

now a professor at the University of Maryland Law School—said speculation is one of the big problems with the energy problem. He also said the price has gone up 20 to 50 percent because of speculation.

The Japanese Government said speculation added \$30 to \$40 to the cost of each barrel of oil last year.

Consumer advocate, Mark Cooper, testified that speculation on energy has cost the American people \$500 billion in the last 2 years.

Now, let's take one of the pals of the Republicans. ExxonMobil Senior Vice President Stephen Simon testified that "the price of oil should be about \$55 a barrel." It is speculation, Mr. President.

So the Republicans are where they have been for 18 months. They still have their nose out of joint because we are in the majority. It is a slim majority. They have done everything to slow down, stop, or disguise their stalling.

We have said we think we should do something about speculation. Now they say it is no big deal. We are willing to vote on what they think—and they have been saying it for a month—is the most important thing to do: drill off the Outer Continental Shelf. We are saying: Good, draw up your amendment and let's vote on it.

Now they say oil shale, and now—it is remarkable—they are back-talking about nuclear. If you want to talk about the only thing that uses more water than coal, it is nuclear. There isn't enough water in Nevada to have a nuclear powerplant. It is in the West. That is why they are usually on oceans or rivers because they need huge amounts of water.

Mr. DURBIN. Will the majority leader yield for a question?

Mr. REID. Yes.

Mr. DURBIN. So the record is clear, I ask the Senator, we want to consider the impact of speculation on energy prices and whether it is raising the cost of a barrel of oil and the cost of a gallon of gasoline—we believe it is—and we want to put in more regulators to watch this industry, add more transparency, more computer capacity, make sure there is more disclosure from markets around the world.

We want to limit the trades to commercial trades that really have value to businesses rather than just speculators, as the leader said, clicking a mouse and moving around millions of dollars. And we want to offer this as an amendment.

I ask the majority leader, did we say to the Republican side: You can offer your own version of the speculation amendment, and you can try to strike ours, if you wish. Offer yours. But we are giving you the opportunity to offer your amendment, in your terms, with your substantive suggestions, and we will vote on each one of them. Is that the offer on the table to the Republicans?

Mr. REID. Mr. President, I say to my friend, they are not seriously trying to

solve the problem. They are stalling, as they have done for 18 months. My friend, the Republican leader, said—to answer the question of the senior Senator from Illinois, the assistant leader—that no serious person has suggested that speculation has anything to do with the price runup.

Talk about a serious person. Glenn Tilton is running a company that we have all heard of, United Airlines. United Airlines is trying to hang on without going bankrupt. Is this just some corporate executive who has an idea that the price of oil is too high? He is also a former president of Texaco and formerly the vice chairman of Chevron, so he has a little background.

He said speculation is a big problem. My friend, the Democratic whip, attended a meeting where he desperately told us we needed to do something about speculation. Does he remember that meeting?

Mr. DURBIN. Yes. I ask the majority leader, if we believe that speculation on energy prices is part of the problem, and we have a measure to try to address it, and we say to the Republicans "offer your version of it," are we stopping them from the substance of the amendment that they offer? Are they able, under our proposal, our suggestion, to put whatever they want into their version of the amendment?

Mr. REID. We have been saying that for weeks. Certainly, since our bill has been on the Senate floor, it has been clear—and I have said it on the floor many times—if they don't like our speculation bill, come up with a better one.

Mr. DURBIN. We have also offered to the Republicans to put together their Energy bill, to include in their Energy bill what they think is important. Day after day, in press conference after press conference, they say drill, drill, drill—which they could include in their Energy bill. We have heard talk about oil shale. We have not objected to them putting a provision for that in their bill.

Senator GREGG said, "Let's bring in nuclear power." If we said to them, write your own bill, bring it to the floor, and we will debate it and have a vote, with the same number of votes on both sides, and let's see who prevails, have we restricted the Republicans in anything that they include in their Energy bill in the proposal we have given to them?

Mr. REID. I say to my friend that we have not stopped them from doing anything. We have oil shale as part of our proposal. Senator BINGAMAN put that in as part of his bill. So I relish the debate of our proposal and theirs. I suggested 2 hours. If they want more time, that would be fine. But they want to live yesterday. They want to live yesterday forever. The status quo isn't even good enough for them now.

Mr. DURBIN. The last question I ask the leader is—

Mr. REID. Mr. President, I ask unanimous consent that the Democratic

whip—the Republican leader took a lot of time, and I have no problem with that. So I ask unanimous consent that the Democratic whip be allowed to finish his question.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. DURBIN. This will be my last question. I wanted to do a calculation. When we talked to the Republicans 2 days ago, they suggested that at that time they had 28 amendments they wanted to offer. We are hoping to wrap up this session without stopping for the weekend by going 10 straight days.

I heard from the Republican leader that in a previous debate over the span of 15 days of debate on the floor of the Senate, there were 19 rollcall votes. If I do the simple math here of 28 separate Republican amendments to start with 2 days ago, there is no way in 10 days we could finish this debate on the Energy bill before the August recess.

I ask the majority leader, does the math work in terms of opening this to as many amendments as people can dream up and actually finishing within 10 days?

Mr. REID. Mr. President, I say to my friend, that is what they want, and in the process housing is gone, it is a casualty; the Lou Gehrig registry is gone; the Reeve paralysis bill is gone; we don't do anything about LIHEAP to help the disabled and old people who are going to freeze this winter, and we don't do anything about renewables. But this would be in keeping with the 83 filibusters that have taken so much time, 83 Republican-led filibusters.

They are not serious about this. We have tried. We have told them: Here is what we will do. They cannot take yes for an answer.

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.

The bill 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, the time until 4 p.m. will be equally divided, with the Republicans controlling the first 30 minutes and the majority controlling the next 30 minutes and alternating in that fashion thereafter.

The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I sat and listened to this exchange, and it is

amazing to me after 32 years in the Senate that they want to bring up a bill and allow their bill and one substitute amendment that they know will fail, where there are components of that substitute amendment that they know will pass and will help us to find some oil and alleviate some of the pressures we have in this country.

I wish to address the legislation under consideration in the Senate today, the speculator bill.

Here we are, the Congress of the greatest Nation in the world, facing a national energy crisis, a crisis that affects every single American, the American economy, and America's place in the world, and this is the best we can do, this speculator bill? This is our answer, another proposal that will not produce one drop of oil or hardly any energy? It will not produce any energy. Frankly, I am embarrassed for this body and for the people we represent.

At some point, I wonder when the leaders of the Democratic Party will wake up and realize that blaming and taxing the energy industry does not equate to an energy policy. It is an anti-energy policy. Finding someone to blame is no substitute for finding more oil. And the answer to getting America to use less oil is not always more taxes and more mandates.

We are a country of addicts in that sense. The seeds of our addiction to foreign oil have been sown here by an anti-oil Congress. If Members of Congress are hunting for some of the blame, they are in luck because the blame begins and ends right here under the Capitol dome.

It is very clear that the most extreme environmental groups have an anti-oil agenda, and it is just as clear that the Democrats have adopted that agenda as their energy platform. It is a recipe for disaster, and America is reaping the whirlwind as a result.

Some are arguing for more solar, wind, and geothermal as an answer to high gas prices. I sponsored the current tax incentives for renewable electricity, and I hope my actions speak to my support for renewables. That is law now in the 2005 act. I know enough about energy to recognize trains, planes, automobiles, and ships do not run on electricity. They run on oil right now.

This first chart is solar, wind, and geothermal. They are not transportation fuels. Biofuels are still only 3 percent of transportation fuels, and yet that is the only other major alternative to oil at the present time. We rely on oil for 97 percent of our transportation needs, and the other 3 percent is made up mostly of biofuels, especially corn ethanol. I have strongly opposed the current ethanol mandate, but I have long supported free-market incentives for ethanol. In fact, I sponsored the CLEAR Act, as I mentioned, which is the current law giving tax incentives for E85 fuel and E85 infrastructure. We need as much ethanol as we can make, and I am all for it. But

I also recognize that ethanol has so many inherent limitations that it will not be able to break us free from our dependence on foreign oil.

The fact is that we will have to tap into our Nation's gigantic resources of oil shale or we will remain addicted to foreign energy traffickers for the long haul. They are afraid to have a separate amendment up on oil shale because we should win that amendment. Anybody with brains would vote for it. There are 3 trillion barrels of oil in Colorado, Wyoming, and Utah, in oil shale, about 2 trillion of which is estimated recoverable—more oil than all the rest of the world combined. If we don't tap into those resources, we are going to remain addicted to foreign energy traffickers for the long haul.

When the Republicans controlled Congress in 2005, we passed a very bipartisan energy bill which promoted each of these very necessary unconventional oil resources, along with alternatives, renewables, and conservation. When the Democrats took over Congress, they immediately began dismantling every effort to develop oil from oil shale, oil sands, and coal-to-liquids even though they knew full well that we have more oil in those resources than all the rest of the world combined.

Chart 2 says world oil reserves are 1.6 trillion barrels. Recoverable U.S. oil shale is between 1 and 2 trillion barrels of oil.

In most cases, an addiction brings about financial ruin. Democrats in Congress have made a lot of noise about the tens of billions of dollars we spend each year on the war on terror, but apparently it does not bother them as much that our citizens send more than \$700 billion every year to foreign governments to feed our addiction, some of which are not even friends; in fact, some of which are enemies. Congress's lamebrained anti-oil actions have put our people at the mercy of foreign governments that are smart enough to produce their own energy—something we could do if they would open this bill to amendment. We are selling away our Nation's place in the world and funding the rise of our most aggressive competitors and even our enemies.

Of the major world oil shale resources, we hold 72 percent of the total. We can see Israel, Estonia, China, Australia, Morocco, Jordan, Brazil, United States, and the total world. Did you know, Mr. President, that China and Brazil have been smart enough to produce their own oil from oil shale for decades—China and Brazil—and that Estonia has produced oil from oil shale for over 90 years? We act as if we cannot do it. My gosh, of course, we can do it. Did you know the United States controls more than 70 percent of the world's known oil shale resources? Yet we are stopping its development because of their anti-oil agenda over there, and that is what is involved here, trying to cover it up with a so-

called speculators bill that all of us will be glad to have in a final bill, but that does not produce one drop of oil to help our problems.

Is it because our industry cannot compete or is it unwilling to invest in oil shale production? They most definitely are willing, but the sad fact is that our own Government owns most of the oil shale in the United States and our own Government has said no because of these people over here.

The biggest argument I keep hearing against oil shale development is we cannot allow the Government to even establish rules for oil shale development because we just plain don't know enough about it yet. Think of Estonia: For 90 years, they have been producing oil from oil shale. Think of Brazil: For decades, they have been producing oil from oil shale. You think the greatest Nation in the world can't do it? We don't know how much water it will use; we don't know how much wildlife habitat it will use, they say; we don't know about the greenhouse gas footprint. Guess what. The Department of Energy has been studying oil shale for decades, and we have a pretty good idea about each of those questions.

Why do the Democrats say no to oil shale production? I hear some say they are concerned about water use. Let's take a look at water use compared to ethanol.

Mr. President, did you know oil shale uses less water than ethanol, no more than gasoline? Right now, corn does not rely on irrigation, for the most part. However, if we hope to increase ethanol's share of the fuel supply, we will have to move into drier areas that require irrigation.

Look at the water use. Ethanol takes 4 to 5 barrels of water and 1,000 barrels of water on irrigated lands. Oil shale, for the entire process—processing, upgrading, and land restoration—three barrels of water. A September 2007 article in Southwest Hydrology states that irrigated corn requires well over 700 barrels of water for each barrel of ethanol. A barrel of ethanol has about 30 percent less energy than a barrel of oil. In other words, to make just 1 oil-equivalent barrel of ethanol, it would take over 1,000 barrels of water. The Department of Energy reports that oil shale, for the entire process, including land restoration, would require just three barrels of water for every barrel of shale oil, about the same as gasoline.

