Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE HIGH PRICE OF OIL

Mr. MURKOWSKI. Mr. President, Friday, the price of oil exceeded $30. It was close to $31.26. That is high—not necessarily an all-time high, but it is pretty close.

Back in 1973, when we had the Arab oil embargo, the prices were in that neighborhood. A lot of people don't remember 1973, or the consequences of the Arab oil embargo; but for those who do, it was a day of reckoning. It was at a time when you went to the gas station to fill up and you waited—not just a little while, but in some cases a couple of hours. You stood in line because gasoline was short in this country.

There was an indignant response from the American public that never again would we be so dependent on imported oil from other countries. As a consequence, at that time, we formed the Strategic Petroleum Reserve. The important thing to note is that in 1973 we were about 37 percent dependent on imported oil.

The idea of the Strategic Petroleum Reserve was to have a supply of oil on hand in case there was an interruption on our imports and we could have that oil available for use to meet that emergency. That was in 1973.

Today, in the year 2000, we are approximately 56 percent dependent on imported oil. The Department of Energy has indicated by the year 2015 to 2020, we will probably be dependent to the tune of about 65 percent. Now, the question, of course, from the standpoint of our national energy security interests, is: What are the implications of this? What are the ramifications of our increasing dependence on imported oil?

Clearly, the pricing structure is determined by the availability of oil from the producing countries that have an excess capacity. That is primarily in the Mideast. We have seen the efforts by both Iran and Iraq to cut production. It is interesting that between those two countries, they account for about 8 percent of the world's 75 million barrels of daily oil production. But now we see Baghdad and Teheran in a new position of power and influence to push their separate agendas in various ways.

We have OPEC. We know the significance of what that cartel controls. They decided to have a meeting to address our emergency. The irony of that is, that meeting is going to take place on March 27, which is hardly responding to our emergency.

As a matter of fact, our Secretary of Energy traveled extensively through the Mideast, meeting with the OPEC ministers, encouraging them to produce more oil so we will not see the price escalation that is currently occurring.

The results of that meeting were that we could expect some relief from Venezuela and Mexico. Both countries, of course, are outside of OPEC, but they wanted to remind us of something, and they communicated a little message. This didn't come from the Secretary of Energy, but it came from those who have had an opportunity to relate to both Mexico and Venezuela with regard to oil prices. On the manner in which we came and pled for more production, the Mexicans and the Venezuelans said: Where were you when we were going broke selling our oil at $11 and $12? Were you giving us any assistance? Were you encouraging higher prices so we could maintain our economy? Certainly not. That was not the case at all.

Now when we see oil at $30, we go to Mexico and we go to Venezuela, and say: We need increased production. But they are reminding us that we weren't at all concerned when the price was low, and when their economy was in collapse, they couldn't count on the United States.

Those are the dangers of that kind of dependence.

Now we are seeing OPEC on March 27 perhaps responding to increased oil production. But it is a little more complex than that because there are wheels within wheels in OPEC and relationships within relationships.

Kuwait this weekend signaled its support for an agreement to boost production. Remember, it wasn't so long ago that we fought a war against Saddam Hussein. It was a war over oil to keep that country, Kuwait, from being taken over by Saddam Hussein and Iraq.

We are now seeing within Iran and Iraq a group of price hawks, if you will, within OPEC. They are going to do what is best for their country—not what is best for the United States. Teheran has said that this is not the time to increase output because demand typically declines and higher production could lead to a quick collapse of prices. They are certainly looking out for their own best interests. Iran, with 3.5 million barrels of daily production, is at about its maximum, analysts say.

Since we are talking about bedfellows, let's talk about Algeria and Libya. They also have little reason in the short term to care about the world's economy, or the United States economy specifically.

An interesting suggestion is in this report from the Wall Street Journal. If the United States wants to lower its price of gasoline, it should reduce its taxes. That is their answer. They simply want to reduce our highway taxes and our other taxes and our State taxes that are associated with the price of oil. They say that if we really care about higher prices, we should simply eliminate our taxes. That is an interesting point of view.

Saudi Arabia, the world's largest producer of oil and an OPEC shareholder, has a special interest in keeping Iran happy now because relations between those countries are at their best since the Iranian revolution in 1979.

We see countries within OPEC working for their own best interests and not necessarily what is good for the United States. The Saudis have been more responsive in the past, but not necessarily at this time because of their relationship with Iran.

OPEC producers want to continue the cartel's new-found unity because it funds the cash-flow. Wouldn't you rather produce more oil at a higher price to meet your cash-flow than a lot of oil at lower prices? That is just what they are doing.

