

that problem every day at the pump. The American people are speaking very clearly about what needs to be done, and the Senate has the ability to answer their call. Americans are going to continue to demand a serious solution that gets at both supply and demand. Nothing less can be seen as a solution. Nobody can say with a straight face that simply addressing speculation, a very narrow part of the problem, is a serious approach.

The majority seems less concerned with passing a bill which can bring down the price of gas and more concerned with just passing some bill. But it wasn't too long ago that the majority party, regardless of which party was in control, welcomed an open debate on energy legislation.

Let's look back to last year. Last year, when the Senate considered the Energy Independence and Security Act and when gas was \$3.06 a gallon, 49 amendments were agreed to out of the 331 which were filed. Of those amendments, 16 received rollcall votes. In 2005, when the price of gas was \$2.26 a gallon, a Republican majority allowed 19 rollcall votes on amendments during debate on the Energy Policy Act of 2005. A total of 57 amendments were agreed to out of 235 proposed. Neither of these bills was rushed through in less than a week. We spent 15 days on the floor debating last year's Energy bill and 10 days in 2005 because we wanted to make sure we got it right, that ideas from both sides were considered, that the legislation would have the needed impact.

We need to do that again. The current cost of gas is a serious problem that requires a very serious approach. The Senate insults the American people if it treats this problem with anything less than the seriousness such a big problem requires. We need to find more and use less. We need to consider good ideas from all sides, and we need to take seriously that energy is the No. 1 issue facing our country and act on it now. We simply can't go through a failed process, claim credit for trying, and then go home. Americans know better, and Americans expect more.

I yield the floor.

RECOGNITION OF THE MAJORITY LEADER

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

BLOCKING SOLUTIONS

Mr. REID. Mr. President, the code word is that all Democrats want to do something "perfunctory." That is code for blocking another bill. We are up to 83. They have blocked those. Obviously, they are now going to block this oil legislation.

Look at this picture. The Republicans introduced their bill on what to do about the energy problems. Part of that bill deals with speculation. We,

the Democrats, think speculation is part of what is driving up these oil prices. But we didn't just dream this up. Academics, economists say that the cost of oil is 20 to 50 percent speculation. My friend the Republican leader said it is a little issue, speculation. If the price is 20 to 50 percent speculation, according to which economist or academic one talks to, that is a pretty big deal. If you lower the price of oil by 20 percent, that lowers gasoline well below \$4 a gallon; 50 percent knocks it to \$2 a gallon. That sounds like a pretty big issue to me.

I don't think it is just by chance that once we introduced this bill, oil prices started to drop, because much of the speculation takes place by people who have no inkling they will ever use the oil. Prior to 2006, it was against the law, but the Republican-dominated Congress passed a law saying you don't have to take possession of the oil; you can just go ahead and buy it. That is what has happened. That is why speculation is an important piece of legislation.

Let's assume that is all we did, nothing but speculation. Remember, it is part of their bill, and we think it is a big part of what is the problem in America today. Let's assume we only did that. That would seem to be a pretty big step in the right direction, if we were able, with a piece of legislation, to lower the price of oil even by the small amount of 20 percent and maybe by the 50 percent some say. But they obviously do not want us to do that.

Let's go to the next step.

We see ads being paid for all over the country by whom? Oil companies. Oil companies are saying: Join with our Republican colleagues in the Senate and drill more, drill more, drill more. You get the picture? Oil companies, Republicans in the Senate? Republicans are looking at these ads paid for by the big oil companies, full-page ads.

They can afford them. They made \$250 billion last year.

We Democrats are not opposed to drilling. Right now, there is 68 million acres available onshore and offshore. In addition, there is a lot of oil in other places. All the Interior Department has to do is lease the land. They have the authority to do that. There is no moratorium on any of that. In Alaska alone, there is 25 million additional acres which oil people say is a gold mine for oil. They can go drill there now. What the Republicans want—and we see what they are doing here—is to protect the oil companies. Just as Bush and CHENEY have done for 8 years, the most oil-friendly administration in our history is now being supported by their friends, as they have for 8 years, Republicans in the Senate.

