

Over the last several years, the Army has consistently been missing its recruiting goals. As a result, the Army has relaxed its enlistment policies, lowered the standards for signing up new soldiers, and implemented a stop-loss policy to keep soldiers in beyond their contract obligation. This formula is symptomatic of a military in America which today is under severe strain. It is a formula that will, over time—and it already has—erode the quality of our armed services. The benefits under this 21st century GI bill will reverse this trend by attracting a new generation of high-quality recruits who come to the service of their country for the promise of an education in return.

S. 22 is a powerful recruitment tool. It is also a very smart economic investment. Each month it seems we read a new report describing how America is falling behind in education and losing its global competitiveness. With tuition costs rising, more and more young Americans are finding college out of reach. Ask those young Americans in college today or ask their parents today about how far out of reach college has become for them.

Veterans who in another era would have been able to use their Montgomery GI bill to pay for college now find their benefits have not kept pace with tuition growth. After years of service to their country and multiple deployments, college remains out of reach.

By making college accessible again to those who have answered the call since September 11, we will be making one of the smartest investments we can possibly make. By giving veterans a clear path from the military to the classroom, we will be equipping them with the skills and knowledge they need to lead our world. We will be helping them fulfill their destiny as the greatest generation of their time, leaders in their community, leaders in business, and leaders for America and the world in the 21st century.

I am proud of all of my colleagues who are behind this bill. I am proud of the leadership of Senator DANNY AKAKA, the chairman of the Veterans' Affairs Committee. I am proud of Senator WEBB, who has led this. I am proud of Senator HAGEL, whose principled voice serves our soldiers so well; Senator WARNER, whose wisdom and leadership on the Armed Services Committee has been so valuable for so many years; and Senator LAUTENBERG and Senator AKAKA, who both attended college under the GI bill in World War II. I thank each of them for their leadership.

I am proud the 21st century GI bill is included in this fiscal year 2008 supplemental. I am proud we have resisted efforts to weaken the bill. I am proud we have the opportunity to honor the service of our veterans with this GI bill to better reflect their sacrifice.

I yield the floor.

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

A NEW GI BILL

Mr. AKAKA. Madam President, I rise to speak in support of a new GI bill for the 21st century.

As chairman of the Senate Veterans' Affairs Committee and as one of the 8 million veterans who took advantage of the opportunity to attend college on the original World War II GI bill, I know first-hand the value of this benefit. It is one of the reasons why I am here today in the U.S. Senate.

Without the generous support I received from the GI bill and the maturity and discipline I gained from my military experience, I am certain that my life would have turned out much differently. Being able to attend the University of Hawaii—with all expenses covered—and receiving an allowance of \$113.50 a month—gave me the start in life that led to me standing here in this body today.

Now we should give that same opportunity to those young people—stepping forward—who put themselves in harm's way for our country. That is why I have given my enthusiastic support to the provisions that will come before the Senate later this week in the supplemental appropriations bill that would establish a new program of educational assistance for veterans and servicemembers.

Those provisions are drawn from S. 22—the proposed Post 9/11 Veterans Educational Assistance Act of 2007, which was introduced by my good friend and colleague from Virginia, Senator WEBB, who serves with me on the committee. This is a bipartisan measure that has already been approved by the House of Representatives.

This legislation will give thousands of young men and women who sacrificed for our country the opportunity to return to civilian life and pursue a full-time college education without worrying about what they will live on. It makes good on our promise of an education in return for volunteering to serve in our military and for honorable service.

To those who have concerns about the impact that this proposal might have on the Armed Forces ability to recruit and retain quality personnel, there are a number of points which must be made.

First, this new GI bill for the 21st century would be a powerful recruitment tool for our military. Our bright, college-bound high school seniors will see this as an attractive way to pay for their advanced education. By completing a 3-year commitment, they will earn a benefit that will allow them to attend school without accumulating thousands of dollars of debt.

As for retention, the armed services cannot retain those who they do not recruit.

In addition, this proposal incorporates a number of tools that the military can use to make longer commitments attractive, including retention kickers and the option of transfer benefits to family members.

I believe that those who would rely on transferability as an incentive to longer service would be disappointed. In 2006, the Army began offering this option to certain soldiers in critical skill areas. Less than 2 percent of the 17,000 soldiers who were given an option to transfer benefits to a spouse accepted it. Now the program has been expanded to permit transferability to children, but much more experience is needed before anyone can positively say that this benefit would have the desired impact on retention.

Finally, I want to say a few words to those who are concerned about the cost of the program. I have long said caring for veterans is a continuing cost of war. This Nation will be paying for the conflicts in Iraq and Afghanistan for many years. The cost of this program is a very small portion of the total funds that have already been spent and will continue to be incurred in the future. As others have pointed out, this program would be an extremely small percentage of what these conflicts are costing us each day.