Let's compare how much water it would take to make enough ethanol to produce 20 percent of our fuel with the amount of water it would take to produce the same amount of oil shale. Look at what it would take. Look at the red, ethanol. We can hardly see the red of the water required for oil shale. We would need about 64 cubic miles of water to produce that much ethanol and only .17 cubic miles of water to produce the same amount of oil shale.

It is time we stop confusing oil shale with Canadian oil sands. They require

completely different processes. Canadian oil sand production uses a lot of water and a lot of steam to produce oil from oil sands. With oil shale, you apply heat directly to the rock. The last thing you want in your process is water. They are very different, so let's stop pretending they are the same thing. And let's remember Estonia and Brazil. Isn't this country as good as them?

The other red herring often raised against oil shale is concern about land use and wildlife habitat. Mr. President, did you know that oil shale uses much less land than either ethanol or gasoline? One acre of corn produces 7 to 10 barrels of ethanol. One acre in the oil patch produces about 10,000 barrels of oil. One acre of oil shale produces between 100,000 and 1 million-plus barrels of shale oil. That is right, on average, 1 acre of oil shale will produce around 500,000 barrels of oil.

So those who are truly concerned about land use and wildlife habitat, let's look at how much land it would take to make enough ethanol for 20 percent of our fuel supply compared to the same amount of oil shale.

With regard to that green spot in the middle of this chart, it would take those five States to produce 20 percent of our energy needs from ethanol. Think about that. Producing 20 percent of our oil from oil shale would take the equivalent of the smallest county in Kansas being in production at one time, and as each oil shale acreage is used, it would be restored to nature, according to the very strict mining and gas laws already on the books. It is environmentally sound as well.

We are learning that land use is very important, and not just in terms of wildlife habitat and watershed protections. Scientists have determined that disturbing land for activities such as cultivating corn and switchgrass, or any other crop, releases a giant amount of CO₂ into the atmosphere.

Look at this chart. Oil shale without carbon capture, 7 percent more than gasoline, but switchgrass for ethanol, including land use, is 50 percent more than gasoline. Greenhouse gas emissions for corn ethanol, including land use, is 93 percent more than gasoline. Oil shale is much more environmentally sound from the get-go.

Even taking into account that burning ethanol is an improvement over gasoline, the researchers discovered that when land disturbance is calculated, corn ethanol emits 93 percent more greenhouse gases than gasoline. Thank goodness for switchgrass, our new hope for the future of biofuels. The problem is that the same study calculates that switchgrass, even when grown on existing corn land, produces 60 percent more carbon emissions than gasoline. The Department of Energy calculates that oil shale production emits only 7 percent more greenhouse gases than gasoline, and that is without any carbon capture technology, which many in the industry plan to use.

Whether your concern is carbon emissions, water use, or wildlife habitat, oil shale is a better answer than ethanol. And when it comes to transportation fuels, ethanol is the only alternative of any real significance today. The fact is that I am for it, but let's not get confused on which one is more efficient and better. I am certainly not here to bash ethanol. I still believe we should produce as much as possible, but ethanol is the only current significant alternative to transportation fuels available today. It is important that we start dealing in realities around here and not just political puffery, is what we are hearing from the other side.

To be honest, when it comes to energy policy, it is like never-never land on Capitol Hill. On the one hand, we pass a giant mandate on top of giant incentives to produce ethanol, with all its limitations. On the other hand, we ban oil shale production which would give our people access to almost unlimited amounts of cheap energy. The oil shale industry is not asking for any mandates, environmental loopholes, or subsidies. They simply ask to have access to the Federal Government's vast oil shale resources.

I have no problem with debating the impact of speculation on oil prices. It is something we ought to be discussing. I have no problem with that. But it is not going to produce one drop of oil. It is no substitute for providing our people with the transportation fuels they need, and we will never accomplish that goal until we find more and use less.

Our goal as Republicans is to amend this bill so we can find more oil and use less of it so that we can solve our problems as we go into the future, where we get into not only hybrids but plug-in hybrids, electric motors, fuel-cell motors, hydrogen cars and, of course, nuclear, wind, solar, thermal, and geothermal. We have to do all of that. But until we can really move down that line, we have to have oil to run our transportation needs.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWN). The senior Senator from Tennessee is recognized.

Mr. ALEXANDER. Mr. President, will you let me know when I have consumed 9 minutes, please?

The PRESIDING OFFICER. The Chair will notify the Senator from Tennessee.

Mr. ALEXANDER. Thank you very much.

Mr. President, I listened to the Democratic leader discuss the legislative calendar. With respect, I believe the Democratic leadership in the Senate is approaching the crisis of \$4 gasoline with all the urgency of naming a post office. It seems their idea is to talk until there is one amendment over there and one amendment over here, both of which may fail, and then go on to the next thing.

I have just come back from 4 days in Tennessee. I believe that if I walked

down the street in Nashville or Maryville or Knoxville or wherever and talked to 100 people and said: What do you think we ought to be doing in the Senate? I would get the same answer. It would be this: We would like for you to go do something serious about \$4 gasoline prices and we would like you to work across party lines to get it done.

We are ready to do that, we on the Republican side, and I think many Democrats are as well. Yet what the Democratic leadership did was bring up a bill on Friday that addresses oil speculation and put us in a procedural situation where all we can do is talk and talk and talk. We could have started last Friday with amendments on finding more oil and using less oil. We have 25 or 30 on this side. I will bet there are that many on the other side—I will bet there are more than that. We could be on our fifth day of debating and voting on a substantial piece of legislation to increase the supply of American energy and reduce our use of oil, which is the way to lower gasoline prices. That is what we should do today. If we do not do it today, we should do it tomorrow. We should not stop until we get it done. That is why we are here. That is what the American people expect of us.

The majority leader has brought up a bill about speculation. There is nothing wrong with that. It is his right to do that. We recognize that, because in the Republican bill we offered, we suggested we would find more oil by drilling offshore and giving States the option to do that on their shores, and by lifting the moratorium from oil shale final regulations—that would increase American production of oil by a third. That is substantial. We are the third largest producer of oil in the world. That may help affect prices. On the other side, we want to use less oil, and we would do that by making plug-in cars and trucks commonplace, cars and trucks powered by electricity, which would reduce our use of oil. If we did those three things on the find more and use less side, we could cut our use of imported oil in half over time, which would stop sending about \$250 or \$300 billion a year overseas to other countries, some of which are paying terrorists who are trying to kill us.

But oil speculation has its limits. Oil speculation is a part of our bill. We believe we should put 100 cops on the block. We need more cops on the block who are commodities regulators. We need to find out more about these new financial instruments and the effect they might be having on the price of oil. But you cannot deal with oil speculation unless you deal with supply and demand.

The Interagency Task Force on Commodity Markets has been studying this question for 5 years. They said today—I heard it on National Public Radio because I drove in early—their interim report on crude oil studied fundamental supply and demand factors and

the roles of various market participants, and it found that “the fundamental supply and demand factors provide the best explanation for the recent crude oil price increases.” That is what the Government says.

Here is what a private sector individual, who has been pretty successful, says—Warren Buffett: “It is not speculation, it is supply and demand.”

We can deal with oil speculation. We have proposed doing that in the Gas Price Reduction Act. But saying that by passing a bill on oil speculation we deal with \$4 gas would be like saying we are passing a bill on thirst without dealing with water. We have to move on to supply and demand. That is why we say we should be finding more and using less.

In Tennessee yesterday, Nissan announced that it was entering into an agreement with the State of Tennessee and the Tennessee Valley Authority to make our State hospitable for a pure electric car that Nissan intends to have on the market for fleets by 2010 and for individuals by 2012. According to Nissan's plans, the car will go 100 miles without having to be recharged. Carlos Ghosn, the president of Nissan and Renault, wants a zero emissions or an emissions-free car on the market. He wants counties and mayors who want that to be able to have it in their fleets.

That is part of the Gas Price Reduction Act proposal. We understand we have to reduce demand as well as increase supply. But the other side is stuck on using only half of the law of supply and demand. They have forgotten economics 101. We say offshore drilling. They say no, we can't. We say oil shale. They say no, we can't. We say five or six new nuclear powerplants a year so we can have clean electricity for our plug-in cars and trucks. They say no, we can't.

We say bring up gas prices and put it on the Senate floor and let's stay here until we finish. I heard all this talk about the legislative calendar. The legislative calendar isn't more important than the family budget. The legislative calendar is not more important than the family budget, and what is breaking the family budget today is gasoline prices. Four-dollar gasoline is driving up the price for fueling our cars and trucks. It is driving up the cost of food because, as we know, energy is such an important part of agriculture.

People are hurting. Every week, I am on the floor reading e-mails from Tennesseans who are canceling their vacations, losing their jobs, unable to go get medical treatment because they cannot afford the price of gasoline. What are we doing? We are talking when the Democratic leader could instantly put us into a situation where we could spend a week or 10 days considering two or three dozen good amendments, vote them up or down, and see if we could work across party lines to come to a result.

Will we solve every problem in a week's debate in a bill we pass before

August? No, of course not. We really should be on the path toward clean energy independence. I suggested in May that we need a new Manhattan Project, like the one we had in World War II for the atom bomb, where we have a crash program for 5 years on the things we don't know how to do, such as make solar power competitive with fossil fuels or reprocess nuclear waste so it can be stored more easily or make more new buildings green buildings or advanced research on biofuels—crops we don't eat.

But there are some things we know how to do today. Mr. President, 85 percent of the Outer Continental Shelf, where we have the opportunity to produce oil and gas, is, by congressional action, off limits today. It was off limits according to the President's action too, but he changed the Presidential order last week. What happened? The price of oil went down. I don't know exactly to what extent the President's action had an effect on the price of oil, but I do know this: If we were to take action today on supply and demand, the price of gasoline today would stabilize and begin to go down because today's price is based upon the expected supply and demand 3 to 5 years from now. If we demonstrate in our proposal, as our proposal says, that the United States of America, which consumes 25 percent of all the energy in the world, is prepared to increase our production of oil by a third and reduce our use of oil by a sixth, that together would reduce the supply of imported oil; it would cut it in half. If we did that today, it would affect the price of oil today.

Our solution is four words: Find more, use less.

The ACTING PRESIDENT pro tempore. The Senator has used 9 minutes.

Mr. ALEXANDER. Find more, use less. We believe in both parts of the supply and demand. The other side is dancing around. I think they have badly misjudged the American people and the urgency of this question. We need to do everything we can in the next week or so to fashion a bill that takes a substantial step toward increasing the supply and reducing demand for oil—not saying no, we can't; no, we can't; no, we can't. We can say yes, we can, to finding more and using less, and the American people expect us to do that. That is why we are here. We can start today.

The PRESIDING OFFICER. The senior Senator from Missouri is recognized.

Mr. BOND. Mr. President, I ask unanimous consent to be permitted to speak in morning business for up to 7 minutes.

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

Mr. BOND. Mr. President, America is suffering a gas price crisis. In response, our Democratic colleagues are blocking our attempts to get gas prices down for new oil supplies. Yesterday, Senate Democrats went so far as to cancel an

Appropriations Committee markup over fears that an amendment to open offshore oil production would succeed.

Senator HUTCHISON of Texas and I had announced our intention to offer an amendment to rescind the continuing moratorium in appropriations bills that currently blocks new oil production off our Atlantic and Pacific shores. With the support of Senators DOMENICI, ALEXANDER, and all the committee Republicans, we would have given the Appropriations Committee a chance to reverse the annual law blocking America from new oil supplies. I suppose they were afraid we would win the vote, and that is why they canceled the meeting. How undemocratic can you get? You are afraid to lose a vote? Cancel the vote.

