

Finally, I also note that this budget supports our veterans. We rightly reject the President's misguided proposals to increase enrollment fees and copayments for veterans' health care services. We increase funding for the Department of Veterans Affairs so that we can improve VA health care facilities and improve access to rehabilitation, mental health services, traumatic brain injury services, and speed the processing time for disability claims.

Again, I thank Chairman CONRAD for his leadership in helping to bring forth this agreement. As he has said previously, it truly marks a new path forward for our country. I urged my colleagues to support it.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. COCHRAN. Mr. President, I ask unanimous consent—

Mr. CONRAD. Will the Senator withhold for one moment?

Mr. COCHRAN. I am happy to withhold for my friend from North Dakota.

MORNING BUSINESS

Mr. CONRAD. Mr. President, I have been asked to request that we go into a period of morning business until 12:45, with the time equally divided.

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

Mr. CONRAD. I thank the Chair, and I thank very much my colleague and my friend, Senator COCHRAN.

The PRESIDING OFFICER. The Senator from Mississippi.

CLIMATE SECURITY ACT

Mr. COCHRAN. Mr. President, my staff members and I hear from Mississippians every day about the crippling effects of high energy prices. We all understand the need for increasing clean energy supplies, and I hope we can continue to work to do that and to develop other innovative solutions to deal more effectively with this great problem. But the bill we are considering will not accomplish that goal. Instead, the legislation will have a detrimental effect on our economy. It will contribute to a higher overall cost of living, and it will be especially harmful to lower income families.

According to projections by the Energy Information Administration and the Environmental Protection Agency, energy costs are projected to rise because of this legislation. Energy prices are already at an all-time high. We cannot afford to increase these costs even further. By 2030, increased costs for delivered coal could range between

405 percent and 804 percent, natural gas prices could rise between 34 percent and 107 percent, and gasoline prices could go up between 17 percent and 41 percent. Although the substitute amendment we are considering imposes yearly cost ceilings, these high prices will still be realized unless improbable advancements in alternative energy production, such as 70 new nuclear reactors and 68 billion gallons of ethanol, are produced.

Various projections of this bill show not only will prices increase, Americans could lose jobs as industries struggle to keep costs down. I am proud of the new era of manufacturing that my State of Mississippi is entering, but I don't want Mississippians to lose the jobs we have fought so hard to obtain. The Environmental Protection Agency and the Energy Information Administration suggest that this bill could reduce the gross domestic product of the United States by as much as 7 percent by 2050 and could reduce the manufacturing output of the United States by almost 10 percent in 2030. A reduction in output means that industry will need fewer workers in order to keep their costs down. A need for fewer workers will result in job losses, and unemployment rates in my State are already too high.

I believe the Senate should spend time considering the best use of America's natural resources while being mindful of the environment. However, if we are going to mandate reductions in greenhouse gases, there are certain principles we need to keep in mind. The Senate must consider the costs we will impose on the consumers we represent. The legislation we have before us goes beyond what is required to reduce emissions and imposes harsh, costly restrictions on the industries and businesses we count on to keep our economy healthy.

The bill provides that only 30 percent of annual emissions reduction obligations can be met using credits and offsets. Only half of that amount can be from domestically generated credits, through a complex formula, and the remainder of the available credits would come from outside the United States. Many of these credits and offsets will likely come from the agricultural sector. Mississippi farmers are already engaged in better and more efficient practices, such as no-till farming, new irrigation efficiencies, and reforestation of marginal lands.

Another troubling aspect of the legislation is the creation of a massive new mandatory spending regime that would direct nearly \$3.3 trillion in auction revenues over the next several decades to dozens of specific programs, some that already exist but some that are new. These mandatory programs will not likely receive the proper oversight and control that the annual appropriations process provides. It is unreasonable to think we can know today whether it will be appropriate in 2050 to allocate 3.42 percent of auction reve-

nues for Department of the Interior adaptation activities or to allocate 3.1 percent of auction revenues in 2030 for cellulosic biomass programs.

As ranking member of the Committee on Appropriations, where we have annual hearings and review the needs and the constraints we are dealing with under the budget for appropriating funds, I cannot support this approach that pretends to project what the appropriated amount should be years and years from now.

