

The CEOs of the refinery companies have testified that the permitting process for refinery siting is not burdensome and has not prevented the construction of needed new refineries. The Republican bill, therefore, weakens State environmental laws needlessly because it would do virtually nothing to ensure that new refineries are, in fact, built.

By contrast, our Democratic alternative will be effective, it will address our national refinery shortage, and it will do so by relying on the proven and successful means by which we addressed several decades ago disruptions in crude oil supplies. We simply would extend the proven concept of the Strategic Petroleum Reserve by constructing a strategic refinery reserve in order to address the problem of refining capacity, very similar today to the problem we addressed decades ago with regard to crude oil supply disruptions.

So, Mr. Speaker, I strongly urge rejection of the Republican bill, and I urge that when we submit our motion to recommit that that be approved by the House.

Mr. Speaker, I yield back the balance of my time.

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Mr. BARTON of Texas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want to admit up front that the procedure for bringing this bill to the floor has not been what I would have preferred it to be, and I am going to side with my friends on the minority side about their complaints about the procedure. It has not gone through the regular order, and in the perfect world, it should have. Unfortunately, we do not live in a perfect world.

We had to take some action on the majority side to show the American people that we were serious about doing anything possible to help alleviate some of these high energy prices, and it is certainly my opinion and I think it is a fact that one part of that process has got to be to make it possible to expand existing refineries and build new refineries in this country.

It is a fact, plain and simple, that we are using over 20 million barrels a day of petroleum products and we only have the refining capacity for 16 to 17 million barrels. That is a fact.

It is also a fact that in the hearings we have had on our energy price problem in this country in the Committee on Energy and Commerce that I chair, it has been shown that one of the leading causes of the higher prices has been the refining capacity shortage.

Now, historically the refining industry in this country has been a loss leader. If you go back 10 or 15 years ago when we had the integrated oil companies going from the production of the crude through the distribution of the crude, when it came to refineries, they lost money. So for a lot of reasons they shut down the refining capacity, and

we developed a shortage in refining capacity.

Today the margin, it is the called the crack margin, and it has nothing to do with crack cocaine or cracks in concrete, it has to do with the ability to go in and crack the molecules in the crude oil and get the different levels of petroleum products out of that crude. That crack margin is higher than it ever has been by an order of magnitude. In some cases, the margin is probably approaching \$30 to \$35 a barrel of the \$70 or \$72 price. So there is more than adequate profit, but because of the regulatory impediments, it is almost impossible to go through the permitting process in a timely fashion under existing regulations and get a decision.

Now it is a true statement when my friends on the minority side say there has been no refinery not built in this country in the last 30 years, because they did not get a permit. That is a true statement, but it is only half true. The rest of the story is nobody in their right mind would try to get a permit to build a new refinery because it takes so long. So they are kind of beaten before they even start.

In the case in Arizona where an industrial group did go through the process, to this day in spite of them saying they have the permits, they have all but one. They still do not have the permit from the United States Bureau of Reclamation giving them title to the land. In this case, the land is actually owned by the Federal Government, and they still have not cleared the title to that land. Now they are going to, but they have not.

So the bill before us today is not a perfect bill. But at least it says, let us appoint a Federal coordinator, let us work with the State and local government. Let us set up a procedure where we coordinate all of these permits. We do not override any State or Federal or local air quality or water quality regulation, we just say let's coordinate it. And oh, yes, let's let the President pick three sites out in the country on closed military bases, of which we have dozens, and maybe we can get the local redevelopment authority to work with State and Federal officials to put a refinery there.

There is really no reason to oppose this bill. It is not going to do any harm, and it might just do some good. I urge a "yes" vote on this bill.

Mr. SHAYS. Mr. Speaker, I rise in opposition to H.R. 5254, the Refinery Permit Process Schedule Act. Protecting our environment and promoting energy independence are two of the most important jobs I have as a Member of Congress, but before we can begin to consider building more refineries, we must first change our consumption habits. American consumption of oil has been increasing at an unsustainable rate. In 1995, we consumed 17.7 million barrels of oil per day, but today we consume 20.5 million barrels per day.

The bottom line is we are not resolving our energy needs because we are not conserving. We'll just continue to consume more and

waste more, consume more and waste more, and act like it doesn't matter. We are on a demand curve that is simply unsustainable.

We need to address rising energy prices by encouraging conservation and this bill fails to do anything to impact that. This bill will not affect gasoline prices or reduce our dependence on foreign oil. To feel relief from the price at the pump, we must focus on decreasing our consumption of oil and looking to alternative energy sources.

Mr. STARK. Mr. Speaker, I rise in strong opposition to H.R. 5254, the Refinery Permit Process Schedule Act of 2006.

