



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 110th CONGRESS, SECOND SESSION

Vol. 154

WASHINGTON, WEDNESDAY, JULY 16, 2008

No. 117

Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable BENJAMIN L. CARDIN, a Senator from the State of Maryland.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Our Father in heaven, who amidst the traffic of our busy ways sustains us, continue to order the steps of our Senators. Lift their gaze to the beckoning hills of Your help, leading them on paths that bring them to hope and away from despair. Lord, as they journey toward justice and peace, make them satisfied to follow Your plans and fulfill Your purposes. Give them a positive attitude as they face today's challenges as You direct them to discern what is Your best for our Nation and to courageously vote their convictions.

Lead, Kindly Light, amid the encircling gloom. Guide us through the darkness of our own devices to the sure and certain destination of faith and trust in You. We pray in the Redeemer's Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable BENJAMIN L. CARDIN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 16, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable BENJAMIN L. CARDIN, a Senator from the State of Maryland, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. CARDIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following leader remarks, there will be a period of morning business for up to 1 hour, with Senators permitted to speak for up to 10 minutes each. The majority will control the first 30 minutes, Republicans will control the second 30 minutes. Following morning business, the Senate will resume consideration of S. 2731, the Global AIDS bill.

There should be rollcall votes during the day. Senator BIDEN told me last night they expect to finish the bill today. So I hope that, in fact, is the case.

MEASURE PLACED ON THE CALENDAR—S. 3268

Mr. REID. Mr. President, I understand that S. 3268 is at the desk and due for a second reading.

The ACTING PRESIDENT pro tempore. The leader is correct. The clerk will read the title of the bill for the second time.

The legislative clerk read as follows:

A bill (S. 3268) to amend the Commodity Exchange Act to prevent excessive price speculation with respect to energy commodities, and for other purposes.

Mr. REID. I object to any further proceedings with respect to the bill.

The ACTING PRESIDENT pro tempore. Objection is heard. The bill will be placed on the calendar.

ENERGY SPECULATION

Mr. REID. Mr. President, the bill that was read for the second time is a bill I introduced last night and put on the calendar. I attended a chairmen's meeting 2 weeks ago today. Much of the discussion at that meeting was on gas prices. Much of the discussion on gas prices dealt with speculation. The chairs of that meeting asked if I would prepare a piece of legislation dealing with speculation.

That is what this is all about. There are four or five Democratic proposals, there are some bipartisan proposals dealing with speculation. That is what the bill that I have introduced does. It takes some from all of those, what we believe is a good part of these bills and brings it to the floor.

There might be perfection in some things, but legislation is not one of them. It is very difficult to get something that is absolutely perfect. So this bill is not perfect.

Is speculation a problem? Of course, it is a problem. Is it the problem? No. But it is an issue we must deal with. So I would hope in the near future to bring this bill to the floor as a starting point for us to have some discussion as it relates to energy.

In arriving at the point where we introduced this bill, I had a meeting last Thursday, where we had people from the financial management world, banks, academics. We had, for example, one person who is the chief executive officer of United Airlines, who previously was chairman of Texaco and vice chairman of Chevron, who has a unique view as to what is going on.

His airline, all airlines in the country, are in deep trouble. He sees it from the perspective of someone running a major airline, United Airlines, and also having run major oil companies.

These academics, and you will see the writers, believe that probably speculation amounts to about 30 percent of the cost of a gallon of gasoline. Now, the bill that has been introduced does a

- This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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number of things. It closes the London loophole, which prevents traders in the U.S. oil energy commodities from going overseas to evade regulatory requirements in the U.S. exchanges.

It directs the Commission to work with international regulators to develop uniform international reporting standards. It eliminates excessive speculation. It requires the Commission to set position limits on traders who are not involved in legitimate hedge trading of energy commodities, requires large trader reporting, requires large traders of energy commodities in over-the-counter markets to file reports of their activity with the Commission and directs the Commission to step in whenever a major market disruption occurs.

It makes index traders and swap dealers report. These market participants must routinely provide detailed reporting to the Commission to ensure that their activity is not adversely impacting price in any negative fashion.

It increases the CFTC enforcement resources. It directs the Commission to hire an additional 100 employees to improve enforcement transparency. It makes energy markets more transparent by directing the Department of Energy to collect information, analyze market data, and investigate financial institution investments in natural gas markets.