It is my hope we will be able to help restore a strong economy, create an energy infrastructure that provides for low-cost electrical and motor fuel prices, and foster a responsible attitude about our natural resources and the environment. However, the legislation we are now considering will not bring Americans lower energy costs or, realistically, a cleaner environment.

Unless major changes to this legislation are considered, I cannot support this bill.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I could give these remarks now or I could have given them when we were on the bill because they address something that is disturbing a number of Senators. That concern is that the majority leader may be thinking of filling the tree, which means he is not going to allow us to offer a significant number of amendments to this bill. That is, from what I can tell, something that we should not do, and he should not do. As someone who knows him well and works with him well, I think it would be a mistake to fill the tree on a bill like this, and let me give a few examples from my own experience.

When we used to do business the way the Senate does business, not filling trees but filling many days with legislation of importance, we had a Clean Air Act, Mr. President. The manager of the bill was Ed Muskie. The Clean Air Act; Ed Muskie. The first bill of that sort that came to the floor. I was a brand new Senator. I was on the committee. Very interesting. I spent a great deal of time on the Senate floor just listening and watching. That bill was on the floor of the Senate 5 weeks—5 weeks not 5 days—with 168 amendments considered and 162 acted upon. Of those, 60 were Democratic.

Now, imagine this bill before us, which is far more important in terms of the ramifications to the American economy, to the costs that will be added to energy, to the trial run that we are taking upon ourselves to try to curtail carbon, which we don't even know will work, yet it will put into the marketplace trillions of new dollars that are allocations. There are certificates, not issued by the Treasury of the United States but, rather, issued under the mandate of this program. All of the language in this bill as to who gets those allocations, as though we walked around and walked the streets and tried to see who might need them and

who might support the bill and provide these allocations, that deserves as much time as the Senate wants to spend offering amendments. It is probably the biggest, most complicated bill we have had, certainly in the 36 years that I have been a Senator.

Secondly, we tried an energy bill. We finally passed it after the third try, but we didn't try to fill the tree. That is language for saying we are making it so that it can't be amended, so that it will move rapidly because all avenues for amendment are filled, and thus the tree is filled. That is where the language comes from. The leader has the authority to do it, or whoever can be recognized ahead of him, if they want to do that.

I will cite another example. We finally passed a very good comprehensive energy act 3 years ago. That bill was on the floor of the Senate for 3 weeks—3 weeks not 3 days. This bill that we are talking about has been on the Senate floor only 3 days, 4 days, and already we are considering closing off debate. I have been here 35 years, and I have never seen anything like this—thinking of filling the tree on a bill of this magnitude, this complexity, and, I might say, with the certainty of having mistakes. It is just as certain as we are standing here and you are sitting there presiding that this bill has to have many errors in it, many things we will regret passing if we don't amend it, talk about it, and analyze it.

Having said that, and having examples of precedent here, when we behave like a Senate, where we were not unwilling to take 100 amendments on a bill when you considered that, and you didn't say: Oh, the Senate is closing its doors, we are dead, we used to say: We are live. We are going to get it done. Senator Muskie made his name on that one bill because it was here 5 weeks. Nobody ever questioned his capacity, after that, to handle legislation. I use that as an example when I tell people how do you become a Senator. You have an opportunity to come to the floor to manage something for anywhere from 3 days to 3 or 4 weeks. I had that chance three times on budgets. Before anybody ever knew me, I had the opportunity to come down here and do that. People found out I could manage a bill. That is part of the Senate. That happened to Senator Muskie—5 solid weeks and 100 amendments to get a Clean Air Act through here.

This bill is bigger, more important, more comprehensive, and maybe more difficult for the American economy and American people than the Clean Air Act. It needs time, not tree building, not trunk building, not closing off opportunities to amend.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, how much time remains in morning business?

The PRESIDING OFFICER. There remains 14 minutes.