I have worked very closely with Senator WEBB in developing this legislation. I take this opportunity to thank both Senator WEBB and his staff, especially Phillip Thompson and William Edwards, for their cooperation and collaboration. I also thank Senator JOHN-SON and Appropriations Committee staff, Chad Schulken, as well as Senator HAGEL and his staff member, Sarah Pullen for their cooperation and assistance.

I believe that what the Appropriations Committee has reported, and that will be before us later this week, is a workable and effective proposal and I urge my colleagues to support it and the President to sign it into law.

It is time for a new GI bill for the 21st century.

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.

Ms. CANTWELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

GAS PRICES

Ms. CANTWELL. Madam President, I rise today to talk about the out-of-control oil prices we are seeing and what we can do about it right now. I see we have reached another record in gas prices with the national average topping \$3.79 a gallon, and today is the 13th day in a row we have seen an increase in gas prices.

It is time Congress be more aggressive at trying to solve this problem. We have taken some action in the last week, both on the Strategic Petroleum Reserve and on the farm bill, trying to put more teeth into the CFTC. But we need to do more.

Democrats certainly want to police the oil and gas markets. We want to make sure we are doing a better job at policing these markets and restoring the authority the CFTC once had, and in making sure the CFTC does its job in preventing fraud, excessive speculation, and market manipulation. But many of my colleagues may not remember exactly how we got to this point after we substantially deregulated the energy futures market. While the oil futures market may seem like an issue that many may not understand in America, I guarantee my colleagues that oil futures affect the price of gasoline today. In fact, oil futures out to 2015 are already over \$100 a barrel and certainly affect the price of gas at the pump. But on a dark December night in 2000—in fact, it was December 15, the last day of the 106th Congress—an amendment was put on the Omnibus appropriations bill that received little attention and basically deregulated the energy futures market. That amendment that deregulated the energy futures market—the Commodity Futures Modernization Act—was added quietly to the 11,000-page must-pass Omnibus appropriations bill, right when Congress was adjourning. This deregulation has had a major impact on what we now lack in the oversight of markets.

In fact, we had one analyst, Gretchen Morgenson, being quoted as saying:

The Commodity Futures Exchange Act was an early Christmas gift to a company that had worked hard to persuade Members of Congress that the electronic energy exchanges and all the trades made on them should be exempt from regulators' prying eyes. The company was Enron.

So while many of my colleagues may not have realized in 2000 exactly what was happening, it was clear Enron knew exactly what it was lobbying for in getting the Commodity Futures Modernization Act attached to the Omnibus appropriations bill. In fact, Enron spent close to \$2 million lobbying to make sure we deregulated the energy market. I can't tell my colleagues—besides what has happened with the electronic trading of electricity—how much this has impacted the rest of our energy markets that some of my colleagues may not understand.

What this CFMA bill did is it substantially deregulated the energy futures market. It did that because it allowed energy futures trading on dark, opaque markets, it substantially relaxed existing regulation of energy trading, and it wholly excluded volatile financial derivatives which are at the center of today's credit crisis—credit default swaps.

At that point in time, there were many who were arguing that the CFTC should have had an aggressive role in regulating credit swaps, and that bill that was passed, again, on December 15, 2000, at 7 p.m. at night, on an 11,000-page omnibus bill, basically prevented any regulation whatsoever of credit de-

fault swaps. I think many understand now exactly how detrimental it has been not to have more insight into credit default swaps and the impact they have had on the credit crisis.

We had good consumer protection tools in place before deregulation. I wish to make sure my colleagues understand that. We had good consumer protection tools in place prior to this deregulation. On all energy futures exchanges, we required records be kept for all trades. Large trades on all exchanges had to be reported to the CFTC, which means that if somebody had a large position in a particular futures or derivative contract, they had to report that to the CFTC. There were speculation and position limits required on all exchanges. The CFTC had to review all trading for fraud and manipulation and for excessive speculation. That was one of their responsibilities. Also, traders had licensing and registration requirements.

So all those things were a part of the regulatory framework the Commodity Futures Trading Commission used to make sure that all energy markets were not being manipulated and to make sure that particularly on large trades, people weren't using large positions in the marketplace to affect prices. In fact, it led the chairman of the CFTC at the time to say:

... Large Trader information system is one of the cornerstones of the CFTC surveillance program and enables detection of concentrated and coordinated positions that might be used ... to attempt manipulation.

So here is the chair of the CFTC basically saying that large trader information is most critical to policing the futures market. Yet that is exactly what we gave up on certain exchanges when we deregulated the futures markets. We ended up deregulating large trades reporting to the CFTC.

