

Statement of

The Honorable Patrick Leahy

United States Senator
Vermont
April 27, 2006

Opening Remarks of Senator Patrick Leahy
Ranking Member, Judiciary Committee
On "Oil and Gas Industry Antitrust Act of 2006"
Executive Business Meeting
April 27, 2006

I am pleased the Committee is moving today to act on the "Oil and Gas Industry Antitrust Act of 2006," S.2557. This is timely and important legislation which follows our hearing on March 14. I commend the Chairman Specter, and thank all who support our bill.

The centerpiece of this bill is a provision that should be familiar to all Members of the Committee. It is our NOPEC legislation which has been previously reported by this Committee three times, and was passed by the Senate. Unfortunately, during the years that we have been seeking action to make the OPEC oil cartel's anti-competitive behavior accountable, the House has refused to act.

These provisions will allow the Justice Department to crack down on illegal price manipulation by oil cartels. I do not think anyone doubts that the price of a gallon of gas on Main Street in any of the communities we represent is affected by such conduct. Our bill will allow the Federal Government to take legal action against any foreign state, including members of OPEC, for price fixing and other anti-competitive activities. This is a tangible, meaningful step that we can take - today - that can help deter OPEC from withholding oil supplies. That would mean lower prices at the pump across America.

When President Bush took office, Americans could fill their cars, heat their homes, and run their businesses on gasoline that cost \$1.45 per gallon. In less than six years, fuel prices have skyrocketed 100 percent -- they have doubled. The end is nowhere in sight, unless we do something to help keep costs down. Over the years I have warned about a gallon of gasoline costing \$2.50 or \$3. I fear \$4 a gallon gasoline will be upon us all by summer. I hope we can enact this bill without further delay.

Earlier this week, Senator Kohl and I sent the President a letter, urging him to join with us to enact the NOPEC bill and curtail anti-competitive behavior by the oil cartels. It is time to join in a bipartisan coalition to say "NO" to OPEC. President Bush promised back in the 2000 election to "jawbone OPEC," but we need more than friendly talk; we need action. I ask that a copy of our letter be made a part of the record.

In addition to passing this bill out of this Committee today, I hope that we will see it joined on the Senate floor and enacted along with Senator Cantwell's bill against price gouging and Senator Dorgan's bill regarding a windfall profits tax. Senator Menendez also made an effort this week to provide a federal gas tax holiday for Americans and to cut back the obscene royalty relief and tax breaks that these super-profitable oil and gas companies continue to receive from federal taxpayers. I support all of these initiatives to provide relief to America's families, farmers and small businesses.

The overall increase in fuel costs for an average Vermont farmer last year was 43 percent, meaning that each farmer is estimated to pay an additional \$700 in fuel surcharges in 2006 alone. That may seem like pennies compared to the

profit sums we will be discussing today, but to me, and to all Vermonters, we know what the terrible consequences can be.

Vermont's dairy farmers, who get up every morning, well before the sun rises -- whether it is minus 15 degrees or pouring rain or pelting snow -- cannot continue to farm without fuel. It is not just farmers in my home state of Vermont. Farmers in Wisconsin, Pennsylvania, Idaho, California, and other key states that provide our domestic milk supply are affected. That is how we get the cream for our morning coffee each day. So as we sip our coffee this morning, I hope we will each think about what our actions mean for farmers and hospitals and small businesses across the nation.

At \$36.7 billion in profit last year, Exxon Mobil turned the highest yearly profit in U.S. history for any business. Since 1999, oil refiners have seen a 334 percent increase in profit on each gallon of gasoline refined because of prices they set, the lack of transparency, and the lack of effective regulation. Industry giants like Exxon Mobil are awarding \$400 million retirement packages to individual executives, while hard-working Americans are struggling to buy gas to drive their children to school. Just yesterday ConocoPhillips, the nation's third-largest oil and gas producer, announced their net income jumped to \$3.29 billion in the first quarter.

The American people deserve better. When the oil and gas industry is breaking profit records, the American taxpayers should not be asked to subsidize them. Hardworking American families, farmers and small businesses are paying them at both ends, as taxpayers and as consumers.

We now read in the papers that the oil companies are committing tens of millions of dollars to a lobbying campaign against legislative action like this. Those of us who believe America needs a more aggressive national energy policy that would deliver affordable, clean energy now, not whenever the oil company CEOs decide the time is right, have our work cut out for us.

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Statement of Senator Patrick Leahy
Ranking Member, Senate Judiciary Committee
On the Nomination of Brett Kavanaugh
April 27, 2006

Listed on the Committee's agenda today is the nomination of Brett Kavanaugh, a young Republican lawyer with a relatively short career, whose ABA rating over time has been downgraded. I have many concerns about his nomination to the second most important court in the Country, the Court of Appeals for the D.C. Circuit.

Most immediately, I am concerned that this Committee has fallen short of the kind of careful scrutiny it should apply to such an important nomination, especially one whose career is dominated by partisan and political positions. Not only did Mr. Kavanaugh fail to provide complete and forthright answers to the Committee, he delayed providing any answers at all to written questions for seven months.

Since Mr. Kavanaugh's renomination, new and significant questions have arisen that deserve answers relating to his knowledge and involvement in the President's illegal domestic spying program, controversial detainee policies, and the recent scandals plaguing this White House. All Democratic Members of this Committee have twice asked for another hearing in connection with this nomination. That is hardly without precedent, and in this case, completely justified.

We initially made this request in a letter on May 11, 2005. Since we sent that letter, Mr. Kavanaugh's nomination was returned by the Senate to the White House at the end of the first session of this Congress. We were hopeful that the President would consult with Senators and local officials in the District of Columbia on a more appropriate nominee but, instead, he renominated Mr. Kavanaugh at the beginning of this session. On March 3, 2006, we again sent a letter requesting a hearing on the Kavanaugh nomination. I ask that copies of those letters be included in the record.

These requests were made because Mr. Kavanaugh failed to provide meaningful and substantive responses to many of the questions posed to him previously. His evasive and incomplete answers were even more troubling because of his seven-month delay in answering them.

A new hearing is necessary also to explore new developments regarding this nomination. As Associate White House Counsel and staff secretary, Mr. Kavanaugh has served in the inner circle of the White House at a time when many controversial policies and decisions were being considered. Senators have not had a chance to question him about his role in connection with those matters. For example, what was Mr. Kavanaugh's role in connection with the warrantless spying on Americans? What was his involvement in the policies affecting detainee treatment and interrogation? What was his involvement in connection with military tribunals, torture, and rendition of prisoners to other countries?

Given the scandals now plaguing the White House, it is important to know whether Mr. Kavanaugh has had a role in connection with the actions of Jack Abramoff, Michael Scanlon, David Safavian, the matters being investigated in connection with the Plame matter, and many other matters. The wall of secrecy that the Administration has maintained has proven a barrier for this Committee in being able to carefully consider this Administration insider for a lifetime appointment to an important federal judicial position.

Committee consideration of this nomination is inappropriate at this time. It comes in advance of a hearing and thorough understanding of the matters on which Mr. Kavanaugh has been involved. The Administration knows why it is rewarding this person with this nomination. The Senate, and certainly the Democratic Senators on this Committee, do not.

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