Though the Majority disingenuously argues that environmental regulations are responsible for high gas prices, the facts don't support their claim. Refining costs have increased because oil companies have deliberately decreased capacity to boost profits. In the late 1980s and early '90s, oil companies shut down 30 refineries in an attempt to raise profit margins. The scheme worked: refinery revenues increased by 255 percent last year.

In response to market pressure, refining capacity has increased in recent years. Between 1996 and 2003, capacity increased by 1.4 million barrels per day. As a result, the American Petroleum Institute believes that H.R. 5254 is completely unnecessary. The free market that the Republicans claim to love is working, but this legislation is about politics, not about solving the priorities of America's working families.

This legislation would: Allow the President to place new refineries on closed military bases. The military base in my district would probably be an appealing target for this President: it's the site of a planned National Wildlife Refuge. Like many communities around the country, the City of Alameda has undergone an extensive planning process to convert the base to civilian use, but if the President said the word, the City's work could be suspended while the federal government decided whether or not it wanted to build a refinery on the premises. Undermine environmental review processes and make state and local environmental officials answer to a new refinery czar appointed by President Bush.

The one good thing you can say about this bill is that it's not another gift to oil companies—they readily admit that environmental regulations have not prevented them from building new refineries. This legislation is just another ill-conceived talking point for Republicans desperate to appear responsive to rising energy prices. I won't play that game and I urge my colleagues to join me in voting "no".

Mr. HOLT. Mr. Speaker, I rise today in opposition to the Refinery Permit Process Schedule Act (H.R. 5254).

About a month ago the House debated this legislation under Suspension of the Rules, which makes it impossible for Members to offer amendments. H.R. 5254 did not receive the needed two-thirds majority necessary to pass under the Suspension calendar since many Members had serious objections to the proposed legislation. But we are here again today, considering this legislation without an open debate. Two Democratic amendments were ruled out of order by the Rules Committee. Representative DINGELL and Representative BOUCHER offered a substitute, which would have created a new Strategic Refinery Reserve to give our country the ability to produce refined oil products during extreme energy situations. Representative ALLEN offered an amendment that would have struck

the section of the bill requiring three closed military bases be considered as locations for refineries. So again today, we are considering this bill without the opportunity for real debate.

H.R. 5254 is based on a false premise—that requirements for environmental permits are to blame for the lack of refinery capacity. Oil companies have openly stated that environmental standards are not stopping them from building new refineries. In fact, the truth is that oil companies simply do not want to build more refineries. The solution that H.R. 5254 prescribes does not match the problem that our nation faces with energy.

Instead of investing in sustainable energy sources to meet our growing energy needs, we remain stuck in our old ways. Since the most recent spike in gas prices in early May, Congress has not considered one energy conservation piece of legislation. Instead we have considered a bill to open the pristine Arctic National Wildlife Refuge to drilling, and we will try again today to build more refineries. I hear many of my colleagues express their commitments to sustainable energy sources, yet we continue to focus our legislative efforts on oil. We simply can not rely on oil to meet our future energy needs.

I would like to take the opportunity to discuss one point of this bill that I find particularly disturbing. Section 5 directs the President to designate three closed military bases for new oil refining facilities. This section will ultimately force communities that have already suffered from the closure of a military base to welcome unwillingly an oil refinery in their backyards if the President and the Secretary of the Army deem it worthy of a refinery. I am disappointed that Representative ALLEN's amendment was ruled out of order by the Rules Committee that would have struck this provision from the bill.

In late April, I joined with New Jersey Governor Jon S. Corzine, Representative FRANK PALLONE and other New Jersey State legislators for the Signing of the Fort Monmouth Economic Revitalization Act, which creates a ten-member authority charged with overseeing the transition and revitalization of Fort Monmouth once it closes in or before 2011. Creating such an authority is an important step for communities to protect their interests as communities are revitalized following a base closure. What frightens me even more about this provision is that the Secretary of Defense can override any decision made by a local authority. The federal government can supersede a local decision. This is not just about Fort Monmouth in my district in central New Jersey. This is about communities who are already dealing with the closure of a military base. This is about allowing the Federal Government to overrule what state and local authorities believe is best for their communities.

I urge my colleagues to vote no on this legislation because it does not address our growing energy needs and is unfair to local communities.

Ms. SOLIS. Mr. Speaker, I rise today in opposition to H.R. 5242. This bill is another example of the Republican's misguided priorities.

This legislation targets our states, communities, and environmental laws as the culprits for high gas prices. But we know the truth. The dirty little secret is that oil companies which made more than \$110 billion in profits in 2005 and \$16 billion in profits in the first three months of 2006 do not want to build new refineries. They do not want to spend the

money! We learned from leaked corporate memos that the major companies—Chevron, Texaco and Mobil would go so far as to buy and shut down the competition in order to keep capacity tight.

