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 if we have the bipartisan will to do so. In addition, I know some on the other side of the aisle would like to expand the debate on the energy speculation bill to address, in addition, supply and demand-related issues. I believe Senator REID has indicated an openness to having that done as well, if we can come together on a plan for consideration of amendments.

It is clear to me there is indeed more we can do on the topic of curtailing demand and expediting the availability of domestic supply in the United States. I hope we can offer proposals along these lines in the days ahead. Hopefully, we can find some areas of commonality on those measures as well.

The first step toward getting to this serious debate—which I think we all believe should occur—the first step to achieving consensus in the Senate is to invoke cloture this morning on the motion to proceed to the energy speculation bill that Senator REID has brought forward.

I urge my colleagues to do so.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. CORNYN. Mr. President, I thank the distinguished chairman of the Senate Energy Committee, who is very knowledgable on this subject. I do say to him that I do believe that I and others on this side of the aisle will vote to invoke cloture on the speculation provision. But I do have some questions about it.

First of all, I asked the majority leader how much of the problem of the high price of oil was caused by speculation. He said some people say 20 percent. I cited to him Warren Buffett, a multibillionaire, somebody who knows a lot about financing, and he said he thought it was supply and demand. T. Boone Pickens, one of my constituents, who has made a lot of waves here recently, talking about the importance of wind energy and talking about the importance of natural gas, said that focusing on speculation is a waste of time.

Now, I do not know whether it is a waste of time or whether it is 20 percent. But I would ask the majority leader, why are we only going to focus—assuming you are right and speculation is 20 percent of the problem—why are we only going to focus on a 20-percent solution? Why not focus on the 80 percent he is leaving on the table by not talking about supply and demand?

Of course, while Congress continues to not do things that might have an impact, we have seen, since January 4, 2007—since the Democratic majority took power—the price of gasoline, which was $2.33 a gallon, today has dropped just a little bit, dropped a nickel, to $4.06 a gallon.

Here is what Warren Buffet, the chairman and CEO of Berkshire-Hathaway, told us:

> It's not speculation, it is supply and demand.

I am not saying this, but let's say somebody would say he is wrong and Senator REID is right, it is 20 percent. How come we are not talking about that remaining 80 percent? That, frankly, is what our side of the aisle would like to talk about. We would like to talk about a 100-percent solution, assuming that is humanly possible.

I was in Texas this weekend. Yesterday I hosted a press conference at the Flying J truckstop on I–35 in Waco, TX. I must tell you, all I hear from my constituents back home is how the high price of gasoline is not only pinching their budget but making it harder for them to get by.

I also went to the North Texas Food Bank in Dallas. Of course I talked to a lot of the volunteers and other staff there who are doing great work providing food for people who are hungry. What they are telling me is that the high price of fuel is increasing the cost of food. Using ethanol, using corn for fuel, is causing additional pressure on food prices. We are finding that not only are people suffering more at the pump when they go to fill up their tank, actually they are finding it harder to put food on the table, putting more and more pressure on charitable organizations such as the North Texas Food Bank.

Try as we might, there is one law that we simply can no longer refuse to acknowledge, and that is the law of supply and demand. We know world demand is going up because rising economies such as China and India, countries of more than 1 billion people each, want more of what we have. They want to be able to buy cars, they want to be able to drive those cars, they want the prosperity that comes with access to energy that we in America have had pretty much to ourselves for a long time.

It is important for Congress to realize the one power we do have, frankly, is the power to lift the moratorium on the 85 percent of the Outer Continental Shelf where we know there are vast supplies of oil and natural gas. For every barrel of oil that we produce in America, that is one barrel less we have to buy from the Middle East, including OPEC, the Organization of Petroleum Exporting Countries, which includes countries such as Iran, or from countries such as Venezuela, from Hugo Chavez, someone who obviously does not wish us well.

We know there are ways to come up with new sources. Unfortunately, every time we bring up new energy sources to try to bring down the price of oil by producing more supply at home we are told we cannot do that; that is, offshore exploration was blocked, oil shale was blocked, which reportedly accounts for about 2 million additional barrels of oil that we can produce in America, in Colorado, Utah, and Wyoming. ANWR, a 2,000-acre postage stamp in a huge expanse of land in the Arctic that could produce as many as 1 million barrels of oil a day, that is blocked.

It does not just stop there. We say we need to do something about rising electricity costs as well, so why can't we build some nuclear powerplants? We have been told we cannot do that either; that is blocked.

Why can't we figure a way to use the coal we have in America? We have been called the Saudi Arabia of coal. The problem is, coal is dirty. But we have the technology, we have the know-how, I believe, using good old-fashioned American ingenuity and our world class institutions of higher education to do the research, to learn how to use it cleanly. Clean coal research and technology—that has been blocked as well.

Increasingly, it sounds as though either we are engaged in a nonsolution, if you believe Mr. Buffet—and the majority leader is going to confine us simply to a speculation provision—or, at best, according to the majority leader's own words, we are only going to be dealing with 20 percent of the problem. I think we ought to deal with 100 percent of the problem. Unfortunately, it seems as though every time we bring up the issue of more domestic supply, our friends on the other side of the aisle, who control the floor and control the agenda by virtue of their being in the majority, have simply said: No. No.

Unfortunately, no new energy continues to mean higher prices for the American consumer.

On this side of the aisle we have introduced a bill that has the support of 46 Republicans. We skinnied it down to try to eliminate controversial issues, and we said: Let's look at the speculation component. Let's look at greater transparency. Let's look at putting more cops on the beat, more human resources to make sure we supervise and we analyze and we make sure we police the commodity futures market for abuses. But we don't just stop there. We don't stop with a 20-percent solution. We provide a comprehensive solution by saying yes to domestic oil supply, using what God has given us in this country in a way that will allow us to be less dependent on imported oil from the Middle East.

As we continue to do that—and this is the other component of the gas price reduction bill I am referring to, that has 46 cosponsors—we say let's continue to do the research on renewable and alternative fuels because one day it may well be that we are all driving battery-powered cars that we literally plug into the wall socket at night to charge those batteries. That is what the major car companies are going to be introducing into the marketplace in 2010.

As we continue to do research in wind energy or solar to generate electricity, we continue to do research into how to use coal to transform it into liquid so we can turn it into aviation fuel. Believe it or not, that is what the U.S. Air Force is doing right now. It is flying some of its most sophisticated airplanes using synthetic fuel made from coal, coal to liquid. The challenge we have, of course, is to try to make sure we can sequester the carbon dioxide produced from that.

I don't know why every time we try to find more and we try to talk about the importance of conservation that our Democratic friends, including the majority leader, just simply say no. Why they would offer either a non-solution or a 20-percent solution, depending on whether you want to believe T. Boone Pickens or you want to believe the majority leader—T. Boone Pickens, who said just addressing speculation is a waste of time; Warren Buffet, who said it is not speculation but supply and demand that is the problem. But let's say the majority leader is right, and both of them are wrong. At best we have a 20-percent solution. I think America needs better than that.

The strange thing about it is I don't know why we would resist going onto this bill and offering amendments that would provide a 100-percent solution to America's energy problems. Find more and use less is the formula we would like to see enacted in this legislation.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Mr. President, it is fascinating to come out here and listen to false choices. Let me describe this issue of find more, drill more. I am for drilling. I am for everything. But that is yesterday forever. It is the same folks who every 10 years show up and say: Let's keep doing what we have been doing, that sure is good, except the hole keeps getting deeper. If we don't have something that is game changing, 10 years from now they will be back talking about ''find more.''

The false choice is this: This chart shows the National Petroleum Reserve Alaska. We have made all 23 million acres of it available for drilling. Only 3.8 million acres have been leased. There is more oil in the National Petroleum Reserve Alaska than exists in ANWR. An estimated 9 million barrels of oil and 60 trillion cubic feet of natural gas are available in the National Petroleum Reserve Alaska. Yet some policymakers trot out their little horn ornament called ANWR and say: You have to agree to drill in ANWR or you are not for drilling.

How about this? How about this 23 million acres? It is a canard and false choice to come out and suggest that somehow, as my colleague said, Democrats are against drilling. That is absurd. It is just not the case.

What we need to be for, it seems to me, is something that is game changing, something that says let's not be in this same position 10 years from now. John F. Kennedy didn't say let's try to go to the Moon or I would like to think about going to the Moon or maybe we will make an effort to go to the Moon. He said: We are going to put a man on the Moon by the end of a decade.

That is what we ought to do with respect to the change in energy policy. You will get no change from those who come to the floor of the Senate and say let's keep doing what we have been doing even though the hole is getting deeper.

Here is what is happening. We need to do first things first. The first hurdle in front of us is to shut down the dramatic speculation on the oil futures market. Speculators were 37 percent of the people in the oil futures market in the year 2000. Now oil speculators are 71 percent of the market. They have broken the market. There is nothing my colleagues can point to in the last 12 months that happened in supply and demand that would justify a doubling of the price of oil—nothing. Yet, interestingly enough, 47 Members of the other side of the aisle have said speculation is at least part of the problem. In fact, there is a provision on speculation in the bill of Senator MCCONNELL, the minority leader's bill that was offered in the Senate.

If 47 of them believe speculation is part of the problem, let's at least address that first. It seems to me if you are running the hurdles, you jump the hurdles in front of you. Why not do this first, even as we work on a wide range of other issues as described by my colleague, Senator BINGAMAN? We are drilling, and we should continue to drill in a responsible way in certain areas of the country.