We have been struggling all year with Democrats blocking Republicans from offering amendments on the Senate floor. Democrats are saying currently that they will block Republicans from offering amendments to lower gas prices by increasing oil production. Afraid to vote on the floor? Block the vote. Cancel the vote. Block the vote.

What is next? Will Democrats try to disband the Senate or have the majority leader act as a Rules Committee so only what he says can be voted on on the floor? That is not the way this Senate acts.

Why is this so hard? Why are Democrats so desperate to deny the relief the American people need and are demanding? Maybe things are different in New Jersey, Illinois, Nevada, and California, but I can tell you Missouri families are struggling with record pain at the pump. Not just families, Missouri truckers and small businesses and charitable institutions and local governments are suffering from record-high prices. Diesel prices are driving truckers out of business. Missouri farmers are fed up with high energy costs. They do not need to hear, as our Presidential candidate from Illinois said, that the problem is not that gasoline prices have gone up; the problem is they went up too quickly. I can tell the Senator from Illinois that the people of Missouri are fed up with both the speed and the level of gas price increases. Four-dollar gasoline is as popular in Missouri as a Belgian company trying to buy out Budweiser.

Missourians know this is a fundamental problem. We all learned it in economics 101. Prices are high because there is not enough supply to meet demand. We need to find more and we need to use less. There is plenty out there to find, if only they will allow us to go and get it.

We have heard the numbers before, but let me repeat them again. At least 18 billion barrels of oil are waiting for us in the waters off our Atlantic and Pacific shores. That is 10 years of supplies we can give ourselves. Republicans plan to add 10 years of new supplies versus a Democratic plan to open the Strategic Petroleum Reserve, which would give us, by that rate, 3.5 days more oil supply.

Today's new Democratic half measure—it is not even a half measure, it is not a quarter measure, it is not an eighth measure—is to swap sweet crude for heavy crude in the Strategic Petroleum Reserve, again to get a little more gasoline when the oil is refined. It still takes refining capacity. It is still a Band-Aid that is not even well placed over the wound.

These Democratic ideas for “new supplies” keep getting smaller and smaller, weaker and weaker. They say: Well, drill where you have leases. It is called exploring. And when you explore, you did not find something, you do not drill, it goes back to the Government. That is already the law. Give us a break.

At prices as they are today, if there is oil out there, if they see an opportunity to get it, the oil companies are going to go after it, because that is how they make money. That is how they make the money they invest in developing more oil supplies.

We are not forgetting that the biggest thing we can do, the boldest thing we can do, the most aggressive thing we can do is to increase domestic oil supply. And that is exactly what we will need to end this gas price crisis.

Yes, there are other things—using less. I come from a battery State. We need a major American battery manufacturer, because right now most of the batteries coming in for hybrid and hybrid plug-in cars come from Asia. We need to put Americans to work in a large facility or facilities making batteries that will run electric cars.

These are the big ideas. American people do not deserve small Democratic ideas. They do not deserve modest Democratic ideas. They do not deserve timid Democratic ideas. The American people deserve bold action, the American people deserve aggressive action, the American people deserve real action. It is time we get real about gas prices.

We need to stop putting offshore oil off limits. Give us a vote to open more offshore oil production. That is what we propose. That is what we demand. That is what the American people deserve. We cannot fulfill our duty to the American people by walking away from half a loaf, a half a small loaf solution without giving the American people the right to see where their elected Senators are going to vote in terms of providing the big relief we need for a big problem. We need to have votes and we need to move on that oil bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington State is recognized.

Ms. CANTWELL. Mr. President, unless we change course, our Nation will soon be sending \$1 trillion a year abroad to purchase foreign oil, and no amount of drilling is going to change that. That is why I am frustrated that we are wasting valuable time here on the Senate floor debating last century's policies instead of talking about tomorrow's solutions.

We know that today we are facing an oil crisis, but we also know that with less than 2 percent of the world's oil reserves, there is no way the United States is going to drill its way out of this quagmire. American families and businesses are depending on us to put aggressive new policies in place, not continue to dwell on the old policies that are not going to provide any relief at the pump.

Unfortunately, it seems as though there are some who only want to focus on big oil's top priority; that is, lifting the moratorium on Outer Continental Shelf drilling.

Pro-drilling advocates, and certainly the President of the United States, seem perfectly comfortable perpetuating what I think is a cruel hoax on the American people saying that drilling will lower oil prices. They are willing to imply, to insinuate, and to pretend that drilling off of our coastlines will somehow provide relief at the pump or somehow lessen our dangerous dependence on foreign oil.

The reality is even the biggest drilling advocates admit that opening our Nation's pristine coastlines will have no impact on pricing at the pump. That is right, no impact.

In fact, the President of the United States, on June 15, said:

I readily concede that, you know, it is not going to produce a barrel of oil tomorrow, but it is going to change the psychology.

My colleague who is running for President seemed to say a similar thing:

I do not see any immediate relief, but even though it will take some years, the fact that we are exploiting these reserves would have a psychological impact that I think is beneficial.

According to the Los Angeles Times, a senior adviser for Senator MCCAIN also acknowledged in a news conference in a call to reporters that:

New offshore drilling would have no immediate impact on supplies or gas prices.

In fact, the White House went on to say the same thing:

There's not a real good short-term answer to high oil prices, and we've been very explicit about that from the beginning.

So I think it is safe to say many people are confused about what is being discussed here on the floor.

Another White House spokesman said:

Anyone out there saying that something can be done overnight or in a matter of months to deal with the high prices of gasoline is trying to fool people.

Now, this is from the same White House and Republicans that are now advocating that maybe there is a psychological advantage here that somehow supply that we will not see until 2030 could have an impact on gas prices today.

Well let me tell you what some energy experts told the Energy Committee's roundtable on oil prices Roundtable this past week. And for those of you who did not attend—we had many of our colleagues attend—we had two

expert witnesses, Daniel Yergin, the chairman of Cambridge Energy Research Associates, an author of a very well-known book about oil, and Roger Diwan, an energy analyst at PFC Energy. They both firmly rejected the notion that the President's announcement he was breaking the Outer Continental withdrawal moratorium somehow caused a drop in oil prices. They were asked that question and basically laughed at the suggestion that lifting the moratorium could cause a drop in oil prices.

For those who want to pretend that opening up drilling could have any psychological effect, I think this chart illustrates what is going on. We see here on the left that prices are forcing Americans to basically consume less. Basically they are using 800,000 fewer barrels of oil than we did this time last year. But that certainly has not had a psychological impact on the price. We know that Saudi Arabia, here in the middle, announced that they were going to increase output by 500,000 more barrels a day. That announcement did not have any immediate impact. In fact, we saw oil prices surge to \$140 a barrel.

So the lesson here is that even though these are significant reductions in demand and increases in supply happening it is not impacting world oil price. So how can some of my colleagues argue that by producing 200,000 barrels a day, which is what the Outer Continental Shelf drilling would get you, that somehow that is going to have a psychological effect? How can they make that case when this amount of reduction of consumption cannot, and this amount of new supply did not; that somehow by producing 200,000 more barrels per day in 2030 is going to magically reduce prices today. I think what is clear is it does not matter how many oil fields we have, or how many holes we poke in the ground, it is not going to bring down the price. Only by ending our oil addiction and providing Americans with real energy solutions can we do that.

I am not the only one who believes that. The administration's own Energy Department has said similar things. In fact, in the Energy Information Administration's 2007 Annual Energy Outlook they have said:

Access to the Pacific, Atlantic, and eastern Gulf regions would not have a significant impact on domestic crude oil and natural gas production or prices before 2030.

No impact before 2030. That is 22 years from now. In 22 years, we need to have a significant reduction in fossil fuels or our climate will be giving us a lot more things to worry about than the price of oil.

Scientists are now telling us there is a 75-percent chance within 5 years the entire North Polar icecap will completely disappear in the summer months.

According to Tufts University, doing nothing about global warming will cost the United States economy more than

3.6 percent of our gross domestic product or \$3.8 trillion annually by 2100.

So why are we talking about taking on all of this risk of drilling in the Outer Continental Shelf? For what? We are talking about something that is a fraction of the demand of oil the United States is going to need in the future.

In fact, the Energy Information Administration says we will be using 22.6 million barrels a day in 2030. But the most we would get from the Outer Continental Shelf drilling would be less than 1 percent of what the United States will need in the future. So some of my colleagues have staked America's energy future on a proposal that is going to give us less than 1 percent of what the United States needs today.

In fact, the Energy Information Administration continued on this discussion and said that drilling in the Outer Continental Shelf and lifting the moratorium, that these 200,000 barrels a day would have a minimal impact on what the United States needs.

This particular chart shows you how much additional supply we will need, 2 million barrels more a day than we are currently using today. And this is what the Outer Continental Shelf will give us, only 200,000 barrels per day. So it is not exactly as if this is going to help much if at all in the future.

In fact, the Energy Information Office continues to say:

Because oil prices are determined on the international market, any impact on average wellhead prices is expected to be insignificant.

That is an analysis of drilling in all the offshore areas currently in moratorium. So the math is simple. Even if we drill in every last corner of our Nation, we would never be able to have an impact on world oil prices. The world price is always going to be set by others, leaving a critical aspect of our economy in the hands of OPEC.

As long as we use a quarter of the world's oil and have less than 2 percent of the world's oil reserves, facts that no amount of drilling can change, our country is vulnerable. It reminds me of the old adage: If you are in a hole, stop digging. But some want us to keep digging, digging toward a meager 200,000 barrels a day.

And that 200,000 barrels assumes that drilling off the coast of the Atlantic and Pacific is something people will want to do.

We have already heard from some States that think the risks are too great to their economies. For example we will not be able to drill the 10 billion barrels that are covered under the Federal ban off the coast of California, a State where bipartisan opposition exists to further drilling.

Here is what Governor Schwarzenegger said recently:

California's coastline is an international treasure. I do not support lifting this moratorium on new drilling off of our coast.

The Governor added:

We are in this situation because of our dependence on traditional petroleum-based oil.

The direction our country needs to go in, and where California is already headed, is towards greater innovation in new technologies and new fuel choices for consumers. That is the way we will ultimately reduce fuel costs and also protect our environment.

I could not agree with the Governor more.

Governor Schwarzenegger is not alone in his straight talk because there are many citizens across the country from coastal States who also know the impact of what oil spills can have, that it can mean billions of dollars in economic loss. Ask the tens of thousands of people who lost their livelihood after the Exxon Valdez. I know some of my colleagues have made remarks that new technology somehow makes spills from offshore platforms impossible. I know the minority leader said recently there was not a single reported example of spillage in the gulf during the Katrina hurricane.

I respectfully—and I mean respectfully—ask the minority leader if he has seen the President's own report on lessons learned from the Federal response to Katrina. This is a copy of the cover of the report. It says:

Hurricane Katrina caused at least ten oil spills, releasing the same quantity of oil as some of the worst oil spills in U.S. history.

There it is. A report that basically says it caused "ten oil spills, releasing the same quantity of oil as some of the worst oil spills in U.S. history."

The report goes on to say:

All told, more than 7.4 million gallons of oil poured into the Gulf Coast region's waterways, over two thirds of the amount that spilled out during America's worst oil disaster, the rupturing of the Exxon Valdez tanker off the Alaskan coast in 1989.

This is a satellite image of the Gulf of Mexico on September 2, 2005, right after Hurricane Katrina hit. It shows the various areas of oil spills that did, in fact, happen.