OIL SPECULATION

Mr. DORGAN. Mr. President, I heard my colleague on the other side of the aisle, from Louisiana, on the floor of the Senate, with the usual sharp partisan scalpel, talking about what the price of gasoline was when this Congress was seated, the new Congress—presumably with a Democratic majority was his point—and what the price of gasoline is now, suggesting somehow that the Congress has conspired in increasing the price of gasoline. In fact, nothing could be further from the truth. But I want to explain my concern about what is happening with the price of gasoline and the price of energy in this country. I also want to make the point while I do this that those, including perhaps my colleague who was speaking earlier this morning, who have always felt that regulation was a four-letter word, ought to understand that part of what we are experiencing today is regulatory agencies in the Federal Government taking a Rip van Winkle nap while they ought to be regulating, while they ought to be watching on behalf of the public interest what is going on.

We have people who came to Government who did not like Government, who aspired not to do anything. A good example of that is the folks who were put in place prior to Enron, running roughshod on wholesale electricity prices—which we later found out was a criminal enterprise. People on the west coast were bilked out of billions and billions of dollars. Why? Because regulators were not watching and didn't care, because they were regulators who were selected by the very companies they were regulating. In fact, I am told that Ken Lay actually was conducting some interviews on behalf of the administration.

Ken Lay is dead. He is gone. He came before my committee. I chaired the hearings on the Enron scandal over in the Commerce Committee. He came before the committee. We subpoenaed him. He raised his hand, took an oath, sat down and took the fifth amendment. He has now died but many of his colleagues in Enron are spending years at minimum security prisons somewhere around the country.

Effective regulatory oversight is very important. It is unbelievably important. Let me explain why that is the case with respect to the price of gasoline and the price of oil.

Here is what has happened to the price of gasoline. These are oil prices, but gasoline prices track them. This is the price of a first month contract on the NYMEX. You can see what is happening—up, up, and up.

Is there a reason that oil prices should go up like that? Let's explore that a bit. Stephen Simon, senior vice president of ExxonMobil, testified a month and a half ago before the House of Representatives. Here is what he said:

The price of oil should be about \$50–55 per barrel.

A big oil executive saying the price of oil ought to be about \$50 or \$55 a barrel.

Here is Clarence Cazalot, the CEO of Marathon Oil. He says:

\$100 oil isn't justified by the physical demand in the market.

An oil executive saying the current price at \$100—it is much higher now—\$100 is not justified.

During a question-and-answer period he suggested a more reasonable range for crude oil prices was between \$55 and \$60 a barrel.

This is from the Newark Star Ledger on January 8.

Experts, including the former head of ExxonMobil, say financial speculation in the energy markets has grown so much over the last 30 years that it now adds 20 to 30 percent or more to the price of a barrel of oil.

Again, an oil company executive.

Fadel Gheit, senior energy analyst at Oppenheimer, with 30 to 35 years experience:

There is absolutely no shortage of oil. I'm convinced that oil prices shouldn't be a dime above \$55 a barrel.

I call it the world's largest gambling hall.

He is talking about the futures market now, for oil.

I call it the world's largest gambling hall . . . It's open 24/7 . . . Unfortunately, it's totally unregulated . . . This is like a highway with no cops and no speed limit and everybody's going 120 miles an hour.

Fadel Gheit came and testified before our Energy subcommittee and said the same thing. There is no justification for the current price of oil.

Then what is happening? This is what a market looks like at NYMEX. It is hard to see much order there, but I have actually visited that market. It is a bunch of traders on the floor who wear colored jackets and logos and have pieces of paper. It doesn't look like anybody can keep track of what they are doing. They apparently are doing it well. At any rate, in this market, which is supposed to provide liquidity for the price of oil—that is you have a market where you have people who hedge and people who buy contracts and so on—there is now an orgy of speculation, an unbelievable amount of speculation.

Let me show what has happened with respect to speculation. This line shows the percentage of oil owned by speculators, January 1996 to April 2008. This is oil purchased by people who do not have any interest in having oil. These are speculators. They buy things they will never get from people who never had it, expecting to make money on both sides of the trade.

This market is now infested with speculators. We heard testimony yesterday that said the largest holder of home heating fuel in the Northeast, in the United States of America, is Morgan Stanley, an investment bank. Does anybody here think that Morgan Stanley decided as part of its corporate charter we aspire to gather a bunch of heating oil because we want to be in