Republicans in the Senate, the oil companies, they want yesterday forever. We want to change. That is why someone like T. Boone Pickens has joined with Al Gore. Get that picture again. T. Boone Pickens and Al Gore? They have joined together saying: Oil

is not where it is. We have to get away from our addiction to oil. We have to get rid of our addiction to oil. Al Gore says that. He lays out the problem very well. Here comes T. Boone Pickens with a solution. He says we should have a little bridge, after a few years of using natural gas, and then it should be all renewable energy.

We have tried now for months to get a renewable energy tax credit. Senator DURBIN asked me to meet with one of his constituents yesterday. I was so impressed with this man. He is an immigrant to the United States from the Ukraine. He has made a couple fortunes. He is now a big player in windmills.

He has 2,000 megawatts of electricity being produced from windmills. That is a lot of electricity—a lot of electricity. It is much larger than the coal-fired generating plant which was one of the largest in the country in Mojave in Nevada which just closed because it was so dirty. It is bigger than that. It is huge what he is doing. But he came to us and said: I am about to lose everything—everything—because the banks are going to withdraw my loans because the tax credit is not here next year.

So here is the picture—again, talking about a picture for the third time. The Republicans have obviously told us they are going to block legislation dealing with oil. We have said: Let's do speculation. They have talked now for weeks about drilling. They have talked about what the oil companies are advertising they want to do with full-page ads. They want to drill. They want to leave the decision to be made by the Governors.

We have said now for more than a week: Let's vote on that. No, that is not what we want to do. The Republican whip yesterday told the Democratic whip they have 28 amendments. That is not a serious effort to move forward on this legislation. They have been saying and following the lead of the oil companies saying: We want to use less, drill more. And we are saying: Let's vote on your proposal. They are saying, no, no way, because we are filibustering another piece of legislation—83.

So the American people understand we have people over there on that side of the aisle who have joined with big oil. They are very happy they are running the ads. They are saying: No, we are not going to do anything about speculation, and even though we have talked about this great panacea to all the problems America faces, we will drive down prices immediately with our amendment on drilling. We are saying: Fine, let's vote on your amendment. They say: No, thanks.

Mr. CORNYN. Mr. President, will the distinguished majority leader yield for one question?

Mr. REID. Mr. President, I will be happy to yield.

Mr. CORNYN. Mr. President, I would ask the distinguished majority leader,

I am informed he had stated in his earlier remarks that 20 percent of the problem we have with high oil prices now is the result of speculation. I was wondering if the distinguished majority leader would—that is the first time I had heard that figure. I wonder if he could provide a citation or some place—

Mr. REID. Mr. President, I would say to my friend, if it is the first time you have heard it, with all due respect, you have not been listening to what has been going on on the Senate floor. I am not the only one who has said it. Many people have said it. I would be happy to place in the RECORD—and the first person we will place in the RECORD is somebody who was a high-ranking official with the commodity futures trading organization, where he says it is 50 percent. Now, that is in the RECORD already. I will be happy to repeat his name, and we will spread this all through the RECORD. He says 50 percent. Many others say it is 20 percent. That is why we believe speculation is an important piece of this legislation.

I say to my friend from Texas, as I said earlier, if the man who says it is as much as 50 percent wrong, and it is only 20 percent, that is still a big chunk out of this, and it must mean it is worthwhile pursuing because in the Republicans' proposal you have in your proposal a speculation piece.

Mr. CORNYN. Mr. President, I would respond briefly and say to the distinguished majority leader, I have been listening. I have been on the floor literally every day talking about this issue. But I will say what surprised me about the 20-percent figure is that Warren Buffett, the CEO of Berkshire Hathaway, said it is not speculation that is driving up the price of oil, it is supply and demand.

So that is why I was asking for a citation because it is the first time I have heard it. I do not think I am the only one, and I have been listening.

Mr. REID. Before I leave the floor, Mr. President, I will simply say that Warren Buffett is a great guy. I like him very much. But keep in mind, he has not made his money in oil. He has made his money selling furniture and insurance and other things of that nature. Warren Buffett is a great person. I have great respect for his ability to make money. But he has not made it in oil. I think we need to look at some of the other experts in this regard.