Although there are oil risks, the fact is that most of our Nation's recoverable oil supplies and related infrastructure are, for better, or worse, in the Gulf of Mexico. That is not to say we can't have environmentally responsible oil and gas recovery. In fact, many of my Senate colleagues did support in 2006 opening more of the gulf waters after President Bush issued a Presidential directive stopping some of the drilling that was endorsed by the previous administration. But in hindsight, opening the gulf seemed to be another lesson in how we are not going to help impact the price. Back when we opened 6 million acres in lease 181, many oil companies promised it would have a dramatic effect on new production. It was going to be an incredible find. The price was at \$57 a barrel.

But a year later the price was already \$89 a barrel and we all know the price today. Obviously, access to more drilling didn't help us impact the price of oil then.

And with prices so high, why did the oil companies bid on only 200 million acres of the 500 million acres recently put out for bid in the Gulf of Mexico?

Not utilizing existing leases seems to be a pattern with oil companies. In fact, many oil companies are not using 83 percent of the public offshore lands they have tied up in leases. That is an area larger than the States of New York or Alabama that is just sitting idle. This chart shows that 83 percent of the leases offshore are not producing energy, and the oil companies are choosing to only use this area in the green.

Why don't we hear more about why they aren't choosing to drill? It doesn't make sense, given what the price is. We know one of the reasons may be that every single available drill rig, drill ship is being used right now. You can't go and drill when you don't have the equipment. According to the House of Representatives, oil companies have access to over 100 billion barrels of conventional oil in areas not under moratorium. That is how much is already there in existence on land that can be leased. It is already there. It is already available. But clearly the oil companies can't, or it is in their financial interest not to, utilize this vast amount of public land they already have.

The fact is, depending on oil companies to get us out of this mess is exactly what has gotten us into this mess. It is not a viable solution. We need to break our addiction to oil.

The question is, What can we do today to help bring supply and demand into balance? Last week, Dr. Yergin told us at the gas prices forum:

If Americans took a few precautionary steps when driving, including properly inflating their tires, demand for oil would decrease by 600,000 to 700,000 barrels per day.

That is something we can do now, not in 10 years, not 20 years. We can do it now. In fact, there are many things we can do now to reduce our dependence on oil. More efficient tires is one of them at 300,000 barrels per day; keeping your car tuned, 400,000 barrels a day; commuting with an extra passenger once a week, 200,000; keeping tires properly inflated, 200,000; and other ideas. These are things that can have an impact today, not like drilling which will only have an insignificant impact and only in 2030.

These are the things we should be working on aggressively. These are the low-hanging fruit we should be grabbing. Drivers are desperately seeking any measure that they can use to lower prices at the pump. That is why the Bush administration should speed up its rulemaking on a provision in the 2007 energy bill that established fuel efficiency tire labeling. We need a national campaign of public awareness to show consumers how to properly inflate their tires. I am for giving away air pressure gauges at the stations and making sure there is a national education program in place. We can start helping consumers today.

According to tests by the Consumers Union, choosing the right tires and maintaining them with the proper pressure can save consumers about \$100

based on today's gas prices. It is critically important we take actions such as this that will help consumers, that will give them some relief.

To me, the debate over drilling highlights a generational change that we actually need in Congress. Americans know it instinctively. They know many of our institutions and safety nets are not working when it comes to this issue.

Think of what a different situation we would be in if we had spent the last 8 years acting more aggressively to build a clean energy future that our country desperately needs. For example, we could have been investing more in plug-in electric hybrid vehicles, which would have had a tremendous impact on oil addiction. The Pacific Northwest National Lab found that our current electricity infrastructure could support an estimated 70 percent of America's passenger vehicle fleet. Seventy percent of our Nation's cars could be supported by today's electricity grid, if we would have gotten plug-in hybrids into the marketplace. Fully utilizing the grid would displace 6.5 million barrels of oil a day, an amount equivalent to 50 percent of what we import, and cut our greenhouse gases by 20 percent. That is the type of policy we should have been pursuing.

Juxtaposed to drilling, the 6.5 million barrels of oil plug-ins could save is basically 32 times the savings of what the proposal for Outer Continental Shelf drilling would be. Obviously, that could have a significant impact.

The study also found that charging a plug-in electric vehicle at the current national electricity rate would cost the equivalent of just \$1 a gallon. Instead of paying the fuel prices you are paying today at \$4, you would be paying only \$1 to plug in your car. A car that gets 100 plus miles per gallon. It would have such an unbelievable impact on the American consumer and the economy and opportunity.

There is a lot more we could have also done in the last 8 years. There is much more we could do now in making sure we extend expiring clean energy tax incentives that will save \$20 billion in clean energy investments. I don't think it is too late to get the extender package and have 42,000 megawatts of planned renewable energy projects in 45 States go forward. That is the equivalent of 75 baseload electricity generation stations. I hope we can see progress on that bill.

Passing clean energy incentives will also provide renewable energy that will lessen demand for natural gas, lowering household electricity bills, to say nothing of what New England is facing with the high price of fuel for their homes.

Also under the Baucus extender bill, consumers can utilize \$500 in tax incentives for measures that make their homes more efficient. This could lower their home heating bills by 20 percent or more. That is a huge opportunity for us moving forward, if we would only pass the legislation.

I don't know how much time I have remaining.

The PRESIDING OFFICER. There is 6½ minutes remaining on the majority side.

Ms. CANTWELL. I will take a minute or two more.

These solutions I talked about are solutions we can do now. They are near term. If you look at this chart of what options we have for the future, this is what drilling and the moratorium can save us in barrels of oil by 2030, less than a million barrels a day. Here is what efficiency in automobiles and trucks and the measures I described in the last few minutes can do in saving us on energy and oil consumption, over 6 million barrels per day.

We have to get off this 27-year debate and get on to an energy future that will help make America more secure. We must move faster, further past these old energy policies, past convoluted logic and on to an opportunity where the United States can become an energy leader. We know there are countries that are already doing it. Let's make sure we have learned the lessons from our global neighbors about changes they have made. Let's commit to a real energy strategy on renewables. It is something America deserves and something we need to pass as soon as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WEBB. Mr. President, how much time remains?

The PRESIDING OFFICER. There is 5 minutes remaining to the Senator from Virginia for majority time.

Mr. WEBB. I will do my best. I wish to speak for a few minutes today about why I believe it is not only appropriate but important for us to be focusing on the issue of oil market speculation, separate from the larger issues that confront us in our energy policies, as a way to address the most serious problem and the most fixable problem as it relates to the high price of oil and the high price of gas. There are many on the other side who have commented that speculation is not the reason gas prices have gone up so dramatically, that this is simply the free market working. I am reminded that when this Congress voted in October of 2002 to go to war in Iraq, the price of oil was \$24 a barrel. It has gone up all the way to \$145 a barrel. That is six times the cost of oil when we went into Iraq.

I certainly wouldn't venture that demand has gone up six times in the last 6 years, even if we adjust for the devaluation of the dollar taking place for a lot of reasons, that demand has gone up in those kinds of multiples. I, similar to many on this side of the aisle, would like to see a comprehensive energy package, a comprehensive energy strategy that addresses all our assets and all the assets we can bring to this issue in the future.

This simply is not the right time. You cannot do this with a series of

amendments, whether it is for another week or another 2 weeks. You can only do that with another serious consideration of a piece of legislation that addresses all these different areas. I am among those on this side of the aisle who are not opposed to the idea of offshore exploration for oil and natural gas and have joined the senior Senator from Virginia in a proposal to that effect.

I would like to see us go into a more serious development of nuclear power. We have not had a new nuclear power plant built in this country in 30 years. Nuclear power technology has improved. Carbon dioxide emissions from nuclear power plants is benign. It is good for the environment. It would have a dramatic increase in jobs. These are all positives.

I also would like us to explore, in a proper way, alternative energy proposals that have become increasingly popular and increasingly viable over the last 20 years. There has been a lot of attention on wind power over the past few days because of what Mr. T. Boone Pickens has proposed. Solar technology has dramatically increased in its capabilities over the past 10 to 15 years.

I come from a State that produces a lot of coal. I think the answer to coal—which is a national asset in this country in terms of the supply that is available—when it is used under the right circumstances can be environmentally neutral, when we develop the right technologies.

Those are all issues which should be on the table as we approach a full energy strategy in terms of reducing our dependence on foreign oil and becoming more energy independent. But they are simply not the only issues we should be addressing this week.

Why is speculation so important? Quite obviously, because as of the end of 2000, there are people other than users who have been buying oil futures. They have been buying them not for their use, but purely as if they were buying stocks. They are doing this in an environment where there are no regulations in the same sense as there are in other investment areas, the areas that apply to stocks.

As I said, this policy changed in late 2000, and this is when the speculation market began to have these aberrations in it. You can buy oil futures for 3 or 4 percent on margin. We have dramatically more investors than we have users, and there are plenty of estimates available as to how this has affected the market, totally absent from supply and demand.

A whole series of big oil executives have agreed that the oil market has been affected by as much as \$60 a barrel because of this type of speculation.

Mr. President, I ask unanimous consent that four of those testimonies be printed in the RECORD at this time, rather than going through them, in the interest of time.

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

EVEN BIG OIL EXECUTIVES AGREE EXCESSIVE SPECULATION HAS DRIVEN UP OIL PRICES

CEO of Royal Dutch Shell Said Fundamentals of the Oil Market Are the Same as When Oil Sold for \$60. Jeroen van der Veer, CEO of Royal Dutch Shell said, "The [oil] fundamentals are no problem. They are the same as they were when oil was selling for \$60 a barrel, which is in itself quite a unique phenomenon." [Washington Post, 4/11/08]

Marathon Oil CEO Said \$100 Oil Isn't Justified By Physical Demand, Blamed High Oil Prices on Speculation in the Futures Market. In October 2007, Marathon Oil CEO Clarence Cazalot Jr. 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." [Detroit Free Press, 10/30/07]

Exxon Mobil Executive Testified Price of Oil Should Be \$50-\$55 Per Barrel. Exxon Mobil Senior Vice President Stephen Simon told the Senate Judiciary Committee, "The price of oil should be about \$50-\$55 per barrel." [Senate Judiciary Committee, 4/1/08]

President of the Inland Oil Company Testified Speculation is the Fuel that Is Driving Up Oil Prices. In June, Gerry Ramm, President of the Inland Oil Company on behalf of the Petroleum Marketers Association of America, testified, "Excessive speculation on energy trading facilities is the fuel that is driving this runaway train in crude oil prices." [Senate Commerce, Science and Transportation Committee Hearing, 6/3/08]

Mr. WEBB. The whole point of this is, we need, as a government, to gain control over this process for the benefit of all Americans.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WEBB. Mr. President, I ask unanimous consent for 1 additional minute.

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

Mr. WEBB. Mr. President, I appreciate that.

We need to gain control over this process for the benefit of all Americans, as a necessary, preliminary step before we begin addressing all these other areas I mentioned, as we move toward a more balanced and independent energy future.

This is an area where the potential for immediate impact on the price of oil is available, and it is not only appropriate we address the issue of speculation, in my view, it is absolutely necessary if we are going to bring down, in a reasonable time period, the price of oil and the price that our citizens are paying at the pump.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I ask unanimous consent that speakers on the Republican side be limited to 10 minutes each.

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

Mr. BENNETT. Mr. President, the bill before us today has to do with speculation. Let's talk about speculation for a minute. What is it? It is investment on the basis of assumption or expectations.

There are those who are investing in oil futures because of the expectation that the price of oil will rise. If you want to get speculation under control, you have to change those expectations.

What are the expectations of investors right now with respect to oil? It is their expectation that the price of oil will go up. It is very rational. The only reason they are buying an oil futures contract is they expect the price to go up.