I was one of four Senators who helped open lease 181 in the Gulf of Mexico. It was a big fight. Guess what. It has been open now for a couple of years, and there is not one drilling rig on it because the oil folks aren't there. Yet they send folks to the floor of the Senate to say we need to get Democrats to allow us to drill more. There are 8 million acres we opened in the Gulf of Mexico. There is substantial new oil and gas available on those 8 million acres. Yet they are not there drilling. Why?

The entire master narrative in this debate in the Senate is the minority wanting to say somehow the majority doesn't support drilling. It is a false choice, and they know it.

The question is this: Will they support shutting down the excessive relentless speculation in the oil futures markets? Will they support that? Are they going to stand on the side of the oil speculators and say we kind of like what is going on; we like seeing the price of oil double in a year?

Let me point out again that there is nothing that has happened in supply and demand that would remotely justify the doubling of the price of oil in a year. Yet they come to the floor with their charts and say: Produce more.

I am for producing more. It is a false choice to suggest they support producing more and we do not. But the question is, what are you going to do to deal with the problem today? Then, what are you going to do as we go forward to suggest something that is really game changing, that allows us to be free and escape from the need to rely on Saudis to ship us oil?

My colleague just described a quote from T. Boone Pickens. He must have forgotten the quote from R. Boone Pickens that says: You can't drill your way out of this mess. You can't drill your way out of this. What we need to decide as a country is we are not going to have to go begging for oil from the Saudis, from Venezuela, Iraq, and elsewhere because we have changed our energy mix.

So if 47 members of the minority have talked about speculation being a problem, perhaps we can at least address this first issue. Then we should work on the wide range of other things—substantial conservation; substantial new initiatives with respect to energy efficiency; yes, more production; and most important, dramatic moves toward renewable energy: wind energy, solar, geothermal, biomass.

It is long past the time for this country to decide we are going to change our energy mix. How are you ever going to get to hydrogen fuel cell vehicles—or, in the interim, to electric vehicles—if you do not get serious about deciding we are going to change our energy future? If you want to be yesterday forever, God bless you, but don't count me among you. I don't want to be here 10 years from now—I don't know that I would be—but I don't want to be here every single decade to see the same folks coming to the Senate floor to say let's keep digging the same hole. How? Just because drilling is the only answer.

Mr. President, how much time have I consumed?

The ACTING PRESIDENT pro tempore. Six-and-a-half minutes.

Mr. DORGAN. I yield the floor.

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

Mr. LEVIN. Mr. President, day after day record-high oil and gasoline prices are hurting millions of American consumers and businesses. Unless we act, the record-high prices will continue to reverberate throughout our economy, increasing the prices of transportation, food, manufacturing and everything in between, endangering the economic security of our people and our Nation.

The price of crude oil recently reached a record high price of about $147 per barrel. Sky-high crude oil prices have led to record highs in the price of other fuels produced from crude oil, including gasoline, heating oil, diesel fuel, and jet fuel. The national average price of gasoline is at a record high of about $4.11 per gallon. Jet fuel costs nearly $4.30 per gallon. The price of diesel fuel, which is normally less expensive than gasoline, has soared to a record high of nearly $4.85 per gallon.

Rising energy prices greatly increase the cost of getting to work and taking our children to school, traveling by car, truck, air and rail, and growing the food we eat and transporting it to market. Rising energy prices greatly increase the cost of producing the medicines we need for our health, heating our homes and offices, generating electricity, and manufacturing industrial and consumer products. The relentless increase in jet fuel prices has caused airline layoffs, fare increases, and service cuts. ''If fuel continues to go up, this industry cannot survive in current form,'' the president of the Air Transport Association said recently. Rising diesel prices have placed a crushing burden upon our Nation's truckers, farmers, manufacturers, and other industries.

My Senate Permanent Subcommittee on Investigations has conducted four separate investigations into how our energy markets operate. Last December, we had a joint hearing with Senator DORGAN's Senate Energy Subcommittee on the role of speculation in rising energy prices. As a result of these investigations and hearings, I have proposed several measures to address the rampant speculation and lack of regulation of energy markets which have contributed to sky high energy prices.

These investigations have shown that one key factor in price spikes of energy is increased speculation in the energy markets. Traders are trading contracts for future delivery of oil in record amounts, creating a demand for paper contracts that gets translated into increases in prices and increasing price volatility.

Much of this increase in trading of futures has been due to speculation. Speculators in the oil market do not intend to use oil; instead they buy and sell contracts for crude oil in the hope of making a profit from changing prices. The number of futures and options contracts held by speculators has gone from around 100,000 contracts in 2001, which was 20 percent of the total number of outstanding contracts, to almost 1.2 million contracts, which represents almost 40 percent of the outstanding futures and options contracts in oil on NYMEX. Even this understates the increase in speculation, since the CFTC data classifies futures trading involving index funds as commercial trading rather than speculation.

There are now, as a result, 12 times as many speculative holdings as there were in 2001, while holdings of non-speculative or commercial futures and options are up but 3 times. According to the basic law of supply and demand, the more demand there is to buy futures contracts for the delivery of a commodity, the higher the price will be for those futures contracts.

Not surprisingly, therefore, this massive speculation that the price of oil will increase, together with the increase in the amount of purchases of futures contracts, has, in fact, helped increase the price of oil to a level far above the price that is justified by the traditional forces of supply and demand.

The president and CEO of Marathon Oil recently said, ''$100 oil isn't justified by the physical demand in the market. It has to be speculation on the futures market that is fueling this.'' Mr. Fadel Gheit, oil analyst for Oppenheimer and Company describes the oil market as ''a farce.'' ''The speculators have seized control and it's basically a free-for-all, a global gambling hall, and it won't shut down unless and until responsible governments step in.'' In January of this year, as oil hit $100 a barrel, Mr. Tim Evans, oil analyst for Citigroup, wrote ''the larger supply and demand fundamentals do not support a further rise and are, in fact, more consistent with lower price levels.'' At the joint hearing on the effects of speculation we held last December, Dr. Edward Krapels, a financial market analyst, testified, ''Of course financial trading, speculation affects the price of oil because it affects the price of everything we trade . . . It would be amazing if oil somehow escaped this effect.'' Dr. Krapels added that as a result of this speculation, ''There is a bubble in oil prices.''

The need to control speculation is urgent. The presidents and CEOs of major U.S. airlines recently warned about the disastrous effects of rampant speculation on the airline industry. The CEOs stated ''normal market forces are being dangerously amplified by poorly regulated market speculation.'' The CEOs wrote, ''For airlines, ultra-expensive fuel means thousands of lost jobs and severe reductions in air service to both large and small communities.''

As to reining in speculation, the first step to take is to put a cop back on the beat in all our energy markets to prevent excessive speculation, price manipulation, and trading abuses. In the spring of 2001, when my Senate Permanent Subcommittee on Investigations began investigating our energy markets, the price of a gallon of gasoline had spiked upwards by about 25 cents over the course of the Memorial Day holiday. We subpoenaed records from major oil companies and interviewed oil industry experts, gas station dealers, antitrust experts, gasoline wholesalers and distributors, and oil company executives. We examined thousands of prices at gas stations in Michigan, Ohio, California, and other States. In the spring of 2002, I released a 400-page report and held 2 days of hearings on the results of the investigation.

The investigation found that increasing concentration in the gasoline refining industry, due to a large number of recent mergers and acquisitions, was one of the causes of the increasing number of gasoline price spikes. Another factor causing price spikes was the increasing tendency of refiners to keep lower inventories of gasoline. We also found a number of instances in which the increasing concentration in the refining industry was also leading to higher prices in general. Limitations on the pipeline that brings gasoline into my home State of Michigan were another cause of price increases and spikes in Michigan. The report recommended that the Federal Trade Commission carefully investigate proposed mergers, particularly with respect to the effect of mergers on inventories of gasoline.

The investigation discovered one instance in which a major oil company was considering ways to prevent other refiners from supplying gasoline to the Midwest so that prices would increase.

In March 2003, my subcommittee released a second report detailing how the operation of crude oil markets affects the price of not only gasoline, but also key commodities like home heating oil, jet fuel, and diesel fuel. The report warned that U.S. energy markets were vulnerable to price manipulation due to a lack of comprehensive regulation and market oversight.

For years I have been working with Senators FEINSTEIN, DORGAN, SNOWE, BINGAMAN, CANTWELL, and others on legislation to restore some regulatory authority in the energy markets that had been exempted from regulation because of an ''Enron loophole'' that was inserted at the last minute into an omnibus appropriation bill in December 2000. For 2 years we attempted to close the Enron loophole, but efforts to put the cop back on the beat in these markets were unsuccessful, due to opposition from the Bush administration, large energy companies, and large financial institutions that trade energy commodities.

In June 2006, I released another subcommittee report, ''The Role of Market Speculation in Rising Oil and Gas Prices: A Need to Put a Cop on the Beat.'' This report found that the traditional forces of supply and demand didn't account for sustained price increases and price volatility in the oil and gasoline markets. The report concluded that, in 2006, a growing number of trades of contracts for future delivery of oil occurred without regulatory oversight and that market speculation had contributed to rising oil and gasoline prices, perhaps accounting for $20 out of a then-priced $70 barrel of oil.

That subcommittee report, again, recommended new laws to provide market oversight and stop excessive speculation and market manipulation. I co-authored legislation with Senators FEINSTEIN, SNOWE, CANTWELL, BINGAMAN, and others to improve oversight of the unregulated energy markets. Once again, opposition from the Bush administration, large energy traders, and the financial industry prevented the full Senate from considering this legislation.

