

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

the heating oil business? No. It is an investment bank that is in the speculative business.

Hedge funds and investment banks are deep into speculation in these futures markets, very deep. Investment banks for the first time, as I understand it, are actually buying storage capacity to take energy, that is heating fuel and oil, off of the market and put it in storage to keep it in the market. They believe it would be more valuable in the future than to convert it to dollars, which they think will depreciate. So they buy oil and store oil because they are speculating.

The question is, What do we do about that? If, in fact, the fundamentals aren't at work here—and, by the way, there is no free market. Everybody says: What about the free market? Let the free market work. There is no free market. That is absurd. You have a cartel, a bunch of folks who represent the OPEC countries. They all have ministers—Mr. Minister this, Mr. Minister that. They go lock a door somewhere and this cartel decides how much they are going to produce and what price point they want. You have a cartel at the front end. Second, you have bigger oil companies. They have all merged. They all like each other so they all married and the fact is nobody cared much how big they got and now they have two names, ExxonMobil, ConocoPhillips, the list goes on. So they are bigger, stronger, and they have more muscle in the marketplace. Cartel, bigger oil companies—and third and most important you have an unbelievable amount of speculation in a market that ought to work but doesn't work anymore at all.

Who is injured? The country is damaged. Our economy is damaged. Everybody who drives up to a service station and wants to use a gas pump to fill their car with gas is now actually siphoning money right out of their pocketbook right into the bank account of the major oil companies, right into the bank account of the OPEC countries. They have "permagrin." They love this. They smile all the way to the bank because they are depositing our money. But it is injuring our country, damaging our economy, and hurting American consumers.

So if this is not just about fundamentals, and if the fundamentals don't justify the current price, what then can we do? We have done at least a couple of little things. I introduced a bill we have now passed and the President has now signed it—he didn't like to sign it, but he signed it—that said at least stop putting 70,000 barrels a day underground of sweet light crude. That is a law. They have not stopped doing it because they are filling out the current contract until the end of June, but 70,000 barrels of sweet light crude will go into the supply line when that goes into effect at the end of this month.

What can we do to end and wring out the speculation? Let me say, first, we need oil. I am not here to trash oil. We

need oil. I understand that. We put in place in 1960 generous tax breaks that are permanent to say: If you are looking for oil or gas, we want to give you some tax incentives to do that. That is what this country did a long time ago.

I was on an oil rig about 2 weeks ago in the area of our country that has the largest oil play, I believe. It is called the Bakkan Shale in western North Dakota and eastern Montana. It is fascinating what they are doing. The reason I say we need oil—I encourage drilling. I was one of four Senators who helped open up Lease 181 off the Gulf of Mexico. We are now going to get more oil and gas off of that area and still protect our environment.

Let me talk about the sophistication of the drilling rig I visited 2 weeks ago. They drill down 10,000 feet, make a big curve with the same rig, and drill out 10,000 feet. They are searching for a seam that is 100 feet wide called the shale seam. They divide that seam into three parts—the upper part, middle part, and lower part. They go down 2 miles with a drilling rig, make a big curve, go out 2 miles, and they are targeting only the middle part of a 100-foot seam to get oil and they end up 2 to 4 feet from where they expect to be with their drill bit. It is unbelievable technology. There is a lot going on and I commend them for it. We want to encourage them. We want more production, but we cannot sit around here, as a Congress, and say it doesn't matter what the current price is.

If the price at the pump is \$4, the price of a barrel of oil is \$125 or \$130 or \$135, it doesn't matter. It matters to the airlines that went belly up recently. I had a discussion yesterday with an executive who told me the name of an airline he thinks may well be liquidated in the next couple of weeks. I was flabbergasted. We have had a good many airlines file for bankruptcy recently. We have trucking companies all across this country, especially mom-and-pop truck businesses, that cannot afford to buy fuel and have gone belly up and many others will. We have people who can't afford to put gas in their tank to drive to work. That is unbelievable to me.

