senator HARKIN will be Senator SCHUMER.

We are now in the final days and hours of this session of Congress. One of the bills that is circling, waiting for a place to land is the pension bill. We now know the pension bill has been passed by the House, and it is waiting to be taken up in the Senate, but we don't know when it is going to be taken up. It all depends on what we do about the estate tax.

The pension bill—the bipartisan pension bill—must not become a pawn in the debate over other unrelated issues. This bill needs to pass, and it needs to pass this week. There is only one reason it is being held up: politics, politics, politics.

The pension bill is being used as a pawn for reckless tax breaks for a few when the pension bill will help the many. We need to move this pension bill. I urge the Republican leadership to bring up the bill this week and to bring it up before any tax bill. The American people need it. We need to protect the pensions of millions of Americans, we need to provide relief and certainty to good-guy businesses, and we need to protect the taxpayers from having billions of dollars dumped on the Pension Benefit Guarantee Corporation. Promises made should be promises kept.

America's pension system is in crisis. There are companies that are declaring bankruptcy and then dumping their pension plans on the taxpayers. We have the legislative framework to deal with this.

We have had terrible problems. Bethlehem Steel didn't honor their books and declared bankruptcy. They dumped the pensions of 100,000 workers and retirees on the Pension Benefit Guarantee Corporation. United Airlines declared bankruptcy in 2002 and dumped the pensions of 122,000 workers on the Pension Benefit Guarantee Corporation.

One might say: What will this bill do? It will help to make sure that history does not repeat itself. I have been fighting alongside my colleagues for a long time to enact comprehensive, bipartisan reform. Senator DEWINE and I held hearings over a year ago. The Senate passed its bill 7½ months ago. There was a HELP Committee bill and a Finance Committee bill.

When we were waiting to pass the bill, Senator DEWINE and I had a hold on it because we were concerned that it would place at risk certain come-back companies that were working their way out of bankruptcy and would force their pensions into junk bond status.