In 2007, my subcommittee addressed the sharp rise in natural gas prices and released a fourth report, entitled ''Excessive Speculation in the Natural Gas Market.'' Our investigation showed that speculation by a single hedge fund named Amaranth had distorted natural gas prices during the summer of 2006, and drove up prices for average consumers. The report also demonstrated how Amaranth had shifted its speculative activity to unregulated markets to avoid the restrictions and oversight in the regulated markets, and how Amaranth's trading in the unregulated markets contributed to price increases.

Following this investigation, I introduced a new bill, S. 2058, to close the Enron loophole and regulate the unregulated electronic energy markets. Working again with Senators FEINSTEIN and SNOWE, and with the members of the Agriculture Committee in a bipartisan effort, we finally managed to include an amendment to close the Enron loophole in the farm bill that was then being considered by the Senate. Although the CFTC's new enforcement authority over these electronic markets was effective upon passage of this legislation, much of the CFTC's new oversight authority will have to be implemented through CFTC rulemaking.

Although the legislation to close the Enron loophole is important to reduce speculation in energy markets, it is not sufficient because a significant amount of U.S. crude oil and gasoline trading now takes place in the United Kingdom, beyond the direct reach of U.S. regulators. So we have to address that second loophole too.

One of the key energy commodity markets for U.S. crude oil and gasoline trading is now located in London, regulated by the British agency called the Financial Services Authority, FSA. However, the British regulators traditionally have not imposed any limits on speculation like we do here in the United States, and the British do not make public the same type of trading data that we do, i.e. it is less transparent. This means that traders can avoid the limits on speculation in crude oil imposed on the New York exchanges by trading on the London exchange. This is what is referred to as ''the London loophole.''

The Stop Excessive Energy Speculation Act—Energy Speculation Act—which the majority leader and others recently introduced to address high prices and reduce speculation, includes a number of provisions that will help stop rampant speculation and increase our access to timely and important trading information and ensure that there is adequate market oversight of the trading of U.S. energy commodities no matter where the trading occurs. One of the key provisions in the Energy Speculation Act would close the London loophole.

The Energy Speculation Act would close the London loophole by requiring the Commodity Futures Trading Commission, CFTC, to determine whether a foreign exchange imposes comparable speculative limits and comparable reporting requirements on speculators that the CFTC imposes on U.S. exchanges prior to allowing traders in the U.S. trading U.S. energy commodities to access that exchange through a terminal located in this country. It would also give the CFTC authority to take action, such as by requiring traders to reduce their holdings, in the event that traders exceed these limits.

The legislation in the Energy Speculation Act to close the London loophole is very similar to legislation I previously introduced with Senators FEINSTEIN, DURBIN, DORGAN and BINGAMAN, S. 3129, to close this loophole. The legislation we introduced was also incorporated into legislation introduced by Senator DURBIN, S. 3130, which, like the provisions of the Energy Speculation Act, would give the CFTC more resources and to obtain better information about index trading and the swaps market.

After these two bills were introduced, the CFTC imposed more stringent conditions upon the ICE Futures Exchange's ability to operate in the United States—for the first time insisting that the London exchange impose and enforce comparable position limits in order to be allowed to keep its trading terminals in the United States. This is the very action our legislation called for.

Although the CFTC has taken these important steps that will go a long way towards closing the London loophole, Congress should still pass the legislation to make sure the London loophole is closed. The Energy Speculation Act would put into statute the conditions the CFTC has stated the London exchange must meet before it will allow it to operate its terminals in the United States, and it would ensure that the CFTC has clear authority to take action against any U.S. trader who is excessively speculating through the London exchange or manipulating the price of a commodity, including requiring that trader to reduce holdings.

There is also concern that some large traders may be avoiding the limits on holdings and accountability levels that apply to trading on the regulated futures exchanges by trading in the unregulated OTC market. In the absence of data or reporting on the activity in the OTC market, however, it is difficult to estimate the impact of this large amount of unregulated trading on commodity prices. Moreover, even if we were to get better information about unregulated over-the-counter trades, the CFTC has no authority to take action to prevent excessive speculation or price manipulation resulting from this unregulated trading.

The legislation to close the Enron loophole placed OTC electronic exchanges under CFTC regulation. However, this legislation did not address the separate issue of trading in the rest of the unregulated OTC market, which includes bilateral trades of swaps through voice brokers, swap dealers, and direct party-to-party negotiations.

I recently introduced, along with Senator FEINSTEIN, the Over-the-Counter Speculation Act, legislation that addresses the rest of the OTC market, a large portion of which consists of the trading of swaps relating to the price of a commodity. Generally, commodity swaps are contracts between two parties where one party pays a fixed price to another party in return for some type of payment at a future time depending on the price of a commodity. Because some of these swap instruments look very much like futures contracts—except that they do not call for the actual delivery of the commodity—there is concern that the price of these swaps that are traded in the unregulated OTC market could affect the price of the very similar futures contracts that are traded on the regulated futures markets. We don't yet know for sure that this is the case, or that it is not, because we don't have any data or reporting on the trading of these swaps in the OTC market.

The Energy Speculation Act introduced by the Majority Leader and others includes this legislation to give the CFTC oversight authority to stop excessive speculation in the over-the-counter market. These provisions in the Energy Speculation Act and in our Over-the-Counter Speculation Act represent a practical, workable approach that will enable the CFTC to obtain key information about the OTC market to enable it to prevent excessive speculation and price manipulation.

This legislation will ensure that large traders cannot avoid the CFTC reporting requirements by trading swaps in the unregulated OTC market instead of regulated exchanges. It will ensure that the CFTC can take appropriate action, such as by requiring reductions in holdings of futures contracts or swaps, against traders with large positions in order to prevent excessive speculation or price manipulation regardless of whether the trader's position is on an exchange or in the OTC market. The approach in this bill is both practical and workable.

Mr. President, I urge my colleagues to vote to proceed to the Stop Excessive Energy Speculation Act. This legislation contains several important provisions that will address the problem of excessive speculation that has been contributing to high commodity prices.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be permitted to use the remaining time, including the remaining leader's time.

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

Mr. DOMENICI. Mr. President, it is good to be with you today to talk about this. Before we begin a vote on a serious subject matter, it is good to talk to you about a few issues and thoughts I have about what is happening and what should be happening during the next 2 weeks in the Congress.

This morning millions of Americans woke up to another costly commute to their workplace. They paid over $4 per gallon to fill their tanks. You will recall that 18 months ago it cost them about $2.60 to purchase the same amount of gasoline.

Family budgets are hurting. On average, the American family will spend $2,200 more for gasoline this year compared to last year. A number of surveys suggest that Americans are driving less because the increased price at the pump is too much a strain on their lives. They are turning to us, their elected representatives, and they are looking for real leadership. Sometimes I wonder whether they have given up or whether they actually expect us to do something. I suggest we ought to do something, and any effort on the part of the majority to make this a couple a day event with a vote on each side or perhaps no votes or no amendments by Republicans, let me say that will not be accepted with very much enthusiasm by the minority, and the Republicans will insist that we stay here until we have had an opportunity to vote on significant amendments that we think the American people are entitled to have put before the Senate.

It seems to me the American people are turning to us, their elected representatives, and asking and looking for some leadership. In overwhelming majorities, the American people are clamoring for more energy production at home. If any oil production or natural gas production exists that we own, which we are not allowing to be produced, the American people are saying: Why not? In fact, they are saying why not open it; let's see what it yields, what it does for us.

The message is clear: Americans are saying we need to drill for more American oil. Now, anything short of allowing up-or-down votes on amendments that will determine whether we honor the request of the American people to drill for more American oil—whether we are going to be permitted to do that is obviously in the hands of the Democratic leader. But I believe we will do our share as the minority—49 of us—to make sure the American people understand whether they are getting a fair shake by us getting a fair shake here on the floor on amendments that would inure to the benefit of the American people. The majority has offered a speculation bill, so far, and that is all we have seen. In the midst of this clarion call from the American people, it now appears my friends on the other side of the aisle might have to be dragged kicking and screaming to even debate whether we need to produce more energy.

After a litany of stale proposals that were rejected—including a windfall profits tax, price gouging, manufacturing taxes, cap-and-trade taxes, and lawsuits against OPEC—the majority seems content to hang its hat on the speculation bill, and a possible ''use it or lose it'' policy. As I speak, it appears that the majority drafts in secret a policy that claims to advocate lower prices while not actually increasing production, and the American people, I believe, will grow more and more impatient, and it will not be hard for them to understand what we are saying as we tell them their impatience is justified.

I wish to address the ''use it or lose it'' issue. You understand that the other side is saying, as far as offshore drilling, there are already leases that exist, where we have given oil companies, large and small, the right to drill for oil or gas under the conditions of the leases that went forth. They were obtained by the oil companies, large and small, by bids. Some bids were very high, some were not so high. All in all, there are a lot of oil companies that have the right to drill. So the other side is asking, how many acres do they have the right to drill upon? And now they are sitting around trying to draft legislation that says they are not using that land they leased from us; they are not using it as much as they should, and we want to pass a law that says: Use it as we prescribe in this new law or lose it.

They are going to try to tell the American people that is the way to get more oil out of parts of the coastal areas of America—understanding they are already leased. Oil companies already have paid money and oil companies are probably already doing everything they can to maximize their return on those leases. Yet, since there are a lot of acres, some of which have not yet produced, they are saying let's look at them and that is where we can get this new oil for America.