We are seeing the role of OPEC and our neighbors in Mexico, Venezuela, and other countries evaluating the kind of response they are going to make to the United States at this time of emergency.

Over the last decade—most of it under the Clinton administration—production has decreased 17 percent and consumption has increased 14 percent. That is the reality of what has occurred in this country because we have not had an energy policy. We do not have an energy policy on coal. We do not have an energy policy on natural gas.

We just saw the Federal Energy Regulatory Commission basically kill prospects for a gas line in the Northeast corridor by making it economically unattractive for investors. We have an administration that suggests hydro is nonrenewable. It wants to take dams down in the Pacific Northwest. So we look at oil, we look at gas, we look at hydro, and we look at coal; there is no energy policy of any consequence.

Renewables are something we all support. But the reality is they contribute less than 4 percent of the total energy consumed in this country, and the prospects, while encouraging, are not going to give us the immediate relief we need.

As a consequence, we are experiencing a shock. The American public, when it drives down to the gas station to fill up the family Blazer or sports vehicle, may find itself subjected to a situation where it makes a pretty good hole in a $100 bill if it takes a 40-gallon gas tank at $2 a gallon, or thereabouts.

We also have a couple of other considerations. We have the potential for added inflation. Somebody made the interesting observation that if you consider the cost and availability of labor, if you consider the cost of money—namely, interest rates that have been going up—and the cost of energy, you have the three factors for inflation. It has been estimated that for every $10 increase in the price of oil, inflation increases one-half percent.

It is a very real threat to our economy, a very real exposure to our consumers out there, and I don't think we realize what is ahead. Not too many people know that every time they get in the airplane now, they are paying a $20 surcharge on that airline ticket, whether they go from here to Seattle or from here to Baltimore. The Northeast corridor has felt the impact of $2 a gallon for heating oil.

The question is, Is it going to get worse? The answer is, probably. When can we get relief? The question is whether we want to just depend on the Mideast or whether we want to reduce our dependence on imported oil.

There are many areas of this country over the overthrust belt of the Rocky Mountains—Utah, Montana, North Dakota, New Mexico, Wyoming, and my State of Alaska—where we have a tremendous abundance of oil and gas if given the opportunity to initiate exploration. This is not supported by President Clinton. I am glad to say it is supported by some of the Republican candidates running for President.

The point is, what are we going to learn from history? Some say not much. If the Department of Energy predicts we will be 65-percent dependent in the years 2015 to 2020, should we not be doing something about it now? We should be committed to a policy of reducing our dependence on imported energy sources by developing sources in the United States. My State of Alaska, in the ANWR area, has an estimated 16 billion barrels. That would be an amount equal to what Saudi Arabia exports to America over an estimated 30-year timeframe.

We have areas in Louisiana, in Texas, and other coastal States that want to have OCS activity, yet we have an administration that does not support that activity. That is, indeed, unfortunate.

The bottom line is, when are we going to wake up? When will we relieve our dependency on imported oil? I might add, for those who think imported oil is the answer from an environmental point of view, it is estimated that from the year 2015 to 2020, it will take more than 30 tankers, 500,000 barrels each, docking every day in the United States, to supply that increase; that would be 10,000 ships per year. If that is not an environmental risk, I suggest anyone check the registration of the ships because they will be foreign ships.

Finally, in 1990 we had 657 rigs working in this country; today we have 153. In 1990, we had 405,000 jobs in the oil industry; today we have 293,000, a 28-percent decline.

If one considers the makeup of our trade deficit, a trade deficit of $300 billion, $100 billion is the cost of imported oil.

I encourage my colleagues to recognize that it is time to move. It is time to address opportunities to relieve our dependence on imported oil with meaningful proposals on the basic premise that charity begins at home.

I ask unanimous consent an article from the Wall Street Journal be printed in the RECORD.

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

[From the Wall Street Journal, Mar. 6, 2000]

OIL OUTPUT MAY BE HOSTAGE TO IRAN, IRAQ AGENDAS

(By Steve Liesman and Neil King, Jr.)

Iran and Iraq, the two major oil producers over which the U.S. has the least sway, are playing a crucial role in determining where oil prices are headed and are positioned to affect the world economy.

Together, the two countries account for 8% of the world's 75 million barrels of daily oil production. But tight world oil inventories, high prices and declining production capacity in the Organization of Petroleum Exporting Countries have given Baghdad and Tehran new power to push their separate agendas, analysts say.