So that is what the chairman said about the key tool one uses as a cornerstone. Basically, we threw it out and said you don't have to do this anymore—a big mistake and part of the reason we don't have more insight into why oil company executives are saying oil should be \$50 to \$60 a barrel. Yet we are seeing \$127 a barrel, and no one can justify, based on supply and demand, why we are here. What we need to ask ourselves is why we deregulated these markets and are not putting more teeth into protecting consumers.

So what has happened since deregulation? Well, we created dark markets with no transparency. That means that trading happens without insight, without those rules I mentioned before. There is no U.S. requirement to keep records. There is no large trader reporting. There are no speculation limits. There is a high risk for manipulation and excessive speculation.

I ask my colleagues to consider what would happen if we did something similar to other areas of our financial markets and organizations. Many people think of the stock market today and they say: Well, the stock market must

have some oversight. We hear stories all the time about people who have violated SEC rules.

Well, that is right. The Securities and Exchange Commission oversees the stock market and uses some of those same tools I mentioned to make sure there is oversight. Yes, there is oversight of the stock market.

Many people have heard of NYMEX—the New York Mercantile Exchange—and wonder whether it meets certain rules such as whether you have to register to be a trader there, whether somebody looks at large trading positions, and whether there is excessive speculation. The answer is yes, in this case we do have a Federal agency that oversees those things and we do have oversight. The Chicago Mercantile Exchange is another trading platform that is instrumental particularly in agricultural commodities and agricultural futures. The CFTC oversees the Chicago Mercantile Exchange for those same things: trading positions; large traders maybe doing untoward things; people have to register; speculation limit; all those things.

But now all of a sudden we have a new trading platform called the Inter-Continental Exchange, or ICE, that is largely unregulated. Back in 2000, Enron helped promulgate this idea that they don't have to meet those same requirements. So here we are. The stock market, including NYMEX and Chicago Mercantile Exchange and others, are all subject to CFTC oversight requirements. But then a trading platform where energy futures are traded without proper oversight gains a huge market share because we deregulated that type of over-the-counter exchange in 2000.

I can tell my colleagues we need to go back to policing this area of energy futures markets. We are not going to give the consumer the confidence they need to make sure these markets aren't being manipulated or that the price of oil isn't being driven up by hedge fund investors and others who happen to have no oversight as our other financial trading platforms do.

So to be clear, ICE is a dark market. That means it doesn't have the transparency. There is no direct CFTC review of trading for fraud, manipulation or excessive speculation. They don't do any of that. They also failed to stop Amaranth, which was a big hedge fund trading in natural gas futures.

The PRESIDING OFFICER (Mr. CARDIN). The Senator's time has expired.

Ms. CANTWELL. Mr. President, I ask unanimous consent to use such time as I might consume.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Reserving the right to object, I was thinking I was supposed to speak at 4 o'clock and the Senator was to speak after me. I don't know how long it might be if she continues. I have a conflict coming on my

schedule too. I need about 10 minutes. So my inquiry, before I object, might be how long the Senator might expect to proceed.

Ms. CANTWELL. I expect to go for probably about another 5 minutes.

Mr. SESSIONS. I don't object to that, Mr. President.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Ms. CANTWELL. Thank you, Mr. President.

So to continue on this point, Amaranth actually tried to make some of these energy futures trades on the NYMEX exchange. What happened is NYMEX said: No, you can't hold such large positions on this exchange. NYMEX wouldn't allow Amaranth to do it. Instead, they just went to the ICE exchange—again, without the transparency—and promulgated some of these things which ended up costing consumers billions of dollars.

Another product is traded on the ICE, but on an exchange they own in London, the West Texas Intermediate crude oil contract, which is a benchmark for crude oil prices. It is interesting because West Texas Oil does give us some indication about what oil futures are going to be and what the price of oil is going to be. Since it started trading on ICE in February of 2006, the price of crude oil has doubled. So we can see it has had a big impact.

I wish to make sure people understand because Amaranth is an example. We had Enron, which had many impacts on the electricity markets in the West. It cost billions of dollars in our State and throughout the west coast. Many of my consumers were greatly impacted by that. Amaranth came along in the natural gas markets and there was similar manipulation. So we saw it in electricity, we saw it in natural gas, and now we want to make sure oil markets are being policed. But Amaranth, as I said, was told to reduce its positions because the NYMEX didn't like the fact it had large trading positions. Instead of doing that, they switched over to this dark market that is unregulated and continued to hold these large positions which caused volatility and again, as I said, cost consumers over \$9 billion.