The Yuma refinery is just one example. Twice since the 1990s this proposed refinery received the necessary permits to be constructed and operated. But the Yuma refinery has not been constructed because it cannot find the financing. Bob Slaughter from the National Petrochemical and Refiners Association testified before the House Energy and Commerce Committee on May 11, 2006 that the proponents of this project have an "air permit, but they're having trouble getting financing and actually getting that built."

Just last week the Yuma Sun reported that the Arizona Department of Environmental Quality issued a draft renewal of the current air quality permit already held by ACF—a full 6 months before the existing permit is scheduled to expire. Proponents of this bill argue that states have been delaying permits. Arizona Clean Fuels disagreed and stated "ADEQ has been very cooperative in working with us to make sure the project does proceed." And the Environmental Council of States has written that they are not aware of any credible report that our states are denying or lagging behind on permitting of new refineries and the expansion of existing refineries.

Mr. Speaker, it is time that this body considers legislation based on facts and truths. The fact is that states are not delaying permitting and environmental laws are not to blame. I urge my colleagues to protect the authority of their states and the rights of all communities—vote against this flawed legislation.

Mr. SKELTON. Mr. Speaker, show-me State motorists, like all consumers, closely follow gasoline prices, and with good reason. They have experienced dramatic increases and wide fluctuations in gas prices over the past several years, spending millions of dollars more on gasoline than they had anticipated.

Rural Americans, who rely heavily on transportation in going about their daily lives, are being hit particularly hard by the high cost of gasoline. This is especially true for farmers, many of whom are already operating at a loss this year.

It is imperative that Congress work to address our nation's energy needs through a comprehensive and proactive strategy that makes it easier to promote alternative energy sources, to stop price gouging, to increase production by expanding refining capacity, and to rollback billions of dollars in taxpayer subsidies to oil companies that are making record profits.

The refinery permitting bill before the House today contains scant assistance for the rural Missourians I am privileged to represent. It would not lower their energy costs nor assure our nation's energy security. Rather, it would change the permitting process for refineries and would require the President to designate closed military bases for consideration as locations for new refineries.

Designating closed military bases for refineries seems to make little if any sense at all. I can't believe that we have used up all the possible locations available for placing refineries and must now resort to giving federal land grants to the oil companies to encourage them to build new capacity. Closed bases are not abandoned land. In nearly every case, the

communities that surround these former installations have reuse plans for these bases to benefit the local community. If they want to place a refinery on a closed base, let them make that determination.

Unfortunately, changing permitting rules and offering federal land to oil companies will not entice them to build new oil refineries. While more refineries would certainly help produce more gasoline, oil companies have had the opportunity and financial capability for years to increase their refining capacity. Permitting rules are not stopping them, nor is there a lack of available locations for new refineries. Rather, the inability to build profitable refineries has led oil company executives away from constructing or resurrecting them.

The energy problems we are facing today must be addressed with meaningful, comprehensive legislation. House Democrats have been active in this regard, pressing for increases in the use of alternative fuel produced from the corn and soybeans grown in Missouri's fields.

Democrats have also been pushing for passage of anti-price gouging legislation since the energy markets were impacted by Hurricane Katrina.

I have supported alternate legislation that would strengthen the hands of the Federal Trade Commission and the Justice Department, targeting price gouging across the energy spectrum. It would also help Americans who are struggling to deal with high gas prices and bracing for record home heating and air conditioning bills, while creating a Strategic Refinery Reserve to provide additional gas supplies during energy spikes like the one we are currently facing. Unfortunately, this more wisely drafted alternative has not even been allowed as an amendment to this bill.

Mr. CANTOR. Mr. Speaker, I rise today in support of increasing government efficiency in considering new refinery applications in the Refinery Permit Process Schedule Act.

Gas prices have risen as supplies have been stretched thin and U.S. refineries have struggled to refine all of the oil we need. This bill streamlines the cumbersome government processes that delay and discourage new development and production, paving the way for construction of new oil or biofuel refineries.

Domestic energy security depends on reliable supply through exploration of oil and gas reserves on the outer continental shelf, bolstering our refining capacity, and investigating alternative sources of energy.

This bill is an important piece of ensuring American energy security and I am proud to support it.

The SPEAKER pro tempore (Mr. SIMPSON). All time for debate has expired.

Pursuant to House Resolution 842, the bill is considered read and the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BOUCHER

Mr. BOUCHER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BOUCHER. Mr. Speaker, I am in its current form.