We say that is not true. Those leases are time-certain leases, all of them. They are either 5-year or 8-year or 10-year leases. However many millions of acres it is, that is what they are. If you don't produce within the timeframe allowed in the leases—5, 8, or 10 years—then you lose the lease. That is already the law. You already lose it based upon the leases you have.

Let's talk about this idea a little more. This idea was dreamed up in an argument first originated by the Wilderness Society. They claimed that oil companies were sitting on leases, and that if those companies developed those areas, we would not need to open new ones. If only that were true, what a wonderful bonanza we would have for the American people. It is not true. The other side is now saying oil companies must use it or lose it when it comes to these leases. They have proposed adding a tax on companies to punish them for not producing fast enough. This Wilderness Society argument demonstrates a fundamental lack of understanding of how we explore for oil and gas in this country. And the fact that this argument originates with a group that has led at least four major lawsuits in the past 4 years to prevent development in these very same areas speaks to how disingenuous it is. Part of the reason it takes so long for companies to produce is because groups such as the Wilderness Society keep throwing up roadblocks.

Companies are paying lots of money for the right to explore on a lease and are given a short period of time to produce oil. That is the way it is today already. We don't need a new law for that. We don't need new legislation now, when we have a limited amount of time—perhaps 2 or 3 weeks—to debate energy legislation. With the cost of oil at $135 per barrel now, why on Earth would a lessee intentionally sit on a lease and choose not to make money on it?

Why would a company pay money essentially to rent a tract of land and then not use it? I heard the claim that 41 million acres is leased on the Outer Continental Shelf and that acreage, 33 million acres, is not being produced. The use of this statistic shows a fundamental lack of understanding of the long, risky process that begins even before bidding on a lease and hopefully ends with production. The other side is saying that unless oil is literally coming out of the ground on an acre, it doesn't count. Even if the acre is being explored or is in the process of getting an environmental permit or is in any way part of a process that is going on, it doesn't count. Additionally, the use of this argument by groups that consistently go to court to prevent development on existing lease areas speaks volumes about the intent here. Congress currently restricts access to 574 million acres in the Outer Continental Shelf. It actually is clear by any measurable assessment that the majority in Congress is ''sitting on'' far more oil than the oil companies themselves.

There are many different steps toward producing oil, and that, at any given moment, may not be producing but is active and under development. In the 5, 8, and 10 years that a company holds a lease, environmental assessments could be underway. Lessees could be trying to secure permits. The leasing agency could be challenged in litigation and could be reviewing seismic data. All of this takes time. So you look out there and say: It is leased, but it isn't producing yet. Of course not. If somebody tried to produce too quickly, they would be challenged for not spending enough time under the environmental permit laws doing what is required before one can drill.

There are many upfront costs that leaseholders take, that they have to do if they are going to acquire an oil and gas lease. Bonus payments and production, rental payments often cost millions of dollars, and these capital investments are only being made for the ultimate development and production of oil to return a profit on their investment. Simply put, if oil is not produced from a lease, the companies lose money on it.

To claim that companies are ''sitting on'' $135 oil simply ignores the historical fact that because you lease lands does not necessarily mean you are able technically or economically to produce on them or even that there is oil under your lease. But you are entitled to keep it and try to make it productive for the length of time that the lease prescribes within the contents and terms of the document—5 years, 8 years, or 10 years.

Finally, we should point out that the majority already has a ''use it or lose it'' policy. If you are not producing when the term of the lease expires, you turn it back. So this argument really is a fallacy. I have said this before on the floor. It seems as if the more it is said, the more it is documented, the more the other side claims that there are many leases that we should force the lessees to give the land back or produce under some new slogan called ''use it or lose it.''

As the specter of a limited debate lingers with minimal or no opportunity for amendment on this bill, the American family budget continues to be squeezed. Mr. President, 83 days after introducing the American Energy Production Act of 2008, I continue offering a new direction.

In 2006, we opened 8 million acres in the Outer Continental Shelf for leasing. This area contained an estimated 1.2 billion barrels of oil and nearly 6 trillion cubic feet of natural gas. In March of this year, two lease sales on the eastern and central Gulf of Mexico attracted more than $3.2 billion in high bids, upfront bids—a very high payment. The first sale in the central gulf was the largest sale in the history of deepwater OCS leases.

This area is America's new frontier. Today, there are more than 7,000 leases in the Gulf of Mexico that provide 25 percent of the oil produced in the United States and 15 percent of the natural gas produced in the country. The Department of Interior estimates that 300,000 jobs are directly related to gulf energy exploration and the production that comes from that exploration.

As a result of the Gulf of Mexico Security Act, the coastal States stand to reap great benefits from the production of gas through revenue sharing of oil and gas. The following rough estimate provides a window into the opportunity available to other States. According to the Minerals Management Service, Gulf States could receive more than $425 million in oil and gas revenues by 2013, $2.6 billion over the coming decade, and over $30 billion over the next 30 years. Yes, those are accurate estimates. That is what other States—not all of them but some other States—that are on our coasts that might agree to let us look in exchange for giving them the same kind of return we gave Louisiana, Mississippi, and the surrounding States, that is what they could look for. These are huge sums that will be raised and returned to the States through the production of our own energy resources.

They seek to allow coastal States on the Atlantic and Pacific to share in the energy opportunity. I know there are various opinions as to how many we will find there, but we will never know so long as we keep it locked up, which we have done for 26 to 27 years, where nobody would know and tried to hide it from the American people as if it did not belong to them and it was not any good. The truth is, it is theirs in absolute honest-to-God ownership, and it can produce crude oil of the best type and oil in large quantities.

Let's hope that what we do in this area is equal to nearly all the oil produced in the Gulf of Mexico in the last 50 years and is greater than all the oil imported into the United States from the Persian Gulf in 15 years.

This is a big opportunity for the American people, but the majority seems content with small ideas. Within two Congresses, we have passed two major pieces of energy legislation. These two bills were monumental undertakings and required months of deliberation to bring to fruition.

Last Congress, we had EPACT05 on the floor of the Senate for 10 days. We had 23 rollcall votes on the bill, including 19 just for amendments. We had filed 235 amendments to that bill; 57 of them were accepted. That bill took 4 months from the introduction before we sent it to the President.

Last year's Energy bill took almost a year before we had something we could send to the White House. That bill was on the Senate floor for 15 days and had a total of 22 rollcall votes. We filed 331 amendments to that bill and accepted 49 of them.

The majority leader seeks to limit the amendment process in a significant way. I trust we will have the staying power to at least have an opportunity for multiple amendments in the area we are speaking of because the American people deserve it and the American people should have it.

I have completed my remarks. I yield the floor.

Mr. REID. Mr. President, it is my understanding I have 10 minutes under the order. I yield 5 minutes of that time to the Senator from Washington.

Mrs. MURRAY. Mr. President, all of us who go home and listen to our constituents each weekend know one thing and one thing only is on their mind these days; that is, the rising price of gas. I have made a habit of writing down what I pay each weekend when I fly out to Washington State, and when it hit $4 a month or so ago, I was aghast. Imagine what everyone filling their tank in Washington State is thinking now that the price in my home State is pushing $4.50 a gallon. We need action. We need action now.

For months, Democrats have been trying to address this problem by providing short-term relief along with a long-term strategy. For months, we have heard only two things from our friends on the other side of the aisle: No, and drill. Democrats know there is no silver bullet to this crisis. It is going to take a series of steps, both short term and long term, to bring some sanity back to the situation.

Today, we are going to vote on another of those short-term solutions, and we are going to try to end excessive speculation in the markets. Democrats believe we have to rein in Wall Street and our traders who are unfairly driving up these oil prices. With regard for nothing but their own profits, some traders are bidding up oil prices by buying huge quantities of oil just to resell it at an even higher price. For nearly 8 years now, the Bush administration has turned a blind eye and let these questionable practices continue with virtually no oversight. Some experts are saying this kind of trading now accounts for 20 to 30 percent of what we pay at the pump.

The Senator from Texas, Mr. CORNYN, was on the floor earlier and asked for specific citations. Mr. President, I ask unanimous consent to have printed in the RECORD remarks from a series of economists, such as Gerry Ramm of the Petroleum Marketers Association, the Acting Chairman of the Commodity Futures Trading Commission, the former Director of the Commodity Futures Trading Commission, and others.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Economist Mark Zandi Said Speculation Played a Role in Driving Up Oil Prices. Asked if he believed speculation played a role in driving up oil prices, Zandi responded, ''Yes, I believe so, yes. The oil market has become a financial market. And it's affected by all kinds of speculators, momentum players, people just betting on prices increasing or falling, in this case, obviously, increasing. And so they ran in quickly and drove up the price. And that clearly has played a role. I mean, you don't see a $10 move in the price of oil without some financial speculation involved, as well.'' [PBS Online Newshour, 6/6/08]

Gerry Ramm of the Petroleum Marketers Association of America Blamed Speculation for Driving Up Oil Prices. ''Excessive speculation on energy trading facilities is the fuel that is driving this runaway train in crude oil prices today. Excessive speculation is being driven by what Michael Masters of Masters Capital Management refers to as index speculators, as compared to traditional speculators.'' [Testimony of Gerry Ramm, Petroleum Marketers Association of America, before Senate Committee on Commerce, Science and Transportation, 6/3/08]

Acting Chairman of Commodity Futures Trading Commission Said the Oil Markets Are ''Ripe for Those Wanting to Illegally Manipulate the Market.'' Walter Lukken, Acting Chairman of the Commodity Futures Trading Commission, conceded that crude oil markets are ''ripe for those wanting to illegally manipulate the markets.'' [CNBC, 06/17/08]