I have had a number of informal discussions with the Republican leader. I hope this piece of legislation dealing with speculation, which we hope will be bipartisan in nature, will be the beginning of our having a good discussion on energy prices, before we leave for the August recess.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

A NEW SLOGAN

Mr. MCCONNELL. Mr. President, our Democratic friends yesterday came up with a new slogan for gas prices. It was: "Act more, talk less." They talked about it to the press, they talked about it in the Chamber, they even used a colorful floor chart to make a point.

Frankly, I could not agree more with their new slogan. I hope they take it seriously too. It is time to get about passing serious, balanced legislation that will actually make a difference.

Americans are hurting as a result of high gas prices, and they are looking to us for action. This is an issue that affects every single American. So it is of great importance to every Member of this body.

The vast majority of Americans are asking us to get at the root of the problem, instead of timidly dancing around the edges as some have tried to do. It is clear that the American people

strongly support increased responsible domestic production. It is also clear, at this point, that a solid bipartisan majority in the Senate is ready and willing to move forward on limited environmentally sensitive exploration here at home, so we can reduce our dependence on Middle East imports.

Republicans welcome the new-found slogan from our friends on the other side of the aisle, but we hope it is more than a slogan. We should act more and talk less. In the days ahead, the American people will be able to judge who wants to boldly act and who wants to just talk. So it is important for us not to fail the American people at this critical point. I wish to congratulate the majority leader for turning to this subject. I think it is clearly and unambiguously the most important issue in the country. We look forward to having a real Senate-style debate over different approaches to this matter and, hopefully, coming together at the end of the time with a proposal that both sides can feel proud of, that the markets will respond favorably to, and that people will generally feel made a difference on the No. 1 issue confronting the American people.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to a period of morning business for up to 1 hour, with Senators permitted to speak therein for up to 10 minutes each, and the time equally divided between the two leaders or their designees, with the majority controlling the first half of the time.

ENERGY

Mr. BINGAMAN. Mr. President, I wished to address this issue which both the majority leader, Senator REID, and the Republican leader, Senator MCCONNELL, have talked about; that is, high gas prices.

This is a very real problem for Americans throughout the country. High gas prices today, the high price of home heating fuels as we approach the fall and winter, particularly natural gas prices which are expected to be much higher this winter; propane prices; and home heating oil prices.

Unfortunately, as I am sure we are all aware, there has been a lot of politics mixed in with the debate about what we ought to be doing to try to deal with and help solve this problem. I hope we can put that behind us and get onto a substantive discussion of the concrete steps that would make sense.

Most agree there are three areas we might constructively address in the

very near term in the Congress. I hope we are able to address all three. The first is the one Senator REID was talking about earlier, and that is, the proper functioning of energy markets or the so-called problem of speculation in our markets.

The second, of course, is how do we reduce our demand for oil. Everyone recognizes that part of the high price of gas is the increasing demand for oil, and the United States is a significant participant in increasing demand.

The third item is the increasing of supply which needs to be part of the solution as well, in my view.

On the issue of proper functioning of the markets, Senator REID pointed out that as majority leader he has now put forward a piece of legislation which we hope can gain bipartisan support and we hope can be addressed in the Senate in the very near future. It takes some of the ideas that have come from the Republican side of the aisle, and some of the ideas that have come from the Democratic side of the aisle, and tries to meld these two into a piece of legislation that will do some real good in taking speculation out of the market.

Now, there is a lot of dispute as to what extent there is speculation affecting the price of oil. But most experts say the increased speculation in commodity markets is one factor.

On the issue of demand reduction, there are a lot of ideas also around the Congress as to things we might do. The President has not spoken about demand reduction, at least I have not heard him say anything about that. He has not spoken about the issue of speculation in the markets either or urged action there.

But I think the Congress ought to try to address both to speculation issue and demand reduction. Third, we ought to try to do something on the issue of increasing supply. Now, the President has made this his sole issue that requires attention, as I understand his recent statements.

He specifically has said the current ban on drilling in the Outer Continental Shelf is what needs to be changed, that is the one thing standing between the American people and a lower price for gas at the pump. Now, 2 days ago, he took action to revoke the Presidential withdrawal of this Outer Continental Shelf land and challenged Congress to act similarly in the immediate future before the August recess.

Let me try to put some facts out for people to understand on this general issue. Before doing so, I ask unanimous consent that my total time allowed be 20 minutes as part of morning business.

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

Mr. BINGAMAN. This first map tries to make the point as to what we are talking about. We are all talking about the OCS, the Outer Continental Shelf. There are four areas that constitute the OCS. It is an area 200 miles going out from the U.S. coast all around the