So where are we today? Well, we have in the farm bill taken a good step forward in trying to put some teeth back into the CFTC, but we need to do more. We need to ensure consistent market rules are there for all U.S. oil trading. We need to make sure our U.S. oil-trading platform has the type of transparency and the bright light of day on it. We need to make sure it is subject to U.S. trading exchanges, that those trading exchanges have the oversight of CFTC, and that energy traders can't simply justify any exemption and say the burden of proof is on the CFTC.

So what are we talking about? Some people say because the West Texas oil contract is being traded on ICE's London exchange it is an international exchange. But the crude oil we are talk-

ing about being traded is produced in the United States, it is delivered in the United States, it is consumed in the United States, and it is traded in the United States. The only question we have is if it is regulated in the United States, and the answer is no, it is being regulated by the Financial Services Authority in the U.K. It is a big question mark as to what is causing gas prices to be at \$127 a barrel, when energy analysts and oil company executives will tell you it should be between \$50 and \$60 a barrel.

So if somebody wants to tell you this product is not a U.S. product and should be on this exempt ICE exchange, that is buying something they should not be buying. What is important about this is that since this deregulation, we have seen explosive growth in the oil futures market. In fact, this is 2002, where you can see this on the chart. I hope we can get some numbers for 2000. I guess we will probably see something that is a little more parallel.

Look at this futures market, this explosive growth in derivatives now—this huge growth compared to where the stock market is today. So people are investing all this money in what is a dark market—not all of it, but a big portion in what is the dark market. Here, again, is what oil prices were. We created the Enron loophole and then the ICE started changing the West Texas intermediate oil and the price went up. When the dark market—the lack of transparency of trading oil futures—happened, the price shot up.

We need to get back to the basics. One of the CFTC commissioners said:

I am generally concerned about the lack of transparency and the need for greater oversight and enforcement of the derivatives industry by the [United Kingdom's Financial Services Authority.]

We know that another analyst involved in oil trading said:

Oil's price records are less due to fundamental changes than the increasing proportion of investor demand driving prices higher. I think we'll achieve a price of \$150 in the coming six months.

That was Eugene Weinberg who said that. The people in Washington State cannot afford gas coming from \$150 a barrel, and I am sure other consumers across the country cannot either.

One of the analysts who spent a lot of time reporting on this said:

Where is the CFTC now that we need [speculation] limits? It seems to have deliberately walked away from its mandated oversight responsibilities in the world's most important traded commodity, oil.

I think it is time we get back to the CFTC and their responsibility. I will send a letter this week, along with my colleagues—Senator SNOWE and others—to basically ask the CFTC to reverse its no-action letter that allows trade of crude oil, home heating oil, and gasoline futures contracts on ICE to be exempt from U.S. oversight and ask the CFTC to reinstate the authority it has to look at these dark markets.

One of the law professors who testified before the committee said:

The ICE [oil trading] loophole could be ended immediately by the CFTC without any legislation.

I hope my colleagues will join in signing a letter that says basically these markets cannot continue to remain dark. We need, as in the stock market, recordkeeping. We need to have large trade reporting so we know who is moving large trading volume and impacting the market. We need speculation limits and we need monitoring for trade and manipulation. These are things we can get the CFTC to do tomorrow.

It is time to pop the oil price bubble. It is not based on market fundamentals of supply and demand. We owe it to our consumers to make sure we are policing energy markets. We are going to do all we can to make sure we restore whatever is the proper oversight to these markets to make sure the deregulation that happened in 2000 is put back into place to give consumers more confidence.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

IMMIGRATION

Mr. SESSIONS. Mr. President, I think most of my colleagues may not yet be aware, and would probably be shocked to learn, that late Thursday afternoon during the Appropriations Committee markup, 110 pages of controversial immigration provisions were added to the war supplemental package in the form of four very significant Senate amendments to the House messages. It has been less than a year since the resounding defeat of the Senate immigration bill on June 28 of last year, where cloture failed by a vote of 46 to 53. The proponents of that legislation hoped to get 60 votes, and we walked down there in front of the American people and only 46 voted for it and 53 voted against it.

Yet the amnesty proponents—those who want to enact legislation that legalizes their status and forgives criminal activity, as opposed to creating a lawful system of immigration—are obviously continuing their determined effort to override the will of the American people and legalize the illegal alien population, without Congress acting to fulfill its responsibility to secure the border and create a lawful system of immigration.

That is what it is all about. This is a determined effort to push through the amnesty and the legalization status for people who have entered this country illegally subsequent to our 1986 bill, in which we said we would never have amnesty again, and they continue to seek ways to do that. So now they are seeking to attach their plan to a bill that provides necessary funds for our soldiers in Iraq. The 110 pages of immigration provisions now hidden in the supplemental war bill are offered in the