Former Director of Commodity Futures Trading Commission's Trade Division Michael Greenberger Said Speculation Went Beyond Supply-and-Demand Problem in Oil Market. Michael Greenberger, a former top staffer at the Commodities Futures Trading Commission, said, ''There can be no doubt that there is a supply-and-demand problem at work here. But many believe, including me, that there's a speculative premium that goes beyond what supply-and-demand factors dictate. And that's what could be drained with aggressive United States regulation.'' [McClatchy, interview of Michael Greenberger, 6/17/08]

Greenberger Calculated 70 Percent of Oil Market is Driven by Speculators, Rather Than Those With Commercial Interests. ''My calculation is right now that about—at least 70 percent of the U.S. crude oil market is driven by speculators and not people with commercial interests. Most of those speculators do not have spec limits. They can buy whatever they want.'' [Testimony of Michael Greenberger, Professor at University of Maryland Law School, before Senate Committee on Commerce, Science and Transportation, 6/3/08; McClatchy, 6/17/08]

Former Director of Commodity Futures Trading Commission's Trade Division Michael Greenberger Said Oil Speculation Adds 25–50 Percent to the Cost of Oil. When Michael Greenberger, a former top staffer at the Commodities Futures Trading Commission, was asked how much oil speculation increased costs per barrel of oil, he replied, ''Well, there have been various estimates—anywhere from 25 percent to 50 percent.'' [CBS News, 06/17/08]

Mrs. MURRAY. Mr. President, the Stop Excessive Energy Speculation Act of 2008 that the Senate is going to move to proceed to will shine a light on those trading markets. It will increase oversight and reporting on oil trading, and it will significantly improve the resources available to the Commodity Futures Trading Commission. While addressing speculation is not the silver bullet that will bring prices down at the pump, we do believe that by increasing our oversight and regulation, we will ensure that consumers are better protected in the months and years to come.

Unfortunately, as I mentioned earlier, our friends on the other side have their message down pretty pat now. They say no to any reasonable solutions we offer, and then they turn around and say we just need to drill more. We say fast-track our domestic production. They say no. We say increase the supply of oil now. They say no. We say accelerate investments in alternative energy to help break that addiction to oil. They say no. And now we say end excessive speculation. I hope they won't say no again.

Do they offer anything more than no? Well, yes. They say drill, drill, and drill—a plan that even their party's leaders said has mainly psychological benefits, a plan that even President Bush's own team says will not affect our oil prices, and a plan that will not produce a drop of oil for 7 to 10 years.

Unfortunately, their plan on that side is nothing more than a continuation of the Bush-Cheney big oil love affair that got us into this mess in the first place. Republicans seem committed to fattening big oil's bottom line. Well, Democrats are more worried about your bottom line.

The oil companies made $250 billion last year. It is time for us to deal with consumer prices. We have tried to do things the Republican way for 8 years now and unfortunately what we hear from them today is more gimmicks and tired old ideas, the same status quo.

With record gas prices and our economy spiraling deeper into recession, Democrats think it is long past time for a bold new direction. We hope our Republican counterparts will join us today and move this bill forward.

I yield the floor.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. REID. I ask unanimous consent to use leader time to complete my statement over and above the 5 minutes.

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

Mr. REID. Mr. President, the American people, I am sure, viewing our proceedings here in the Senate or from the visitors gallery or on C–SPAN must think they are watching an episode of the ''Twilight Zone.'' The reason I say that is yesterday morning, Senator MCCONNELL and I both opened with statements about our national energy crisis. We both talked about the plan we had and the pain that high gas prices are causing the American people.

Recently, I mentioned a public school teacher—he delivered the Saturday address for us—and his wife who live in upstate New York who are now spending all of the money they saved for their children's college education to pay for gasoline.

Senator MCCONNELL, for his part, talked about the frustration of truckers, stay-at-home parents, commuters, and vacationers. Anyone watching our two sides talk about the gas prices must have gotten a little confused. They must have been saying to themselves: If they both agree on the problem, why can't they work together to find a solution? The reason for that is very simple: Republicans and Senate Republicans refuse to join in negotiating in any way. They refuse to legislate. They, in fact, refused to take ''yes'' for an answer. We are shortly voting on cloture to proceed on legislation to stem the excessive speculation on Wall Street that is contributing to high gas prices.

Is this the only problem? Of course not. But it is a problem, absolutely. Democrats have said from the start that curbing speculation is not a panacea and will not solve all of our energy problems with the snap of our fingers.

But there was a Republican Senator on the floor today who asked a question: Who is saying this speculation accounts for 20 to 50 percent of the price of gasoline? We have laid those names in the RECORD. There is no doubt that it is a major part of the problem. The Republicans acknowledged that by putting that provision in their so-called energy bill.

But with experts saying that speculation accounts for 20, 30, even 50 percent of the price of gasoline, there is no doubt there is a major problem. How does excessive speculation drive up prices in the short term? Wall Street traders simply buy oil, sell it, and I repeat, as they do: They buy, they sell, they buy, bidding the price ever higher. They never intend to actually own or use the oil they buy, they only keep buying and selling and pocketing the profits. The problem is the American people are stuck paying the bill every time we fill our gas tanks.

This kind of unlimited energy speculation was not even legal 8 years ago for traders who never intended to buy or sell or use the commodity. Back then you would have to actually take delivery of the oil you bought or face position limits on your trading. Few Wall Street firms wanted tankers pulling up to their front doors with barrels of oil.

The market price of oil was decided by honest people in the marketplace, the so-called supply-and-demand factor. Then the Republican Congress stepped in and allowed oil to be traded back and forth without even delivery of the oil. That effort was led by former Senator Phil Gramm, chairman of the Banking Committee, a long-time member of the Finance Committee, the same Phil Gramm who served as Senator MCCAIN's economic adviser until yesterday, and recently called America a nation of whiners.

This is the same guy who has set forth his speculation aspect of what is hurting the market so badly. Senator Gramm's bill created a mouse click; that is, you touch your computer and you can buy lots of oil you will never use and never want to use.

The Bush administration has done nothing to oversee this. Now the American people are suffering the consequences. Nothing is ever certain in the energy market. But if our legislation to provide new consumer protections on speculation becomes law, it should immediately and sustainably lower prices.

Democrats are not the ones who think so. I do not know the party affiliation of the people whose names I am going to list, the experts: Former CFTC Trade Division Director and current economics professor at the University of Maryland, Michael Greenberger. He says the price is from 20 to 50 percent because of speculation.

Consumer advocate Mark Cooper says the same. And even the senior vice president of ExxonMobil, Stephen Simon, says speculation is part of the problem; even Exxon. We have a man who serves as the chief executive officer of United Airlines, Glenn Tilton. Here is a man who was president of Texaco, vice chairman of Chevron, and he says speculation is a big problem and we have to do something about it and do it right away.

So my Republican colleagues who say speculation is not an issue, here are a few of the people who agree with us. And obviously, the Republicans must have thought in the old days, a couple of weeks ago, that it was a problem because they stuck it in their legislation. Now they say it is not important.

But my friends on the other side of the aisle have said in speeches and press conferences that we should do something about speculation—that is what they used to say. It has been a component of their energy plan. In fact, Senator MCCONNELL said on the floor yesterday, ''strengthening regulation of the futures market is a worthwhile piece of the legislative effort.''

The American people must be thinking, Democrats and Republicans do not agree on much, but they seem to agree that curbing excessive energy speculation is part of the solution. If we did nothing else but pass the speculation bill, the American people would be very happy, and the markets would be struck quickly and the price of oil would go down.

Yet now that a reasonable and responsible speculation bill has reached the floor, Republicans seem to be scurrying into the corners and shadows of this Capitol complex. Now that we have an opportunity to actually do something to deliver some relief to the American people, all Republicans want to talk about now is drilling. They are so happy that the oil companies are running full-page ads about drilling.

Democrats have shown how serious we are about addressing this problem. We have said to the Republicans: Along with our speculation bill, let's vote on your offshore drilling. That is what you said is the problem. Let's drill some more. Let the Governors decide what should happen on the Outer Continental Shelf. They said that is what the problem is. Let's do something about it.

And we said: Okay, let's vote on that. Well, they say: No, that is not a good idea. Even though we believe in that and we have talked about for months how important drilling is, we want 27 other amendments. We do not want to do anything about speculation, and we do not even want to have a vote on drilling unless you give us 27 other amendments.

Let's assume that Republicans would allow a vote on their amendment, and we have a vote on a Democratic drilling amendment. You see, we are not opposed to drilling. Democrats are not opposed to drilling. We believe the future is ahead of us, and we believe the oil companies should use the 68 million acres they now have; the 8.3 million acres that we worked on less than 2 years ago to give them the ability to take a look in the Gulf of Mexico. They said it was so important to do that. They have not done anything about that. I do not think they have gone fishing out there, let alone doing any exploration out there. There are 8.3 million acres; they have not done a thing with it. We have 25 million acres in Alaska that are subject to being drilled right now. All the White House has to do is let some more of these leases.

So we are not opposed to drilling. But we are saying: Use the 68 million acres. Take a look at all the other land available. This drilling is a political thing for the Republicans. Simple math indicates we control, counting ANWR—which, by the way, MCCAIN is now against; he does not want to drill in ANWR. But let's assume you take ANWR and all the other offshore issues they are talking about. That is less than 3 percent of the oil in the world. We use more than 25 percent of the oil every day. We cannot drill our way out of the problems we have.