I repeat, there must be some substance to it. The Republicans have it in their legislation.

RESERVATION OF LEADER TIME

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

STOP EXCESSIVE ENERGY SPECULATION ACT OF 2008—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the

Senate will resume consideration of the motion to proceed to S. 3268, which the clerk will report by title.

The assistant legislative clerk read as follows:

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

The ACTING PRESIDENT pro tempore. Under the previous order, there will be 1 hour of debate, equally divided and controlled between the two leaders or their designees prior to the vote on the motion to invoke cloture.

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, later this morning, we are scheduled to vote on the motion to proceed to the legislation that the majority leader was referring to. This legislation is entitled the Stop Excessive Energy Speculation Act of 2008. This is legislation that is designed to shed additional light on trading activities in global oil markets.

I hope very much the Senate will vote to invoke cloture this morning and that we can proceed, and do so in a bipartisan fashion, to debate the legislation. The topic of speculative investment in our energy markets has been the subject of many hearings throughout many committees of the Senate.

In our own committee, the Senate Energy and Natural Resources Committee that I chair, along with a handful of other committees, we have had something approaching 30 or 40 hearings during the 110th Congress on this subject. We have heard testimony from industry analysts, traditional producers and consumers of petroleum products, that the recent runup in crude prices can be attributed, at least in part—and there is debate about whether it is 20 percent or more or less, but this runup in prices can be attributed, at least in part, to what are referred to by some of the experts as the “new fundamentals” in our energy markets.

We had Dan Yergin, from Cambridge Energy Associates, who testified at a workshop we had in the Energy and Natural Resources Committee last week, and he talked about the new fundamentals, as he has now for some time. These new fundamental forces include nontraditional investment flows into energy commodity markets, as asset managers seek to hedge against inflationary risks and hedge against the decline in the value of the dollar.

This flight of investments into commodities is a symptom of our ailing economy in general. But it also poses a number of serious questions from an energy market perspective. Among those are whether and how the influx of billions of dollars in relatively passive investment is impacting the fundamental price-discovery functions these financial markets are intended to perform; that is to say, to some pension fund managers and index investors taking positions in the oil markets, the

price of a barrel of oil on any given day may not be very important. Whether the price is \$5 or \$500 per barrel, their oil market positions are designed to balance the risk they have in other parts of their portfolio, and they have made a policy judgment to put 10 percent of their portfolio in commodity markets, the oil market being prime among those.

So the question for policymakers is whether this investment—this new fundamental: the demand for paper barrels, as it was referred to at our workshop last week—has begun to swamp the price signals that are generated by the more traditional hedgers, the large producers, and consumers of petroleum products in tune to the real-time dynamics of supply and demand. Supply and demand is still a significant factor in the price of oil. There is no question about that. But these new fundamentals are also a significant factor in the view of many experts who have testified to our committee.

During the course of the multiple hearings we have held in the Energy Committee, through a series of related correspondence we have had with the Commodity Futures Trading Commission, and in the ensuing debate in the Senate, I believe that a compelling case has been made that the Commodity Futures Trading Commission requires more authority, needs more authority, needs more resources, needs more explicit direction from Congress to examine these issues in detail.

That is what Senator REID's legislation tries to accomplish. Senator REID's legislation would provide the CFTC, the Commodity Futures Trading Commission, with the tools to do that. It does several things. Let me mention a few.

It codifies recent CFTC initiatives related to the conditions under which the United States will allow traders access to foreign boards of trade on which energy commodity contracts are listed. That is an important signal to the market that the United States will take a stronger stand on efforts to circumvent domestic trading rules.

The second thing it does is it provides much greater transparency in over-the-counter markets. This is another key building block to putting in place forward-leaning regulatory policies adapted to the increasingly global and electronic environment in which energy is bought and sold.

The third thing this legislation does is it includes a number of provisions designed to shine additional light on the nexus, or connection, between the physical commodity and the financial energy markets, and to ask some of the same questions about natural gas markets that we have been asking about petroleum over the last few months. I believe this is an important effort. Particularly it is an important effort in light of what may prove to be a very difficult winter heating season.

There are clearly ways in which this underlying legislation can be improved