If it were about fundamentals, I would understand this, but this has nothing to do with fundamentals of supply and demand or the free market. It has to do with an unbelievable amount of speculation. We have a right, in my judgment, we have a responsibility, to begin wringing that speculation out of those futures markets.

There are a number of ways to do that. I have talked before about a piece of legislation that would increase margin requirements for those who want to engage in speculation. If you want to buy stock on margin, you have to put up 50 percent of the money. That is a requirement—50 percent of the money. If you want to go buy an oil contract, 5 to 7 percent. If you want to control \$100,000 worth of oil, it will cost you

\$5,000 to \$7,000. If you want to control \$100,000 worth of stock on margin, it will cost you \$50,000.

It seems to me first we ought to identify a way to decide what is speculation and what is not and then go after a way to wring out the speculation from these markets. I understand markets need to work, they need liquidity, they need to have an opportunity for legitimate hedging. I understand all of that. But I also understand what has happened here is we have galloped into this box canyon with speculators making massive amounts of money.

The other day I was on the floor and I talked about a man who has been involved in hedging and betting—mostly betting, not hedging—and has made a massive amount of money. He doesn't have any interest in oil. He has never had oil run through his fingers. He has probably never changed the oil in his car, let alone wanting to buy oil. He wouldn't have a place to store it if he got it. He is very interested in gambling on the contracts, back and forth, to make money.

That is what Mr. Gates said. As I indicated, Mr. Gates is a fellow who has over 30 years' experience. I have talked to him by telephone a number of times. Mr. Gates says: This is the world's largest gambling hall. It is open 24/7, totally unregulated.

Now, we have seen speculation and bubbles exist in our country before. We have seen them in history. There are books written about bubbles and speculation. You know when tulips were sold for \$25,000 a piece, 400 and 500 years ago, it did not matter so much, nobody needed to have a tulip to do well during the day.

But oil is different. The price of oil affects every American, every consumer, every business. It affects our economy. What are we going to do if this price keeps moving and if we do not find a way to wring the speculation out of this and bring it back to where supply and demand or where a real marketplace would render the price to be?

How many airlines will go bankrupt? Will trucking companies be able to purchase fuel? What will consumers do? What will it mean to the economic growth potential of this country?

I am working on a piece of legislation that does a couple things, that addresses this speculation in a way to free it, to wring it out of the futures market. The futures market should exist. It is a legitimate market. The futures market for oil is necessary. You need to hedge. But we need to find a way to have complete transparency, to be able to regulate both here and also on the intercontinental exchanges. We probably need to increase the margin requirements and say to speculators: Your day is over. Your day is done. This market will exist, but it will exist without you.

I intend to work on that amendment with my colleagues in the coming days and offer it and hope we push it to a conclusion.

I yield the floor and 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. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

LIEBERMAN-WARNER CLIMATE SECURITY ACT OF 2008

Mr. REID. Mr. President, I ask unanimous consent that the motion to proceed to S. 3036 be agreed to, and the motion to reconsider be laid on the table.

The PRESIDING OFFICER (Mr. MENENDEZ). Is there objection?

Mr. MCCONNELL. Reserving the right to object—I withhold.

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

The clerk will read the bill by title. The assistant legislative clerk read as follows:

A bill (S. 3036) bill to direct the administrator of the Environmental Protection Agency to establish programs to decrease emissions of greenhouse gases, and for other purposes.

AMENDMENT NO. 4825

(Purpose: In the nature of a substitute)

Mr. REID. Mr. President, I send the Boxer substitute amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mrs. BOXER, proposes an amendment numbered 4825.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. MCCONNELL. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to read.

The assistant legislative clerk continued with the reading of the amendment.

Mr. REID. Mr. President, I ask unanimous consent that further reading of the amendment be waived.

Mr. MCCONNELL. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to read.

The assistant legislative clerk continued with the reading of the amendment.

Mrs. BOXER. Mr. President, I have a unanimous-consent request.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, in order to debate global warming legislation to get us to lower gas prices, I ask unanimous consent that reading of the amendment be dispensed with so we can get back to the business of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. CORNYN. Reserving the right to object, this is a brand new substitute bill comprised of 491 pages that very few people have even had a chance to see. I think this is an opportunity for us to learn what is actually in the legislation so that we can do our job and consider it and vote accordingly.