So we think it does not make sense to start giving up more acres of American coastline in addition to the 68 million, plus the 25 million acres in Alaska. We believe it makes sense to open more coastal areas for drilling. We say: Go ahead and do that. The President has the authority to do that.

Time Magazine this week, the one that is on the newsstands today—I tore a page out of it: The offshore waiting game. They have a little piece of literature here. They say it is going to take a long time. Here is why: It will take up to 2 years for oil companies to survey sites and bid on available leases. It will take up to 2 years for the highest bidders to do seismic tests and analyze the results. It will take up to 3 years for exploratory drilling. It will take up to 2 years if oil is discovered; plans for platforms and pipelines are submitted for Government review. It will take another year to review that. It will take up to 3 years for oil companies to build platforms and pipelines. And finally the oil is pumped out.

Add those numbers together and it is about 15 years. Well, what we say, we are not opposed to drilling, but there are lots of places we can be drilling right now. So the American people cannot wait all of these years. Increasing production is important, but even Republicans must admit it will do absolutely nothing to lower prices in the near term.

Nevertheless, Republicans have called for a vote on their offshore drilling plan. We are willing to give them what they want. They are not willing to take ''yes'' for an answer.

I hope all Senators, Democrats and Republicans, would vote to invoke cloture on the speculation bill, that we can go forward with that, have a vote on their drilling, and we have read all of the ads the oil companies have paid for, and the Republicans have followed step by step what the oil companies want. We are willing to give them a vote on that. I do not know how we can be more fair than that. All we want is the opportunity to vote on what we think is important too.

CLOTURE MOTION

The ACTING PRESIDENT pro tempore. Under the previous order, pursuant to rule XXII, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 882, S. 3268, the Stop Excessive Energy Speculation Act of 2008.

Harry Reid, Jeff Bingaman, Byron L. Dorgan, Christopher J. Dodd, Amy Klobuchar, John F. Kerry, Daniel K. Inouye, Patrick J. Leahy, Patty Murray, Bernard Sanders, Jack Reed, Sheldon Whitehouse, Bill Nelson, Richard Durbin, Frank R. Lautenberg, Tom Harkin, Maria Cantwell.

The ACTING PRESIDENT pro tempore. By unanimous consent, the mandatory quorum call is waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to S. 3268, a bill to amend the Commodity Exchange Act, to prevent excessive price speculation with respect to energy commodities, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KENNEDY), the Senator from Illinois (Mr. OBAMA) and the Senator from Rhode Island (Mr. REED) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. REED) would vote ''yea.''

Mr. KYL. The following Senators are necessarily absent: the Senator from Tennessee (Mr. ALEXANDER), the Senator from Nebraska (Mr. HAGEL), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Tennessee (Mr. ALEXANDER) would have voted ''yea.''

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 94, nays 0, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—94

Akaka	Dole	Menendez
Allard	Domenici	Mikulski
Barrasso	Dorgan	Murkowski
Baucus	Durbin	Murray
Bayh	Ensign	Nelson (FL)
Bennett	Enzi	Nelson (NE)
Biden	Feingold	Pryor
Bingaman	Feinstein	Reid
Bond	Graham	Roberts
Boxer	Grassley	Rockefeller
Brown	Gregg	Salazar
Brownback	Harkin	Sanders
Bunning	Hatch	Schumer
Burr	Hutchison	Sessions
Byrd	Inhofe	Shelby
Cantwell	Inouye	Smith
Cardin	Isakson	Snowe
Carper	Johnson	Specter
Casey	Kerry	Stabenow
Chambliss	Klobuchar	Stevens
Clinton	Kohl	Sununu
Coburn	Kyl	Tester
Cochran	Landrieu	Thune
Coleman	Lautenberg	Vitter
Collins	Leahy	Voinovich
Conrad	Levin	Warner
Corker	Lieberman	Webb
Cornyn	Lincoln	Whitehouse
Craig	Lugar	Wicker
Crapo	Martinez	Wyden
DeMint	McCaskill	
Dodd	McConnell	

NOT VOTING—6

Alexander	Kennedy	Obama
Hagel	McCain	Reed

The ACTING PRESIDENT pro tempore. On this vote, the yeas are 94, the nays are 0. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the time until

12:30 be equally divided between the two leaders or their designees, and that the time during the caucus recess count postcloture.

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

Ms. MIKULSKI. I thank the Chair.

Mr. President, I now seek recognition in my own right.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, there is a buzz on the floor. I would like regular order.

The ACTING PRESIDENT pro tempore. Can I get the Chamber to come to order, please.

The Senator from Maryland.

Ms. MIKULSKI. I thank you, Mr. President.

The reason I have asked to be heard is because my constituents want to be heard. I am here today to speak on the Senate floor about the skyrocketing high prices at the pump, which are really hurting my constituents. They are hurting families, they are hurting small businesses, and they are hurting all of our volunteer efforts.

Gas prices in my State have dramatically increased. In March of last year, 2007, gas prices were at $2.50 a gallon. They have now skyrocketed to $4 a gallon. There has been a $1.50 increase in a little over a year. My Maryland families are now paying $5,000 per year on gas. That is up from $3,200 a year when George Bush took office.

In the Federal Government's budget, $2,000 might not be a lot, but in a family budget it is a budget buster. Look what you can do for $2,000. No. 1, if you are a senior, it pays for the doughnut hole so you can get your prescriptions filled. If you are a family, that is enough to send one of your children to a community college.

Yes, $2,000 makes a big difference. Maryland families are stretched and strained. Gas prices drive their lives, and they feel as though they are running on empty. Gas and groceries go together. When gas goes up, so do groceries because of just the added cost of delivering them.

When you talk to families, they are struck with incredible anxiety, wondering where is this going to end. The cost of commuting has more than doubled or is even close to tripling for many of our families.

Families are now asking how do they get their kids to school or to soccer practice or to other activities.

Seniors are wondering how do they cluster their medical appointments so if they live in the rural part of my State, they can drive to the doctor they need, while wondering about how they are going to fill up their gas tank.

The seniors I represent say: If I have to fill up my tank, I don't know if I can fill my prescription or even get to the doctor.

We have to do something.

As to the impact on business—from the taxicab driver, where the costs are going up, to the florist making deliveries, to the trucker delivering goods—what we see is they either have to pass the cost on to the consumer or go broke. We cannot let people go broke because of skyrocketing gasoline prices.

A sector that is very near and dear to me is the volunteer sector. Look at the impact of rising gas prices on Meals on Wheels. Nearly 60 percent of the Meals on Wheels programs have lost volunteers who cannot afford gas. Did you hear that? Sixty percent of the people who deliver Meals on Wheels have said they have to take a pass because they cannot afford gas. Most of the people who deliver Meals on Wheels are seniors themselves. Senator CARDIN has a bill to alleviate that.

So everything from Meals on Wheels to volunteer firefighters, who are trying to figure out how to pay for the gas for their firetrucks, we are in a serious crisis. So we have to act.

Now, there are those who say: Drill here and drill now. I will talk about drilling on another day because I support smart drilling that is environmentally safe, achieves productivity, and, if we drill, stays here. I believe we have 68 million acres already owned by the oil companies. So if they want to drill, drill where they have it.

But what I want to talk about today is what we know is driving up the cost per barrel by as much as $80. This bill is about speculation. This bill that is pending for discussion in the Senate is about casino economics, and that is what is going on now. We have people trading in the energy market not to be able to buy the futures in oil for their own use—whether you are a local government or whether you are a refinery. It is about trading in futures and building it up like a pyramid scheme. They do this casino economics by doing a lot of their trading through loopholes, one of which is called the London loophole.

The London loophole is about an exchange called the InterContinental Exchange. It is in London. It is owned by an Atlanta company to evade American laws and regs. Did you get that loophole, Mr. President? The London loophole is about an intercontinental exchange in which 30 percent of American energy futures are traded. It is owned by an Atlanta company.

Why do they do this through London? Because it evades American laws and regs against speculation.

Well, we can immediately deal with the gouging and the excessive speculation by closing that London loophole. That is part of the bill that, if we move past cloture, we can get. We need to close that London loophole so investors cannot exploit the market by avoiding U.S. law and avoiding U.S. regulation. If you are going to trade as an American company, go by American rules.

The legislation we propose makes sure the Commodity Futures Trading Commission sets tough limits on speculators. By the way, that group, the CFTC, is the regulator for commodities. It is called the Commodity Futures Trading Commission. We want them to be able to have the legal authority to set limits to deal with excessive speculation.

We also want to give them the resources they need. In 2003, the futures market was $13 billion. Today, it is $260 billion. That is ''b'' like in ''Barb,'' not ''million'' like in ''Mikulski.'' So we have seen this enormous increase, but we do not have the professional staff to be the cops on the beat to deal with speculation and illegal activity. So our legislative proposal calls for 100 more professionals. We want to detect excessive speculation and fraud. We want to prevent it, and we want to prosecute it.

Markets need to work for free enterprise, not for freewheeling exploitation. Closing the London loophole and putting caps on speculators to stop the casino economics is recommended, and it is predicted we could lower the cost per barrel by as much as $80. So if oil is trading at $130 or $140 a barrel, we could bring it down, generally, to a more reasonable market-based price of about $60 a barrel.

That would be stunning. That would be absolutely stunning. It would get us back to where we were last year. It would give us an important path forward to help our economy, which is in a deep recession. We know we have to do more. We Democrats believe in conservation. That is why we increased the CAFE standards, which go to greater full utilization in passenger vehicles and trucks and buses. We know we have to develop alternative fuels. We need to do research and pass tax incentives so we power our homes with wind and solar. We also know we need to stop price gouging.