What can we do to change those expectations? Well, let us look at the oil market as a whole and look at it in a historical perspective. The first thing we must remember—and remember all the way through this debate—is this: The oil market is a world market. Oil prices are set by world supply and by world demand. It is not a market that is limited to the shores of the United States of America.

So what has been going on in the oil market? Over the last 10 years, available sources of supply—that is, reasonable sources that could be producing oil relatively quickly—have been growing but very slowly. I have tried to get absolutely authoritative figures.

I have been unable to come up with exact ones. But there is a consensus that available production capacity has been growing over the last 10 years at the rate of about 1 percent per year. What we do know is, over the last 10 years, worldwide demand has been growing at 2.5 percent per year. Oil demand now is roughly 25 percent greater than it was just 10 years ago.

It does not take a mathematical genius to put these two numbers together and recognize that if the available sources of supply are growing at only about 1 percent per year, and demand is growing at 2.5 percent per year, the time will come when the safety margin between available supply and worldwide demand will be very small.

We have reached that time now. We have reached the time where the safety margin between available supply and worldwide demand is so small that any one single incident anywhere in the world can immediately trigger expectations that the price of oil is going to go up. Whether it is domestic difficulty in Nigeria or political activity in Venezuela, the price of oil goes up when an event comes along that indicates there might be a hiccup in available oil supply. This is perfectly rational. It is not an act of manipulation on anybody's part. It is simply a logical expectation.

Now, at one time in our history America could determine what the world price of oil would be. The Texas Railroad Commission could determine what the available productive capacity would be simply by permitting a few additional wells in east Texas. Every time there was a concern that there would not be enough oil, the Texas Railroad Commission would permit more wells. People would look at the safety net between available production and demand and say that it is high enough for us to keep the price of oil

close to the cost of producing. For years and years and years, the price of oil was around \$7, \$8, \$9, \$10 a barrel because that is what it cost to produce, and the safety margin between the available source of supply and demand was very large.

Sometime in the 1970s, that power left our shores. It went from America over to the Middle East, and the Saudi royal family replaced the Texas Railroad Commission as the agency that could determine the price of oil. They would either increase production or lower production, and they found they could control the world price of oil by what they did to the safety margin.

But as the safety margin has shrunk, now even the Saudi royal family cannot control the price of oil. There are Members of this body who have written President Bush asking him to go to the Saudis with a tin cup and beg them to increase that safety margin in the hope it will bring down gas prices. That is not the long-term solution to this problem.

What I want to do, what Republicans want to do, is get America back in the game and bring the pricing power back on American shores by finding more and using less oil. We can do this because we have, within our continental boundaries, the ability to increase that safety margin. The Gas Price Reduction Act talks about it in two obvious areas.

The first one is oil development in the Outer Continental Shelf. This could produce enough oil to increase the safety margin by a million barrels a day originally, and it could go up significantly from there. This would change the expectation, if you are focusing on speculators. Right now, 85 percent of our Outer Continental Shelf is off-limits by virtue of an executive branch moratorium that was placed on it over 25 years ago.

President Bush has lifted that moratorium and the markets reacted immediately and the price of oil fell dramatically—not because the oil was immediately available but because the expectation was changed. Now it is up to Congress to lift the congressional moratorium on the Outer Continental Shelf and make sure the expectation is fulfilled.

The second area where we can find more oil is in oil shale, an abundant resource located in my home State of Utah. There are people who say, "Oh, the technology is expensive. The technology does not work." Oil shale is producing oil in other countries today. It is time we allowed oil shale to produce oil in the United States. And how much? There is three times as much oil in the oil shale in my State, Colorado, and Wyoming than there is in all of Saudi Arabia. We have not gotten to it because it is all on public lands, and we have been prevented from going on to that.

There is now a moratorium in the law that prevents the Department of the Interior from even writing the final

rules under which exploration for oil shale can take place and bids under which the oil shale for leases can go forward. The Department of the Interior has now issued a draft of what the rules will be if that moratorium is lifted. In the Gas Price Reduction Act, we call for that moratorium to be lifted.

As soon as the moratorium is lifted, what will happen to the speculators? Expectations will change, and they will understand that America is serious about getting back in the game and bringing the pricing power back onto American shores and away from the Saudi royal family.

Now, there has been discussion here about the other aspects of the Gas Price Reduction Act: hybrid cars, plug-in hybrids. I have been driving a hybrid car for 8 years. I know what it is like to drive a car that gets 55 miles to the gallon. I understand how important that is. That is why it is in the Gas Price Reduction Act.

I have already addressed the question of speculation. What we need to do—and it is in the Gas Price Reduction Act—is increase the number of accountants at the Commodity Futures Trading Commission so we can make sure, if there is real market manipulation going on, it can be discovered and dealt with. But only going after speculators is not the way to get the price of oil down. I agree with Warren Buffett, perhaps the Nation's richest Democrat, who says all this talk about speculation being the problem is nonsense. The problem is supply and demand.

The Gas Price Reduction Act is the logical way to deal with supply and demand, get America back in the game, change the expectations, and bring down the price of oil.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The junior Senator from Louisiana is recognized.

Mr. VITTER. Mr. President, I ask the Chair to indicate when I have used 8 minutes.

The PRESIDING OFFICER. The Senator will be notified.

Mr. VITTER. I thank you the Chair.

I am very glad we are finally taking significant time on the floor of the Senate to debate and hopefully to act on the single most important challenge facing American families, and that is gasoline prices and energy. I have been urging all of us in the Senate to do this for some time, and finally we are on that key topic.

Let me restate the obvious: This is the top challenge facing American families across our country, certainly including Louisiana. This is the core of everyone's uncertainty and concerns about our economic future. To get to the heart of the matter, this is what hits people in the pocketbooks every week because they gas up every week. They go to the gas station. They need gas to get to work. They want to be able to take family vacations during the summer. This hits everybody where it hurts: in the family pocketbook.

That is why it is crucial we attack this problem head on. That is why I am hopeful we are going to act in a meaningful, broad-based way here on the Senate floor. I urge all of my colleagues—Democrats and Republicans—to come together to bring every good idea they have related to gasoline prices and energy to this debate so we can act in a broad-based and meaningful way; not just talk and not just debate and certainly not just point fingers and be partisan but come together and act for the good of the American people. The American people are hurting. They are jolted by the dramatic rise in gasoline prices and they want us to act.

It is also in the best traditions of the Senate that we have open and full debate and an open and full amendment process. I urge all of us—again, Democrats and Republicans—to come together and demand and rally around the concept of the best tradition of the Senate being an open and full debate and amendment process. The American people want this because they not only understand this is the greatest challenge facing their families, they also understand there is no single answer. There is no silver bullet. There is no magic wand. We need to do a number of things, and we need to do them now. In fact, we needed to do them yesterday—last year, 10 years ago—but certainly at this point we need to act now. We need to act on a number of fronts.

The majority leader's bill on the floor is a narrowly drafted bill about speculation on oil and energy in the marketplace. I certainly support addressing that, among other issues, as we try to stabilize and bring down gasoline and energy prices. Again, the American people get it. They understand there is no easy or single answer. There is no magic wand or silver bullet. We need to do a number of things, both on the demand side and the supply side. We need to use less and we need to find more right here at home.

Today I am filing seven amendments for consideration and votes in this debate. We need to do a number of things that are significant to help stabilize the price of gasoline, to help develop a rational energy policy, and we need to act both on the demand side and the supply side. We need to use less and we need to find more right here at home.

Let me speak about exactly what those amendments are. My first amendment would increase domestic production of oil and gas offshore as well as develop alternative energy sources offshore. It is based on a free-standing bill I introduced several weeks ago, the ENOUGH Act—the Energy Needed Offshore Under Gas Hikes Act. It allows for increased domestic production of oil and gas in the Outer Continental Shelf when a particular State's Governor, with the concurrence of the State legislature, petitions the Federal Government for this activity. It would also provide an incentive for States to do that by offering revenue-

sharing. Specifically, while 45 percent of the royalties on that production would still go to the Federal Treasury, 37.5 percent would go to the producing State involved, 12.5 percent would go to the Federal Land and Water Conservation fund, which I strongly support, and 5 percent would go to historically producing States which have produced for 50 years or more and never got revenuesharing for all of that commitment to meeting the Nation's energy needs.

This amendment is not only about producing more; it is also about alternatives. In addition, this amendment develops alternative energy offshore by establishing a grant program for offshore alternative energy production, by converting existing offshore energy infrastructure into alternative production facilities—for instance, turning old lease areas into new offshore wind farms—and for allowing revenuesharing in that alternative energy production offshore as well. I urge my colleagues to look favorably on this positive amendment.

My second of seven amendments would flat out repeal the present congressional moratorium on activity in the Outer Continental Shelf. Last week, President Bush took a very positive and necessary step forward. He lifted the existing Executive moratorium that had been in place for the Outer Continental Shelf. However, as we all know, there is a congressional moratorium at the same time, so his action wasn't good enough to allow us to develop those resources. My amendment, my second amendment No. 5090, would lift the existing congressional moratorium. It too includes developing alternative energy offshore—that package of proposals I enumerated—to develop new, clean, alternative energy sources offshore.

My third amendment is somewhat akin to the second amendment which lifts the congressional moratorium on the OCS. My third amendment would lift the present congressional moratorium on shale production in the West. As we all know, Congress placed a moratorium on final regulations for the development of oil shale in the western United States. That puts to a halt all of that positive productive activity that could lead to major energy finds in the western United States on land—oil coming out of that western shale.

The PRESIDING OFFICER. The Senator from Louisiana has consumed 8 minutes.

Mr. VITTER. I thank you the Chair.

It is very important that we lift that counterproductive congressional moratorium and move forward with regard to western shale. There are enormous energy resources there. We need to tap those. To do that, the first step we need to take is lifting that current congressional moratorium on all of that activity.

My fourth amendment is to develop alternative energy offshore—that package of proposals I mentioned a few minutes ago which is also part of the first three amendments.

My fifth amendment is to streamline the permitting process so we can expand refinery capacity. We would start with existing refineries which have the ability to expand. As we all know, we need to find more energy here at home, but we also have a refinery capacity issue and we need to address both sides of that coin. So it is crucial we streamline the permitting process for refineries right here at home. It is far too cumbersome and uncertain and complicated. My fifth amendment would allow us to expand refinery capacity here at home in a way we sorely need to do.

Finally, my final amendment would streamline the permitting for offshore leases. Excuse me. That is No. 6, to streamline the permitting process for offshore leases, which also is far too cumbersome and complicated and takes far too long, to allow producers and developers to get in the field and actually produce energy from those offshore leases.

My seventh and final amendment would change the seaward boundaries for the Gulf States of Louisiana, Mississippi, and Alabama.

Mr. President, I ask unanimous consent for 1 additional minute.

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

Mr. VITTER. I thank the Chair.

Under current law, Florida and Texas have State waters for 9 miles from their coastline, but in stark contrast to that, Louisiana, Mississippi, and Alabama's State waters are only the first 3 miles from their coasts. This is grossly unfair. In addition, expanding the State waters of Louisiana, Mississippi, and Alabama to match their neighbors to the west and the east—Texas and Florida—would help promote more production in the gulf because it is a far easier, less cumbersome process to produce, get permitting, and move forward on State waters than on Federal lands.

With that in mind, I certainly hope we can have the full, open debate and open amendment process to consider these and other good ideas.

In that vein, I ask unanimous consent that when the Senate proceeds to S. 3248, it be limited to energy-related amendments only; further, that the amendments be offered in an alternating fashion between the two sides. I further ask unanimous consent that the bill remain the pending business to the exclusion of all other business other than privileged matters and other matters that the two leaders might agree upon.

The PRESIDING OFFICER. In my capacity as a Senator from Ohio, I object.