OPEC members will gather in three weeks to decide whether to reverse the past year's production cutbacks, which reduced world output by about five million barrels a day. Leading producers support an increase as soon as April to cool prices that recently topped $31 a barrel for the benchmark West Texas Intermediate crude.

After initial reluctance, Kuwait during the weekend signaled its support for an agreement by Saudi Arabia, Venezuela and Mexico to boost production. Meanwhile, a strike by oil workers in Venezuela withered quickly.

Iran still leads the group of price hawks within OPEC and ''is one of the key stumbling blocks to coming out with a new decision,'' said Raad Alkadiri, an analyst with the Petroleum Finance Co., a Washington energy consultant.

Officially, Tehran says the second quarter is the wrong time to increase output because demand typically declines and higher production could lead to a quick collapse in prices. But domestic economics are at least as much of a factor. Unlike other major producers, which have extra capacity, Iran's 3.5 million barrels of daily production is about its maximum, analysts believe. Declining investments in its oil fields, as well as continued U.S. sanctions on spare parts, suggest production capacity may actually be declining. ''They don't have more capacity to make up for the price drop,'' Mr. Alkadiri said. Higher output world-wide—which could result in lower prices—would do little for the Iranian treasury at a time when payments on $11 billion of foreign debt begin to peak.

Iran, which has the backing of Algeria and Libya, also has little reason in the short term to care about the world economy. Its oil minister recently said that oil-consuming nations should lower energy taxes if they are concerned about inflation from higher oil prices.

Saudi Arabia, the world's largest exporter and OPEC's clear leader, has a special interest in keeping Iran happy. Relations between the two countries are at their best since the Iranian revolution of 1979. Their rapprochement last year was the linchpin of OPEC's ability to cut back production. ''The Saudis might have been more responsive more quickly [to world oil markets] had it not been for this relationship with Iran,'' said Amy Jaffe, senior energy analyst at the James A. Baker III Institute for Public Policy in Houston.

OPEC producers want to continue the cartel's newfound unity, fear a production free-for-all if OPEC cooperation dissolves. Of course, oil-producing countries ultimately could go ahead without Iran, as they have in the past. Venezuela's oil minister is to visit Tehran in coming weeks to lobby the government to accept higher production levels.

But the one million to two million barrels that OPEC is considering putting back on the market could be quickly removed if Iraq withheld its two million barrels a day of exports. In November, Iraqi President Saddam Hussein pushed oil prices up almost $1 a barrel in a single day when he turned off his spigots to protest United Nations sanctions. This time, ''with oil inventories very low, any interruption in crude supply could cause prices to skyrocket,'' said Gary Ross, president of PIRA Energy Group, a New York energy-consulting company.

Whether Mr. Hussein would use the opportunity is a matter of debate, but few dispute he has ample reason. Baghdad is feuding with the U.S. about Iraq's need to import spare parts for its oil industry. It could decide to use the tight oil market, analysts say, to get Washington to ease up—or to undermine U.N. sanctions altogether. ''We have seen him do this before and we would not be surprised if he resorted to the same tactics again,'' one U.S. official said.

Other OPEC producers' ability to make up for any Iraqi cutbacks would be strained in the short term. Mr. Ross said OPEC production capacity has fallen by about 500,000 barrels a day during the past year. Venezuela in particular has let its capacity dwindle as it diverted oil revenue to pay for the extensive social agenda of President Hugo Chavez. In time, however, OPEC countries should be able to make up any shortfall with their four million to five million barrels a day of excess capacity.

Mr. MURKOWSKI. I yield the floor.

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

Mr. SESSIONS. Mr. President, I thank the distinguished chairman of our Energy Committee for the remarks. They are not new. He is not making a political statement. Chairman MURKOWSKI is here because he has spoken out for years, virtually since this administration has been in office, about discouraging—through so many rules, regulations, and taxes—the domestic production of oil and gas.

He has warned we would be at this point. Here we are. The best way by far to deal with this is to make sure we have more domestic production because it will help keep the prices down, and it will also help ease our balance of payments.

I thank the Senator for his leadership on this issue.

CAMPAIGN FINANCE REFORM

Mr. SESSIONS. Mr. President, Senators from the other side of the aisle made comments about the Republican Presidential primary, taking sides in those primaries. I think it is somewhat odd they would want to debate some of the issues here.

With regard to the concerns over contributions that are going to independent groups—I believe New York was complained of—to run TV ads, money was given by a small number of people who made large contributions to run those ads. It was said that this is a justification for passing the McCain-Feingold campaign finance reform legislation.

My best understanding of what that bill is all about is that this would not