We have to roll up our sleeves and get the job done. It is one thing to debate ideas, it is another thing to have a filibuster. I believe in debating ideas, taking a vote, and letting the majority win. I am ready to duke it out on the idea.

My constituents and I are pretty sick of the tyranny of 60. I thought in this country in a body of 100, 51 was a majority. We have these arcane rules that we can play games with to hide behind our true thinking. I call it the tyranny of the 60. It is slowing down what we need to face up to, which is real debate and real votes.

I believe energy will determine our destiny, our security, our economy, and our standing in the world. This is a serious matter. For the last 18 months, with the Republican obstructionism, what we have found is that when all is said and done, more gets said than done. Let's end the filibuster, let's end the parliamentary games, and let's get serious about what the American public wants us to do, which is roll up our sleeves and present the best idea for arriving at solutions. Let a real majority win and, most of all, let's start putting America first, putting America over political parties. I am a member of the Democratic Party, but a larger party I belong to is the red, white, and blue party. I think we should have to start acting that way. Let's get the job done, bring this to a vote, and let's stop the speculation, stop the cronyism, and let's get real value for the American people.

Mr. President, I yield the floor.

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

Mr. ENSIGN. Mr. President, when I am approached about the energy crisis we are facing—and I am approached frequently by constituents and even family and friends—you can tell that people are feeling at the least very uneasy about this situation. There is a weight that comes with soaring prices on fuel, food, and everything else that is part of our daily spending habits. Every time Americans fill up their tanks, check-out at the grocery store, or make a decision about where to cut spending, that weight gets heavier and heavier.

The American people are looking to us for solutions. We have a responsibility to make difficult decisions here in order to provide them much needed relief at home. For many months, Republicans have been working to provide that relief. We have been focused on a three-pronged approach: boosting renewable energy, encouraging energy efficiency, and growing our American supply of energy. This line of attack balances the need for us to be responsible stewards of our environment with the need for reliable, affordable energy to fuel our lives and our economy. We are not in a position to rely on any one solution to lift us out of this crisis.

However, the Democrats are focusing their efforts on a single idea to respond to the pleas of Americans. Rather than dedicate this body to building a comprehensive energy plan that provides real solutions for the future, Democrats have put forward a plan to curb speculation. This approach does little, if anything, about high gas prices. Instead, the Democrats' speculation bill could hurt our economy by eliminating investment options that our Nation's retirees depend on, make American businesses less competitive, and ultimately drive U.S. jobs overseas. The only way to significantly lower the price of gas is to increase supply.

Let me repeat that. The only way to significantly lower the price of gas is to increase supply. Let's harness the power of our commodities markets and take concrete steps to expand the future supply of American energy. The market will take this into account, and I am certain we will see prices at the pump fall.

This plan to blame all of our troubles on speculators does nothing to bring down prices at the pump, which means it does nothing to bring down the price of food, clothing, or any other consumer goods that are affected by the price of gasoline. It will not provide relief for struggling Americans, and it lacks the vision and the leadership our country needs on this issue. All it does is delay other efforts that would make a difference.

One thing the Democrats are doing successfully is blocking the efforts of Republicans to fully participate in shaping this legislation. The problem is bigger than speculation. Good ideas from all sides should be considered.

We are talking about one of the greatest challenges facing our Nation, and our constituents have no voice in this process. They need to have their voices heard. Countless constituents have taken time to share their personal stories with me, and there is a common thread in their messages. Fixed-income seniors worry about driving to the doctor, buying their medicine, and paying for food. They are asking for real solutions. Many Nevadans cannot afford to travel to visit ailing relatives, and our entire tourism industry in the United States is being hurt by the high cost of fuel. The airlines are in trouble and will be cutting jobs. Manufacturers are cutting jobs. Families have to cut spending a little deeper each week to balance their budgets. They are asking for real solutions, and they are asking for them now.

There is a real solution. It is a plan that reflects the innovative spirit of our country and the commitment we all have to preserving the environment. It involves going back to that balanced approach that boosts renewable energy, encourages energy efficiency, and grows our American energy supply.

With families tightening their budgets more and more, with seniors struggling month to month, Americans do not want to hear that there are trillions—literally trillions—of barrels of American oil off limits to meet their energy needs. Trillions of barrels—not in Saudi Arabia or Venezuela, or in some other country that hates us—but right here in the United States, under our control.

At least 10 billion barrels are up in ANWR; at least 8.5 billion barrels in deep sea exploration; by some estimates, 1.8 trillion barrels of oil from oil shale in Colorado, Wyoming, and Utah. We also have a 230-year supply of coal and great potential in nuclear energy. These American sources, combined with conservation and aggressive investment in renewable and green energy—solar, wind, geothermal, hydropower, fuel cells, and electric vehicles—are the key to setting us on a course to energy independence and security.

There are some who argue that increasing American energy supply will provide no immediate relief. They argue that ANWR, deep sea exploration, and oil shale are years away from producing sizable amounts of energy. The same could be said for renewable energy development. But these changes would lower prices and would do so quickly because the market will react to expected energy supply increases. The American people would react to the fact that we have shown vision and accomplished something for their good.

Mr. President, how much time do I have?

The ACTING PRESIDENT pro tempore. There is 2½ minutes.

Mr. ENSIGN. Even so, when has instant gratification been the mantra of investing in American innovation? Highways and bridges aren't built in a day, but we know they are an investment in our infrastructure. Schools and libraries aren't built in a day, but we don't throw our hands in the air and say ''never mind.'' We plan for the future.

Standing around talking about how long it will take to get these projects on line doesn't help get the process started any faster. The time for talk passed as quickly as $3.50 a gallon came and went. Enough is enough. The American people are looking to us to provide much needed relief. We must rise to the occasion.

I ask my colleagues across the aisle, what is the magic number for gasoline per gallon before they are willing to act on a comprehensive energy strategy? The American people want to know how much longer they must suffer, while we stand here debating oil speculation.

Bill Clinton vetoed ANWR 10 years ago in a bill passed by a Republican Congress. If he had signed that bill into law, at least 1 million barrels of oil per day would be coming to the United States. Gas prices would be lower.

Let's not miss another opportunity for action, and let's not ignore the cries of frustration from our constituents. Let's show them we understand the difficult choices that they are making, and that there are solutions on the horizon. Let's act now.

We need to extend renewable energy tax incentives before they expire. If we fail to act, we will be responsible for the end of American renewable energy innovation.

We need to improve the barriers that stand in the way of our new American energy frontier. Let's send our enemies in the Middle East a pink slip that we won't be requiring their services any longer. Isn't it time to stop subsidizing their economies? We send them $700 billion a year and, at the very least, they are teaching a new generation to hate America. At the worst, they are funding the weapons used against Americans. A comprehensive energy plan means that our economy and livelihoods won't be held hostage any longer.

That is the day I look forward to and that all Americans look forward to. But to get to that day, we have to act. On behalf of the more than 2.7 million Nevadans, who need us to do something, I ask you to make comprehensive energy legislation something we can all be proud of.

I yield the floor.

Mr. SCHUMER. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. Eight minutes.

Mr. SCHUMER. Mr. President, we are at a seminal moment in America. American consumers are being battered by high oil prices, high home heating oil prices, all high energy prices. The average middle-class person is squeezed more than ever before. People are not going to college, people are not taking jobs, people are not visiting grandkids, and it is all because of high oil prices. It is changing the way we live—and not for the better. Americans are crying out.

What is the answer? My colleagues on the other side of the aisle are stuck in the past. They talk about drilling more. Of course they do; they always do what big oil wants. Big oil now, big oil forever. That is the Republican motto. Do what they want and nothing else, while consumers foot the energy bill.

We cannot drill our way out of this problem, we know that. We have 3 percent of the oil and 25 percent of the consumption. We cannot drill our way out of the problem. Are there good, constructive ways we can, in the short term, increase domestic production? Absolutely.

I was one of the Democrats who rallied us to drill in the gulf on a large tract of oil. There are plenty of places, as my colleague from North Dakota talked about, in Alaska, but make no mistake about it, the price of oil will not come down until we reduce our dependence on it.

Democrats are fighting for a new future, not looking at the past, finding one little bit of oil here, one little bit of oil there, and praying it will solve our problems. We are looking for alternative and renewable sources of energy to play a major role in our energy supply, freeing us from oil: No more OPEC. The Republican plan would reduce dependence on OPEC from 50 percent to 45 or from 60 percent to 55. It is not going to do a darn thing. Particularly, every bit of new oil we find here—and I hope my colleagues will say all the new oil we find here should be used only in the United States. But China and India will consume far more than we find in the next 10 or 15 years.

Let me say this: There will be more new cars in China and India in the next decade or so than we have cars in America. We cannot drill our way out of the problem.

I understand my colleagues' desire for their program. It helps big oil. That is what we have done all along when the Republicans have been in charge. Big oil now, big oil forever. America knows that is not going to work. We are in a new world where there is not enough oil to meet our needs.

What are we doing on our side? We are for increasing domestic production in the short term in a rational way, but we are not depending on it. It is not the main part of what we are talking about because we know that will simply lead to higher oil prices. It will never reduce the cost of oil enough to bring relief to the American family.

What should we be doing? What are Democrats proposing? We are proposing reducing our dependence on oil and foreign oil in particular. We are proposing incentives for alternative energy—wind and solar. T. Boone Pickens, a big oilman, says we cannot drill our way out of the problem.