I do object.

The PRESIDING OFFICER. Objection is heard.

Mrs. BOXER. I reiterate my request because the reason given by my friend is wrong. We have had a summary available for 2 weeks.

I ask unanimous consent that reading of the amendment be dispensed with.

Mr. CORNYN. Regular order, Mr. President.

The PRESIDING OFFICER. The clerk will continue the reading of the amendment.

The assistant legislative clerk continued with the reading of the amendment.

The PRESIDING OFFICER (Mrs. MCCASKILL). The Senator from Connecticut.

Mr. LIEBERMAN. Madam President, in order to proceed with this piece of legislation which would reduce carbon pollution that causes global warming, I ask unanimous consent to dispense with further reading of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. ALLARD. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue the reading of the amendment.

The journal clerk continued with the reading of the amendment.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Madam President, in order to continue with this tripartisan legislation which is agreed to by an Independent, Republican, and a Democrat, which will save the planet from the ravages of carbon pollution and global warming and make us energy independent, I ask unanimous consent that further reading of the bill be dispensed with.

The PRESIDING OFFICER (Mr. SCHUMER). Is there objection?

Mr. ALLARD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue the reading of the amendment.

The assistant journal clerk continued with the reading of the amendment.

(The amendment as read in full is printed in today's RECORD under "Text of Amendments.")

Mr. SALAZAR. Addressed the Chair.

The PRESIDING OFFICER (Ms. CANTWELL). The Senator from Colorado.

Mr. SALAZAR. Madam President, given the lateness of the hour and the hard work of all our staff today, I ask unanimous consent that further reading of the amendment be waived.

The PRESIDING OFFICER. Is there objection?

Mr. CORKER. I object, Madam President.

The PRESIDING OFFICER. Objection is heard. The clerk will continue reading.

Mr. SALAZAR. Madam President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. SALAZAR. Madam President, would it be in order for this Senator from Colorado to ask a question of the Senator from Tennessee?

Mr. CORKER. Madam President, regular order, if we could.

The PRESIDING OFFICER. Regular order is the reading of the amendment. The clerk will read the amendment.

The assistant Parliamentarian (Leigh Hildebrand) continued with the reading of the amendment.

The PRESIDING OFFICER (Mr. SALAZAR). The Senator from Nevada, the majority leader.

Mr. REID. Mr. President, the American public has had the opportunity for the last 8 hours to watch what is wrong with the Republican minority. No wonder an election in a heavily Republican House district, the seat of the former Speaker of the House of Representatives, Dennis Hastert, goes Democratic big time; a House seat in a special election in Louisiana, which has been Republican for a long period of time, went Democratic; and a seat in the State of Mississippi, in a special election, went Democratic. All you have to do is look at the picture of what has been going on here today to understand why.

It seems the Republican minority wants to do anything they can to maintain the status quo. They do not want legislation, and they have proven that time and time again. I want everyone to understand that because of the Republicans, we are going to have to have a vote. In a short time, I am going to call a live quorum and people are going to have to take off their pajamas, turn off their TV sets and head for the Capitol, and they should do that because that is what we are going to have, as the terminology is here, in a few minutes.

Now, I want also people to kind of get the other picture. The Thursday before our recess, 13 days ago, we were working on a package of nominations. I worked with the Chief of Staff of the President of the United States, Josh Bolten. We cleared a lot of names. The vast majority of them, 80-some, were Republicans, Republican nominees. There were a handful of Democrats, five—I don't know how many. It was all done. I thought we had worked this out with the Chief of Staff, the President's Chief of Staff. But lo and behold, at the last minute, no. So I thought, well, we would start early this time. So a couple days ago I started working again with Josh Bolten, and the last couple days, in fact 3 days, we have been working. He has had somebody work with my Chief of Staff and my appointments person, and I thought we