The senior Senator from Wyoming is recognized.

Mr. ENZI. I thank the Chair.

I rise today to also discuss the No. 1 issue that is facing our Nation. That issue is the rising price of energy. Everyone out there whom this affects knows who they are: It is anyone who rides or drives or eats. While I am glad the Senate is finally considering energy legislation, I am disappointed by the scope of that legislation. I hear from my constituents each and every day that the Senate needs to do something about energy prices. I couldn't agree more. We need to put aside partisan politics in order to pass legislation that will address the energy situation we are facing.

Today, the Senate is considering S. 3268, the energy speculators bill. This bill is kind of like a hearty meal of meat, bread, and potatoes but without the meat—oh, and without the bread—and it doesn't really have potatoes in it either. This bill deals only with the issue of oil speculation. It does not deal with the issue of supply and demand. It does not deal with the need to encourage conservation. It does not deal with the extension of important tax credits to promote renewable energy.

Instead, the bill seeks to extend the long arm of the law to reach out and strike down those “speculators” who are supposedly driving the price of oil faster and higher than a rocket ship. I ask my colleagues now, why would we in the Senate want to strike down teachers, civil servants, and farmers? The bill does not recognize that that is who the so-called speculators are. Speculators are oftentimes pension fund investors who protect the retirement of teachers and civil servants. The “evil” speculators are American farmers who want to save money on their supplies and fertilizer and on airlines that want to cut fuel costs by locking in a price that will make the customer's plane tickets cheaper.

This legislation does not recognize that futures markets and the investors who trade in them are crucial to getting the best price for the product and attracting investment in the United States. Cities such as Dubai and countries such as India and China are the places that will benefit from this bill. They would benefit because many of the jobs that would be in New York or Chicago—jobs that are currently American—would no longer be.

I am the ranking member of the Senate committee that handles pensions, so let's get back to the people who have pensions and how this bill impacts them. These people are the employees of most of our largest companies and include airline, trucking, automotive, manufacturing, education, and public civil servant employees. This bill would hurt them. I am alarmed the bill could declare portions of our financial markets off limits to institutional investors, including pension funds, endowments, and foundations.

Laws we have passed say that pension money should be vested in a prudent manner. We in Congress have long

insisted pension plans diversify their assets so they don't have “all their eggs in one basket.” However, if we start down the slippery slope the majority leader has set before us in his bill, then we will limit the ability of pension plans and other institutional investors to diversify their investment strategies. This bill takes away baskets that they could put their eggs in. If the pension plans are prudently invested and well-managed, there is no reason they should be barred from any segment of the commodities, futures, or capital markets.

The majority contends that this legislation will bring down the price of gas. Let's see, this bill will not result in the production of any more gas, nor will it result in any less demand for gas.

I tend to agree that many of the Nation's brightest minds who suggest that “speculators” have little to do with the increase in energy prices are right.

Warren Buffett, the Nation's wealthiest Democrat, does not believe speculators are the cause. T. Boone Pickens, who has been in the news for his efforts to end our Nation's dependence on foreign oil and who addressed Democrats at their weekly caucus lunch, has said that speculators play a minimal role. Federal Reserve Chairman Ben Bernanke made his views clear at a hearing before the Senate Banking Committee on July 15 when he stated:

If financial speculation were pushing oil prices above the levels consistent with the fundamentals of supply and demand, we would expect inventories of crude oil and petroleum products to increase as supply rose and demand fell. But in fact, available data on oil inventories show notable declines over the past year.

Bernanke continued:

This is not to say that useful steps could not be taken to improve the transparency and functioning of futures markets, only that such steps are unlikely to substantially affect the prices of oil or other commodities in the longer term.

Chairman Bernanke's statement should provide us with a starting point for any legislation, and I am a cosponsor of legislation that begins the process of having a sensible energy policy. The Gas Price Reduction Act addresses the need for more transparency in our markets and more oversight by the Commodities Futures Trading Commission. However, that is not the focus of the legislation. While the transparency is important, the larger problem we face is a lack of supply and an increase in demand. The majority leader's bill is like the novel an unwise motorist reads while driving down the highway. The novel is the wrong focus and while you pay attention to that you could get sideswiped by something you should be paying attention to—in our case, no supply and a whole lot of demand.

We need to find more American oil from American soil at the same time that we use less, and we need to look at alternative fuels.

The Gas Price Reduction Act includes provisions to open coastal waters in States that want energy production. It ends the ban on the development of promising oil shale in Wyoming, Colorado, and Utah. At the same time, it encourages increases in supply. It promotes the development of better technology so that we use less energy, and it explores alternative sources. The supply and demands issues are not addressed in the majority leader's oil speculation bill.

The majority leader's bill also ignores the important role that coal can play in securing America's energy future. It ignores the need to streamline the process for permitting new refineries. It ignores the need to increase the use of nuclear as a clean energy source.

You will notice that a lot of these things are also not in the Republican bill that I mentioned. That bill is a compilation of items that everybody here ought to be able to support. The items that have been controversial have been left out. We can use my 80/20 rule. We can agree on 80 percent of the issues 80 percent of the time. If we stick to that and leave the rest to the pundits, it will work out well. Sometimes we try to do things that are too comprehensive because one amendment will pull off 3 votes and another one might pull off 10 votes and another might pull off 15 votes. Then you don't have a majority to pass a bill. I am not sure that is what the other side is hoping for.

I hope we can keep this simple and get something done—something besides just speculation. I hope we are able to have an open debate over the next 2 weeks. I hope we are allowed to offer energy amendments and have up-or-down votes. If we can have that real debate, I am confident the Senate can come up with a package that could be signed into law, and both sides will get credit. Believe it or not, I actually agree with the majority party on some steps that would help to make this country more energy independent. Wind tax credits are one example. But restricting Senators' participation, stopping them from representing those who put them in office, is not going to get us any further than an empty tank of gas. That is what this bill will do in its current form.

The PRESIDING OFFICER (Mr. MENENDEZ). The time of the Senator has expired.

Mr. ENZI. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. BROWN. Mr. President, today gas costs \$4.09 in Bellefontaine, OH. In Conneaut, it is \$4.05 a gallon. In Galion—not far from where I grew up in Mansfield—gas costs \$4.04 a gallon. In southern Ohio, in New Boston, on the Ohio River, gas costs \$4.06 a gallon.

Instead of helping the residents of those communities and in other States around the country, my Republican

colleagues are asking for another handout for Exxon, Shell, BP, and Chevron. The last thing oil companies need is a handout. They don't need more drilling permits on top of the unused permits they already have. What big oil does need is to revisit their business strategy because if they think complaining about the need for more drilling permits and getting my friends on the other side of the aisle to do their bidding and having a President of the United States and a Vice President—two oilmen—siding with them time after time—if they think that will win over the hearts and minds of the American people, they have another thing coming. The people I report to don't like opportunists, they don't like snake oil salesmen, and they don't like unbridled greed.

Big oil has 68 million acres, directly or indirectly, of leased Federal lands they are not even drilling. That is 2.5 times the size of my State of Ohio. But somehow, to big oil, that isn't enough. Somehow, record profits aren't enough. Somehow, big oil executives making tens of millions of dollars every year isn't enough. Big oil wants the right to drill everywhere and anywhere so they can attract more shareholders and make more money. Perhaps that is understandable. What is not understandable is people who are elected to office doing bidding for them. Oil companies should use the lands that are already leased, and they should reinvest in refineries and alternative fuels—not lobby for another land grab.

Republicans back the oil companies up, parroting them on the need for more drilling. I suppose it is nice to have friends in the oil industry. But we are not in Congress to make friends with the oil industry. We are not in Congress to do the oil industry's bidding. We are in Congress because Americans put us here, and they deserve real answers, real solutions.

Talking about drilling is a lot easier than doing real work. It is easier than tracking down the most promising avenues in alternative energy and accelerating their development. It is easier than opening the stockpile of U.S. oil and demanding real accountability from oil companies. And it is easier than taking on the speculators—as the majority leader's bill does today—who are making handshake deals that push prices higher and higher.

Going after the speculators is what this bill we are debating today is about. It would go after unscrupulous, unregulated traders. It would crack down on underhanded price manipulation so we can pop the energy price balloon.

Instead of cuddling up to the energy industry and specialty oil companies, we should go after price gouging, price manipulation, and price speculation. The White House may report to big oil, but we don't. Some in the other party, in both the Senate and House, may do the bidding of big oil too, but we should not and cannot, and we won't.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. SALAZAR. Mr. President, I come to the floor this afternoon to speak about the myth about oil shale and what some people have been talking about on the floor of the Senate and around the country is a quick fix to the oil challenges we face in America today, a quick fix to the high prices of gas and diesel we are paying across the country, and offering oil shale as the panacea that will cure that problem.

The fact is that is not the case. Those who are propounding that view of our future energy world, in my view, are false prophets because they are not telling the American people the truth about oil shale.

I am concerned and involved with this issue because of the fact that 80 percent of the oil shale reserves are located in my State of Colorado. We are not at a point in time where the technology has been developed for us to move forward in the development of oil shale. So anyone who says this is a panacea to the oil challenges we face in America today is simply wrong.

The oil companies themselves have said we are not ready to move forward with a commercial oil shale leasing program at this point in time. Chevron, one of the largest oil companies in the world, had the following to say:

Chevron believes that a full-scale commercial leasing program should not proceed at this time without clear demonstration of commercial technologies.

That was March 20, 2008. That is what Chevron is saying. Yet notwithstanding what Chevron says about oil shale and development of oil shale technology, we have the Department of the Interior, the White House, and the Bureau of Land Management saying we have to move full speed ahead and rush forward with the issuing of these oil shale regulations which essentially will lock up close to 1 million acres of lands across the West, most of that in my State of Colorado, and doing it without knowing whether we have the technology to develop oil shale.

I suggest to my colleagues that as we engage in this debate concerning the high price of gas and our addiction to foreign oil that we come together in a bipartisan way and focus on solutions that ultimately will get rid of the addiction we have to foreign oil and that we embark on a Manhattan-type project that will actually get us to the point where we can finally claim we have set America free.

There is broad bipartisan agreement on real solutions that we know work. In fact, in the Energy Committee, on which the Presiding Officer has been

such a distinguished and effective member, we know we have come up with solutions that we need to continue to push and push further.

If we think back to what we did in 2005, 2006, and 2007 to increase supply, we have also done a lot to diminish the demand for oil in the United States of America. The CAFE standards alone, which we passed and which the President signed into law last December 2007, will save the United States about 1.2 million barrels of oil per day. We use about 20 million barrels of oil per day in America. The CAFE standards we have put in place will save us 1.2 million barrels per day. That was accomplished in a bipartisan spirit, Republicans and Democrats working together in this Congress.

With respect to biofuels, an agenda which also is neither a Democratic nor Republican agenda, we have a law now in place that will embrace a new energy frontier that includes biofuels. It is not only ethanol, it is cellulosic ethanol and other forms of biofuels we can use. We know when we do the estimates of how much oil we will save by use of biofuels, we will be able to save up to 1.6 million barrels a day that we will not have to import from the Middle East and other countries that have the world's oil reserves.

There are things we have done that we know, in fact, will work. This morning in the Energy Committee, we had a hearing on some of the things that can work. We had a memorandum prepared by the staff of the Energy Committee in which they reviewed some of what we have already done, starting with the 2005 act. They included the following:

Section 701, use of alternative fuels by dual-fueled flex vehicles. That is the Flex Fuel Program. Review of the fuel/hybrid vehicle commercialization initiative; advanced vehicles; fuel cell transit bus demonstration; clean schoolbus program; diesel truck retrofit and fleet modernization program; fuel cell schoolbuses; railroad efficiency; reduction of engine idling.