We are proposing dramatic changes in our automobiles. You can have an electric car that drives just as far and long as a gasoline-driven car and rides more smoothly with the same power and the same torque. Why aren't we pushing that? Big oil companies don't want it. They won't be selling those batteries. The big oil companies don't want wind power or solar power. They are not involved in those issues.

The head of ExxonMobil told our Judiciary Committee a year and a half ago that they do not believe in alternative energy. Of course they don't. They are making record profits, and the greater demand and the less supply, the higher their profitability.

We have tried in the past to reduce dependence on oil. We have a renewable portfolio standard so our utilities will not just depend on oil and fossil fuels. We have tried to push tax changes, take the tax breaks away from big oil and give them to wind, solar, bio, thermal, and cellulosic ethanol. Again, we are blocked by the other side of the aisle. In other words, if big oil wants it, that is good, says our colleagues. If big oil is against it, we are against it. We will come up with some reason.

But what we will be doing on this Energy bill is looking at the future, not at the past. What we will be doing on this Energy bill is recognizing that 10 years from now, demand in America should go up for energy because we have to grow, but it cannot come from oil. What we are looking at is a future where our cars do not need gasoline. We are looking at a future where our homes are powered by the Sun and the wind and other more natural forces. We are looking at a future where we conserve, an issue of passion to me.

In 1978, California passed building standards to increase energy efficiency in homes and buildings. Do you know California has the lowest per capita consumption of energy—even with all their car use—in these United States? It is not New York with our mass transit; it is California because so many of their buildings are now efficient. Forty percent of the energy we consume goes into heating and cooling buildings, 35 percent into gasoline, of total energy consumption.

I have been advocating that we adopt California standards nationwide. It is a rather painless way to go. Where are we? It is not going to produce results in 6 months, but it sure will in the next several years. California has led the way.

Why don't we do the same for appliances? Why don't we do the same for utilities and require them to be more efficient? We cannot be profligate. We can grow and live better and consume less energy at the same time.

There are so many breakthroughs about to occur, and we should be encouraging them with Government policies and tax breaks, and instead we hear from the other side: Do what big oil wants; just drill.

The bottom line is we cannot drill our way out of the problem, I say to my colleagues, we cannot, and we must have an energy policy that looks at the future.

In conclusion, I say this: Republicans equal big oil equals the past. Democrats equal alternative energy. We are the future.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

Mr. BARRASSO. Mr. President, I rise today to speak about the price of gasoline and diesel fuel, a price that is affecting all Americans. High prices at the pump challenge many Americans who travel great distances for work, for school, or to shop for groceries. This is especially acute in sparsely populated States such as Wyoming.

These prices are resulting in dramatic impacts to our economy. America is now importing more than 65 percent of the oil we consume. We are sending hundreds of billions of dollars overseas to foreign nations that are not necessarily our friends.

It is well beyond time for Congress to act and to adopt meaningful short-term, medium-term, and long-term solutions. As a matter of principle, I believe the Senate must act on a set of solutions rather than pursue a piecemeal approach.

I am an original cosponsor of two pieces of legislation that include a range of solutions—S. 2958, the American Energy Production Act, and S. 3202, the Gas Price Reduction Act. Combined, these bills include provisions on advanced technology, on speculation, and on added supply. The bottom line is, we need to find more and use less.

Today, I wish to speak on two points. One is limiting market speculation, and the other is increasing domestic production.

Based on a range of testimony, it is clear to me that there is dramatic disagreement on the extent to which excessive speculation contributes to the runup in oil prices. As a physician, I am quite concerned that some may have misdiagnosed the energy crisis. In my view, it is a classic misdiagnosis where policymakers focus too much attention on the symptoms of the predicament rather than the underlying causes of the problem.

I am absolutely convinced that the fundamental issue here is one of supply and demand. Simply because market speculation is a symptom of that larger problem does not mean we should shy away from addressing it head-on. Dealing with speculation, however, is not the full answer. We must combine these efforts with meaningful action to expand domestic supplies and to encourage conservation and energy efficiencies.

On the issue of market speculation, I have concluded three fundamental points: One, American consumers should not bear the burden of those who seek to manipulate markets. Two, the United States should not push our financial services trading to foreign countries. We should not replace excessive speculation with excessive regulation. And three, we should strengthen the futures trading markets. This can be done through investing in additional research, requiring transparency, putting more cops on the beat, and strengthening requirements on foreign boards of trade.

Efforts to address market manipulation require a careful balance. Increased visibility into transactions must not turn into onerous regulations.

More importantly, steps to curtail speculation must be combined with real solutions to address the underlying fundamental of domestic supply and demand. We must insist on efforts to increase our energy supplies, promote conservation, and encourage energy efficiencies. We would be failing the American people if we did not talk about increasing the domestic supply of energy.

I must comment on proposals to punish companies that some believe are not developing leases as quickly as they should. This is a ludicrous argument. Frivolous lawsuits and substantial administrative hoops dramatically delay oil and gas exploration and production even on valid existing leases. These punishing tactics being proposed are akin to leasing an apartment, only to have your landlord withhold the keys and complain about why you haven't moved in yet. Rather than punishing existing operators, we can and should streamline the permitting process.

Recently, I was in the part of Wyoming known as the Powder River Basin. It is in the northeastern part of the State. I heard firsthand about the obstacles people are facing when they try to find more oil and gas. American producers are routinely faced with rules and regulations that limit drilling for one reason or the other.

Typical restrictions are related to both occupancy of the land and the time during the year American producers can operate. Examples of prohibitions include extensive restrictions for bird roosting, for bird nesting, for migration, and for wildlife feeding.

The seasonal prohibitions currently limit exploration to a small fraction of the year in many areas. As we can see from this chart, some areas are off limits to produce for all but 10 weeks of the year, from August 16 through October. This is the only time of the year they can produce. If this calendar represented the blackout dates for using our frequent flier miles rather than the dates blacked out for finding the energy that powers our airlines, I guarantee you that outraged citizens all across this country would be pounding down the doors. Let's take a look. January blacked out. February blacked out. March blacked out, April—go through the calendar—May blacked out, June, July. And the charge from the other side of the aisle is that companies are not producing on their leases fast enough.

The bottom line is, there are many reasons why there may not be active exploration and production on lands already under lease. If Congress is serious about producing oil on existing leases, then Congress needs to critically review the process needed to develop oil and gas wells.

As of late June in Wyoming's Powder River Basin, there were 2,589 applications to drill that were awaiting approval by Federal bureaucrats. These are on land where the company has already paid for the lease but is not yet permitted to drill. They have paid the rent, but they have not yet been given the keys to move in.

The vast majority of the applications face extensive administrative delays. What is the current law? The current Federal law requires that permits be either issued or deferred within 30 days of the day the Government receives the completed application. That is right, the law says Federal bureaucrats must give an answer in 30 days. Well, there are many instances where there is not even the acknowledgment that the submitted application was received. Moreover, the applications sit for months and months, in some cases even over a year, and still Federal bureaucrats have not processed the application to drill.

In a small provision that was slipped into this year's consolidated appropriations act, these production companies now have to, in addition to all the paperwork, pay $4,000 every time they request a permit to drill—a permit that is on land that they have already leased and paid for, a permit that is not being processed in a reasonable, timely manner, and a permit that may not be processed for months or even years.

There are over 850 drilling permits, just in Wyoming, that have been specifically delayed due to policy development, environmental delays, and even litigation. For people to say that oil and gas operators are sitting on leases without any intent to drill is intentionally misleading. In my State, the producers want to drill and they are waiting to drill. They are simply waiting for the Government traffic cops to give them the green light.

For people who claim they want to increase domestic supply of energy on leases that have already been paid for, there is a place you can focus your effort. Focus on the thousands of permits nationwide, and especially in my home State—permits that have not yet been granted, permits that are being held up while waiting for the Government bureaucrats to act. The leases have been paid for, the workers are ready, and literally, today, standing by ready to work. All we are waiting for now is for the Government paperwork.

This is no way to run a country.

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

The ACTING PRESIDENT pro tempore. Will the Senator withhold his request for a quorum?

Mr. BARRASSO. I will withhold the request.

RECESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, at 12:32 p.m., the Senate recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

STOP EXCESSIVE ENERGY SPECULATION ACT OF 2008—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. CASEY. Mr. President, I wish to speak on the legislation that is before us, on the question of dealing with energy and in particular the price of gasoline. We have had months now of nonstop talk in Washington about gas prices.

Across the country, in my home State of Pennsylvania and in the Presiding Officer's home State of Delaware and in so many other places around the country, people are frustrated. They do not feel Washington has been responsive to the concerns they have, and it is about time we did a lot less talking and do some acting and some legislating. It is for that reason I stand before you to talk about this issue in a broad sense, but in a particular sense, in terms of the legislation we have a chance to vote on this week or next week and certainly no longer than that.

I wish to commend Senator REID, the majority leader, and Senator DURBIN, the assistant majority leader, and others for bringing a number of measures to the floor aimed at addressing the high prices of gasoline. Since we started working on gas price legislation 2 months ago, prices in Pennsylvania have risen 40 cents, from $3.60 to $4.00. The average Pennsylvania family now is spending $2,792, almost $2,800 more on gasoline than they were just 7 years ago, at the beginning of the current administration.

On top of that, people in Pennsylvania, who are the second largest users of home heating oil in the whole country, are eyeing the approaching cold-weather months and wondering how they will be able to afford to heat their homes, especially older citizens and low-income people living in rural areas, where they have to travel far distances to go to the grocery store or to go to work or to live their lives. A few weeks ago, I met with some home heating oil retailers from northeastern Pennsylvania, in my home area. That