troops are getting killed; 14 more brave American soldiers.

But the problems aren't just in Iraq. The Middle East is engulfed in civil war in Lebanon, civil war in Iraq, civil war among the Palestinians. The Israelis do not know where to turn. Iran is thumbing its nose at us.

That is why we have fought so hard, as Democrats, and will continue to fight, to change the course in Iraq. We need a new mission, one that is aligned with our strategic interests. We need to begin redeploying our troops from Iraq so we can reduce our large combat footprint and extricate forces from this Civil War.

We need more than two Republicans to help us. We have had two, and I so appreciate that. They made it so we were able to pass a bill, send it to the President, and he vetoed it. We need more.

I have signaled to my colleagues that the Defense authorization bill will be coming up shortly. We intend to wage our battle on Iraq, changing the course of the war in Iraq.

SCHEDULE

Mr. REID. This morning, under an order entered yesterday, the Senate will resume the energy legislation. We will have 70 minutes of debate on the matter of the Kyl amendment, which is No. 1733, and a motion to invoke cloture on the Baucus-Grassley energy tax amendment, with that time equally divided and controlled. Once the time is used or yielded back, the Senate will conduct two rollcall votes: The first vote will be in relation to the Kyl amendment, followed by cloture on the Baucus-Grassley amendment. As Members are aware, if cloture is invoked on the Baucus amendment, then postcloture time runs and the second-degree amendments which have been timely filed and are germane postcloture are in order. The filing deadline for germane second-degree amendments is 11 a.m. this morning, 20 minutes from now.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

ORDER OF BUSINESS

Mr. KYL. Mr. President, to advise those on the other side how Senator DOMENICI and I intend to divide our time, I have 15 minutes. I think what I will do is take 5 minutes right now and then defer to Senator DOMENICI for his 20 minutes. Then I will conclude. Of course, the majority will be fitting their time in there as well. That is what we intend to do.

CREATING LONG-TERM ENERGY ALTERNATIVES FOR THE NATION ACT OF 2007

The ACTING PRESIDENT pro tempore. Will the Senator suspend to allow the Senate to report pending business.

Under the previous order, the Senate will resume consideration of H.R. 6, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 6) to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes.

Pending:

Reid amendment No. 1502, in the nature of a substitute.

Reid (for Bingaman) amendment No. 1537 (to amendment No. 1502), to provide for a renewable portfolio standard.

Klobuchar (for Bingaman) amendment No. 1573 (to amendment No. 1537), to provide for a renewable portfolio standard.

Bingaman (for Klobuchar) amendment No. 1557 (to amendment No. 1502), to establish a national greenhouse gas registry.

Corker amendment No. 1608 (to amendment No. 1502), to allow clean fuels to meet the renewable fuel standard.

Cardin modified amendment No. 1520 (to amendment No. 1502), to promote the energy independence of the United States.

Collins amendment No. 1615 (to amendment No. 1502), to provide for the development and coordination of a comprehensive and integrated U.S. research program that assists the people of the United States and the world to understand, assess, and predict human-induced and natural processes of abrupt climate change.

Baucus amendment No. 1704 (to amendment No. 1502), to amend the Internal Revenue Code of 1986 to provide for energy advancement and investment.

Kyl-Lott modified amendment No. 1733 (to amendment No. 1704), to provide a condition precedent for the effective date of the revenue raisers.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 70 minutes of debate equally divided prior to a vote in relation to amendment No. 1733, offered by the Senator from Arizona, Mr. KYL, and the motion to invoke cloture on amendment No. 1704, offered by the Senator from Montana, Mr. BAUCUS.

The Senator from Arizona is recognized.

AMENDMENT NO. 1733

Mr. KYL. Mr. President, resuming debate on the amendment which I offered, the amendment is very straightforward. It simply says that notwithstanding the tax increases, $28.6 billion in tax increases in the amendment pending on the floor, they shall not take effect unless the Secretary of Energy certifies that those tax increases will not increase retail gasoline prices or the reliance of the United States on foreign sources of energy.

The point of the amendment is to make it clear that sometimes tax increases on business can be passed on to consumers. If that happens in this case, we are going to see higher gasoline prices at the pump, not lower prices. One of the concerns many of us have with the underlying bill is it doesn't produce any new energy. Yet it spends $28.5 billion. To make up for that spending, it taxes an additional $28.6 billion.

Somebody has to end up paying that tax. Most people in America know that when you put a tax on a business, that gets passed on to the consumers who buy the product—in this case, gasoline. So instead of reducing gasoline prices, this bill, if the underlying amendment passes, is going to add to the cost of gasoline.

Yesterday I mentioned a Heritage Foundation study that confirmed that what I was saying was not simply my opinion but the facts as a result of a study that the Heritage Foundation had done. I would like to expand on that a little bit because we actually have the figures for two States, the State of the chairman of the committee, Montana, and my State of Arizona, to illustrate the point.

The study projects that gas prices in Montana, for example, in May averaged at $3.17 per gallon. They would be $3.48 per gallon next year as a result of the Energy bill before the Senate. A Montana taxpayer would see spending on gasoline increase by $1,632.95 next year, as a result of the bill.

In Arizona, we are paying about $3.09 per gallon. That would go up to $3.40 next year as a result of this bill, so Arizona taxpayers will see spending on gasoline increase by $1,140.51 next year as a result of this Energy bill. That is a huge increase in consumers' payment for gasoline. When we realize that for many people driving is not a luxury, it is a requirement—to get to work or perform work—it is clear we are costing the American consumer a huge amount of money that is important for our economy and for them to make a living. That is an unintended consequence of the tax increases embodied in this bill but real nevertheless.

What we are saying is, if that is the result of tax increases, then those tax increases would not go into effect. I think that is an important principle for us to establish.

I would like to respond to a couple of points made by opponents of my amendment. The chairman of the Finance Committee argued the tax increases in the underlying bill are simply loophole closers, but that is not true. The largest tax increase in the bill is a brandnew tax. It is not a loophole closer, it is a new 13-percent tax on new oil production in the Gulf of Mexico. How is that going to help bring down gasoline prices? I suggest it is not. It will help to raise prices.

The second largest tax increase in the bill raises the corporate tax rate. That is not a loophole closer either, it is simply needed to pay for the other costs of the bill, so it was a ready source of revenue that they decided to tap.

This is a raise in the corporate tax rate for oil and gas companies, which would then make it higher on those companies than others in manufacturing—something we were trying to promote when we passed the bill 2 years ago.