Each of those is a different section in the 2005 Energy Policy Act which passed under the leadership of Senator DOMENICI and Senator BINGAMAN, and with many of us on both sides of the aisle a part of crafting it.

It goes on. Ultra-efficient engine technology for aircraft; enforcement of the fuel economy standards; Federal procurement of stationary, portable, and micro fuel cells; diesel emissions reduction authorizations; renewable content of gasoline, and on and on.

There are major provisions enacted into law which are good policy which will help start getting us off this addiction we have to foreign oil.

We continued in that fashion in 2006 when, again, a bipartisan group of Senators came together and decided to open part of the gulf coast with lease sale 181. That opened about 8 million acres for exploration and production in the gulf coast, a place where we know

we have some of the largest reserves that are under the control of the United States.

We have been pushing programs that embrace a new energy frontier, as well as trying to put more production online here for the United States of America.

It is very important to think about what happened not so long ago, at the end of last year with the Energy Independence and Security Act of 2007. We passed a series of programs that are intended to help us get to energy independence. Chief among them was CAFE standards which were so long in coming and which had been neglected for such a long time. Those CAFE standards, when implemented, will save, as I said earlier, over 1 million barrels of oil a day that we will not have to import from other countries.

Those are the kinds of efforts on which we can come together. We can find a new way for America that will deal with the inescapable forces of our time that call us to move forward in an imperative way toward energy independence. Those inescapable forces that are with us today are the national security of the United States of America, the environmental security of our globe, and the economic opportunity which we can create at home with a new energy agenda.

That is the kind of program we ought to be getting to today and this week as we try to move forward with energy legislation in the Senate.

But there are those who would say, again, it is all about oil shale, that what we ought to do is go ahead and open the OCS, including those areas where there are moratoria. They say we ought to go ahead and take the 1 trillion barrels or 800 billion barrels of oil that are locked up in the rock of the West. And they say we ought to do that to deal with the current problem we have.

I am one of those people who is pro-production, and we do have a lot of production that comes from my State. In fact, in the last 5 years, the production of oil and natural gas in my State has increased more than twofold, so we are adding significantly to the pipelines that produce energy for our Nation. But oil shale is not the answer. Chevron said they do not believe we are ready for commercial regulations for oil shale. They were joined by some of the major newspapers in both Colorado and Utah, Colorado being the place where most of the oil reserves are.

The Denver Post said:

Developing oil shale has been a dream since the early 20th century. But careful planning is needed to make sure the dream doesn't turn into a nightmare.

In recent days, some politicians loudly demanded the immediate leasing of massive oil shale reserves in Colorado, Wyoming, and Utah as a way to swiftly lower gasoline prices.

The Denver Post says:

The idea is ludicrous, and goes directly against the advice of the very energy compa-

nies that are actively researching how to tap the enormous but economically elusive oil shale reserves.

They were not alone. The Grand Junction Sentinel, which covers 20 counties, had the following to say:

The notion that the one-year moratorium on commercial leasing approved by Congress last year is somehow a barrier to commercial development is nonsense. If anything, that moratorium should be extended.

One might say that is what the oil companies said and one might say that is what the editorial boards of Colorado said, where 80 percent of the oil shale reserves are located.

What do the Department of the Interior and the Bureau of Land Management have to say with respect to how we move forward with oil shale development? Yesterday, the Bureau of Land Management and the Secretary of the Department of the Interior said we are going to go ahead and issue regulations that will allow the full-scale commercialization and development of oil shale in the West.

What is included in the report that the Department of the Interior and the Bureau of Land Management issued? In their own words, this is what the BLM said yesterday in issuing the report on commercial regulations:

Currently, there is no oil shale industry and the oil shale extractive technology is still in its rudimentary stages.

It "is still in its rudimentary stages." It baffles my mind why it is that the Bush administration and the Department of the Interior would want to move forward as fast as they can to get this done before the election and a new administration. Why would they want to do that? Why would they want to do that given their own findings in the Department of the Interior?

That is not all they said. They continued in their own report concerning commercial oil shale regulations to say the following:

The lack of a domestic oil shale industry makes it speculative to project the demand for oil shale leases, the technical capability to develop the resource, and the economics of producing shale oil.

So with that kind of a statement, how is it that the Department of Interior, Bureau of Land Management, can be in a place where they can issue finalized regulations for the leasing of oil shale for commercial production?

The BLM, again in its own words—this is not an editorial board, it is not even one of the oil companies, this is the Department of the Interior, Bureau of Land Management in its own findings saying:

It is not presently known how much surface water will be needed to support future development of an oil shale industry. Depending on the need, there could be a noticeable reduction in local agricultural production and use.

I wish to make a comment about that. I spent good part of my life dealing with the water issues of the West—the water issues of Colorado, the interstate compacts that deal with the allocation of water in the West—and there

is no question that for those of us who come from the arid West, we recognize that water is the lifeblood of our communities. Without water, communities die. They dry up and they go away. We are a water-short State. We don't know how much water will be used in the development of the oil shale of western Colorado. The BLM says we don't know how much water will be used in the development of oil shale in western Colorado. So how, without knowing this very crucial fact, can the Department of the Interior and the Bureau of Land Management be ready to move forward with a full-scale commercial leasing program for oil shale? It makes no sense in the world.

That is not all they say. They continue with some other comments. Again, this is the Bureau of Land Management, July 22, 2008. That was yesterday, by the way, when the BLM went ahead and issued its proposed regulations. In the documents, July 22, 2008, the BLM says:

We have no reasonable way to generate meaningful scenarios to quantify the potential impacts for an industry that does not exist or technologies that have not been deployed.

This is not the Denver Post or the Rocky Mountain News or the Grand Junction Sentinel or even the likes of the Salt Lake City Tribune. These are not the words of the Chevron Oil company. These are the words of the Department of the Interior, Bureau of Land Management. Yet notwithstanding these realities, we have a number of people who are telling us to rush headlong and develop the shale of the West.

If you look at that shale, what you will find is rock. It is solid rock. That is why, for nearly 100 years, people have been trying to figure out how they can extract the oil from that rock. It is a lot more difficult than it seems. That is why this sense that oil shale development is something that can help deal with the gasoline prices we are facing today is simply a falsehood.

I would hope, as we move forward with the debate over our energy future in this country, we can address real solutions—the problem with speculation, which experts tell us accounts for 20 to 50 percent of the price we are now paying for a barrel of oil. We can address the issue of speculation that is included in legislation the Republicans have offered in their amendment and the legislation Senator REID has on the floor, and there are other proposals we can also include in an energy package, including being much more aggressive in those issues we have included in the 2005 Energy Policy Act, as well as in the 2007 Energy Act we passed.

So I hope as we move forward, we will offer real solutions, not false solutions. I believe we have a bipartisan basis from which we can develop that way forward in the Senate.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, is this the beginning of the Republican time?

The PRESIDING OFFICER. There is 1½ minutes remaining on the Democratic side, but it does not appear it is presently being asked for, so the Senator is recognized.

Mrs. HUTCHISON. Mr. President, am I correct that the next 30 minutes is Republican time?

The PRESIDING OFFICER. The Senator is correct.

Mrs. HUTCHISON. Mr. President, I rise to speak because I think the Senate has a duty. We have a duty to the American people to take positive, logical, decisive action to deal with the energy crisis we are facing. Since control of Congress changed hands last year, the price of gasoline has soared from an average of \$2.33 a gallon to \$4.06 a gallon. That is a 75-percent increase.

In my State of Texas, my husband took our van to fill it this weekend and he came home with sticker shock, similar to every husband or wife in every family in this country. It is \$100 to fill a tank in many places in our country. So the American people have a right to look to Congress for leadership, but what have they gotten in response? The bill that is before us today does not reduce a single drop of oil, not a cubic foot of natural gas, and not a single watt of electricity. There is nothing in this bill before us that will address the issue of producing more and using less.

What we have is addressing one very small portion of what might be a part of the problem, and that is speculators. We should be looking at speculators, I agree. We all support transparency in speculation. But we have an energy bill and an opportunity on the floor today. Why don't we open this bill so we actually are doing something about the price of energy? The long-term solution is the short-term solution. Bringing down the price of oil and gas at the pump is a long-term solution that will have short-term consequences that will help every American small business and every family in this country.

We could be looking at conservation. We have already done something in the last Energy bill we passed. We increased CAFE standards to 35 miles per gallon by the year 2020. That is conservation, and it will make a big difference. We have time to get to that point. We have included in the Gas Price Reduction Act that the Republicans put forward a provision that will help America's transportation sector transition into advanced hybrid and electric vehicle technology more quickly.

But what is missing? What have we not addressed that would make a difference? Increased production, that is what. By refusing to pass any bill that would produce more energy inside our country, we are left to wonder: Do our colleagues want to bring down cost? Do they understand the plight of the American people? Or is it an exercise to deal with something that is very much on the fringes and which is not going to make a consequential difference and certainly not a long-term solution.

Does anyone think Congress can take an action on a speculation bill and say: Oh good, we have done something for the American people? The Republicans do not believe that is the case. Here is what Republicans want to do: We want to apply common sense and expand access to drilling on the Outer Continental Shelf.

According to the Minerals Management Service, the OCS—the Outer Continental Shelf—could produce 14 billion barrels of oil and 55 trillion cubic feet of gas. Advances in technology have made it possible to conduct oil exploration in the Outer Continental Shelf that is out of sight of tourists, and it protects against oil spills. States should have the option of opening the OCS resources off their own shores, and the Federal Government should allow States to have a share in the leasing revenues.

State leaders in Virginia, North Carolina, South Carolina, and Georgia have expressed support for this concept. Why won't Congress give it to them? Because we are being blocked by the Democratic majority, I am sad to say. We can do this, and we can do it right now. There are four provisions that prevent us from using those resources. All we have to do is delete that moratorium that has been put in place by Congress. The President has asked Congress to do this, and we could move forward.

I was disappointed yesterday to learn that the Senate Appropriations Committee canceled the markup on the bill that was scheduled to be marked up tomorrow, the Interior Appropriations bill, and it appears the reason is that last week, Senator DOMENICI, Senator BOND, and myself announced we would have an amendment that would strike the congressional moratorium on Outer Continental Shelf options for States. The markup on an Appropriations bill for the Department of the Interior was canceled because they didn't want to vote on an amendment that would open the Outer Continental Shelf based on a State option.

The initiative also would tap the potential of oil shale. Now, I heard the Senator from Colorado say we shouldn't be acting because we don't know enough yet. The other Senator from Colorado says: Yes, we should act because we know there is shale in Colorado, Utah, and Wyoming that is controlled by the Federal Government, and the estimates by the experts are there is 800 billion barrels of recoverable oil, which would be three times the reserves of Saudi Arabia. Again, the President has called on Congress to lift the moratorium. If we don't take the first step, we will never know. We will never know how much is there, and we will not be able to start the process of increasing supply so the price will come down.

For those who say we can't drill our way out of the energy problem, I agree. We can't drill our way out of it. But drilling should be part of the solution. The oil and gas we have in places such as the OCS can be used as a bridge to cross into the next generation of energy technologies, including solar power, wind, and nuclear power. The American people see this. Thank goodness the American people have the common sense to see through the argument it will take too long to do it; that we shouldn't be looking at our own natural resources, that we should be ranting about other countries not using their natural resources for our benefit.

We should take control of our own resources and we should solve this problem the way Americans have always solved the problems of our country over the last 200 years and that is to look to ourselves—look to our natural resources, which are abundant, let's use technology, let's use our brains, let's use solar, wind, and the new energies we know can be found if we put our minds to it—and oil and natural gas are the first step. They are the transition. They are what we know now, and we know we can do this in an environmentally safe way.

Some question: Well, what about the environmental impact of drilling offshore? We had one of the worst hurricanes, with the worst damage aftermath in the history of our country—Katrina—in 2005, which was followed immediately by Hurricane Rita, and it struck the gulf coast hard. We have oil rigs in the gulf coast. Yet there was not one major spill. There was no damage to the environment. The technology has improved so much for offshore drilling, that we know we can do it and protect our environment and also help our people, our economy, and our national security by controlling our own energy supply and destiny.

Our country will spend hundreds of billions of dollars this year to import energy from foreign countries, many of which do not wish us well and could shut us off in a moment. Those dollars should be spent right here in America, giving jobs to Americans and giving an energy supply to American small businesses and families that will bring the price down. That is what the Republicans are offering.

It is time for Congress to act in a bipartisan way with a policy that is balanced, that will give us a transition into the next generation of energy. We have the chance. I implore the majority to give us that opportunity.

I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. WICKER. Mr. President, I ask unanimous consent that Senator COCHRAN and I be permitted to use 10 minutes to enter into a colloquy.

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

Mr. WICKER. Mr. President, in the next few days and weeks, the Senate

has an opportunity to engage in real bipartisanship. We have a chance to adopt pragmatic solutions in the 25 or so remaining days we have in session this year. We can adopt concrete steps to address what many regard as the greatest energy crisis of our lifetime. I see an opportunity for Congress to act now to bring an end to the pain Americans are feeling each time they go to the pump.

As a Senator from Mississippi, I can tell you as I travel around my State, as I have town meetings and as I talk to people on the phone and engage them in any way a legislator does, that the No. 1 issue among my constituents is the ever increasing price of gasoline. We have some urban areas in Mississippi but not many. We have some suburbs, but we are mostly small towns and rural areas. We do not have the option of using public transportation. We know it is not possible for the farmers in Mississippi to park their farm equipment if they are going to try to stay in business.

Skyrocketing gas prices are hitting American families and communities and they are also hitting our government agencies. Police departments, fire departments, schools, and even our military are being squeezed by the high price of fuel. Yes, the price of fuel and our reliance on foreign sources even constitute a threat to our national security because of the effect they are having on our military. We are reaching closer and closer to a true emergency situation and it is past time for real legislative accomplishments. What the people of the United States need and what our Nation deserves is a comprehensive long-term plan for domestic exploration, conservation, and the introduction of renewable and alternative fuels into the energy marketplace. That is why I hope we can have an open amendment process on this legislation, to allow open debate in the Senate about this.

The average price of gas in my home State of Mississippi is currently between \$3.80 and \$3.90 per gallon. Only a year ago it was \$1 less. Many people do not understand why these prices have risen so dramatically. There is a variety of viewpoints but it all comes back to our unwillingness to produce more energy here in the United States.

At this point I yield to my friend from Mississippi, the senior Senator.

The PRESIDING OFFICER. The senior Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, I thank my distinguished colleague for yielding. I am pleased to join him, to thank him for his remarks and his leadership on this pressing concern. The Department of Energy estimates that even with intensive conservation efforts in place and enforced, maintaining our economic growth through 2025 will require a 36-percent increase in energy supply. Unfortunately, over half of the oil we are now using is imported, imported from high-cost foreign

sources. As demand rises and domestic supply is not increased to accommodate for our own needs, we will continue to be subject to the prices being set by foreign countries.

This is not only due to increases in demand from developed countries. The increased cost for petroleum is also affected by the demand in emerging economies such as India and China. There are new pressures and new reasons why the cost continues to go up. In fact, between 2008 and 2030 it is expected that in China and India, they will account for 70 percent of the increase in global consumption.

What we are urging is not just to take the shortsighted look, the easy answer the majority party has put before the Senate, but take a bold stance—come out for using more American energy, not from expensive foreign sources. We can develop our offshore resources in the Gulf of Mexico, for example, far from the coastline, and add to our energy supply. That will bring down costs.

We need to do real things. We need to conserve more. We need to look for alternative sources, and there are plans in place and programs to do that. What I am saying is we should not give up. That is what this bill that has been brought before the Senate does. It is a bill to surrender—surrender to the high cost of foreign oil and gas. We do not need to adopt it. There are better alternatives and we are urging that we embrace them.

I appreciate the Senator yielding.

Mr. WICKER. Mr. President, I have long supported the efforts to lift the moratorium on energy exploration in the United States and Alaska's Arctic National Wildlife Refuge, which we commonly refer to as ANWR, and also on the Outer Continental Shelf. A lot of us in Washington, DC use the term ANWR and we bandy it about. I am afraid some people out in grassroots America may not realize what ANWR is. ANWR is an Arctic reserve that is the size of the State of South Carolina. It is a vast frozen area in the very northernmost part of Alaska.

What we have proposed is drilling for oil there in a small area, about the size of the typical metropolitan airport in this vast reserve. Congress sent President Clinton a bill in 1995 to provide for energy exploration in ANWR. We are told that if President Clinton had not vetoed that bill in 1995, we would today be getting the same amount of crude oil from ANWR as we are currently having to import from Saudi Arabia. This would have been American jobs. This would have been American dollars spent here in the United States to make us less energy dependent on foreign and unstable sources.

Last week, President Bush took a major step in moving us toward energy independence when he lifted the Executive ban on offshore drilling. We still have the obstacle of a congressionally mandated ban on offshore drilling, which we ought to be discussing in this

legislation today. We ought to be voting on it in the next 25 legislative days that we have remaining.

The peak of pricing for a barrel of crude oil was \$146 per barrel only a few short days ago. Yesterday it closed at \$126.80 per barrel. There are experts who will tell you that the confidence injected into the markets by this simple step by President Bush caused a drop of some \$19 per barrel in the price of crude oil.

If Congress would take the further step and actually pass the legislation to lift this ban or, more precisely, to allow the moratorium to expire at the end of the fiscal year, I think there would be even more confidence in the market, and the price of crude oil and gasoline would continue to drop.

We also need to eliminate the ban on oil shale. This has been discussed this morning. We have three times the amount of crude oil reserves in three Western States in the form of oil shale, three times the supply as we currently see in Saudi Arabia.

I think lifting the moratorium on offshore drilling, lifting the moratorium on ANWR, and lifting the moratorium on the exploration of oil shale in our own country, are steps we definitely need to take. Every moment we are idle we will be ever more dependent on foreign sources of oil. I think we need to act and act this year.

Again, I toss it back to my friend, the senior Senator from Mississippi.

The PRESIDING OFFICER. The senior Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank my colleague for yielding again to me. We do not have time to waste. This is the point. We have proposals to utilize more of our own energy. We can do it. We just need to make ourselves realize that is a better answer than pushing the dates farther along when we do nothing, do nothing, say we are doing something but not getting at the problem. Unless we produce more of what we need here at home, we are going to continue to be subject to the decisions being made overseas by those who have the oil, have greater resources than we do. But we have enormous resources in the Arctic National Wildlife Refuge. Technologies have developed to the point we can produce that energy and protect the environment at the same time. We need to gut it up and approve it, approve expanded exploration and production from our own resources.

The Gulf of Mexico has a huge reserve of untapped resources. We need to use that too.

Senate Republicans are not interested in structuring votes designed for failure and designed for political cover. This issue is too important to blame for our collective lack of accomplishment. We now need to address this vital issue. Energy and gas prices should not be politicized and we are not going to walk away and give up on this debate. We are here to stay and fight.

Mr. WICKER. Mr. President, this is an immediate problem and it deserves immediate and comprehensive attention. Last week I sent a letter to Senate leaders, the majority and minority leaders, to say we should not leave Washington for the annual August work period without passing energy legislation that will make a true difference for the American people. There is no more important action that this body should be taking than to address this issue with pragmatic solutions to the problem. This is a critical time and this is an important debate, the most important debate we could have as elected officials.

I am encouraged to hear that there are bipartisan discussions going on even as we speak to adopt solutions on which we can all agree. I know that a bill I would craft might not receive a majority vote in the Senate, but there are common solutions that I believe a majority of us can and must agree on. The time to act is now.

May I ask how much time remains in the 10 minutes that has been allotted?

The PRESIDING OFFICER. The Senator has consumed his 10 minutes.

Mr. WICKER. If I might continue to speak. I see we have no one who has asked to speak at this time. When another speaker arrives, I will be happy to yield at that point.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator may proceed.

Mr. WICKER. As I mentioned in my introductory remarks, this is an economic security issue. But it is also a national security issue.

Last week, the LA Times reported that the Pentagon will spend \$16.4 billion on fuel this year—\$16.4 billion as compared to \$5.2 billion in 2003. The cost of fuel for our national security has gone up that much. This is a major concern for our military. They are having to budget for ongoing missions in Iraq and Afghanistan and all of the areas around the world in which we are engaged.

That same article in the LA Times mentioned another important point about the need to adopt alternative fuel sources, now more than ever. The Air Force, a branch where I served for some 4 years, and longer than that in the Reserve—the Air Force is already researching the use of coal to liquid for its fighter jets.

Their goal is to have half of the planes burning coal-based fuel by the year 2016, a substance which we have an abundance of in the United States of America.

At these record prices, commercial carriers are beginning to follow suit. The Federal Government should encourage and incentivize the ventures, doing research on coal-to-liquids.

Congress has an opportunity to be proactive. We could choose to boost our economy by producing more energy domestically, and I am proud to join my Republican colleagues in a clear message which I think also states an obvi-

ous truth: We need to find more resources and we need to use less.

That is the reason I have readily cosponsored the Gas Price Reduction Act. We offered it only a few weeks ago, and it gets to the very heart of our debate—increasing supply to keep up with increasing demand as well as using less through conservation and alternative fuel methods here in the United States.

Both Senator COCHRAN and I are cosponsors of this legislation. It is my hope that we can work together across partisan aisles to come up with a solution for America. We do not need political games. We do not need to have a limited structural legislative vehicle that allows our side only one vote on one proposal which probably cannot pass in its current form and allows one vote on the Democratic side for a legislative proposal that will also probably not ever see its way to the statute book. We need to do something about this problem. And this year, these few remaining days of this legislative session comprise the time to act.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Republican side has 2 minutes 40 seconds remaining.

Mr. DOMENICI. I was a bit late arriving. I ask unanimous consent for 10 minutes.

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

Mr. DOMENICI. Mr. President, fellow Senators, let me say to you that I rise to speak again on what may be one of the most important issues facing the American people.

Let me repeat, today we have before us a bill that addresses speculation in the energy business in the United States. I regret to tell you that the high cost of gasoline is straining our Nation's family budgets. The American people are looking to us to do something. Instead of providing some needed relief, the majority has brought a speculation-only bill before the Senate with limited debate and minimal, if any, opportunity for amendments. I am forced to say that in my 36 years in the Senate, I have never seen a problem so big met by a proposal or a solution that is so small.

The other side suggests that at this particular time in our history, there is no need to move beyond this, the one bill which the majority leader, using extraordinary rules, has brought before us under our rule called rule XIV. It has not been before committee, it has not been reported out by a committee; just put together in his office. And it is the Energy bill supposedly for the end of this year; it is all we are going to do, with the American people clamoring for us to do more since they are so burdened with the high price of gasoline. The American people, by an overwhelming majority, want action. They are getting nothing except excuses and evasion.

Yesterday, the majority continued to trot out a baseless proposal that they are calling "use it or lose it" in an attempt to convince Americans that despite all the evidence to the contrary, they are actually in favor of some domestic production. Make no mistake, if the Democrats wanted more production, they would have included in the underlying bill, the one I just described that the majority leader got before the Senate, if they wanted to address some real energy issues, then there is no question that all they had to do was add those issues to that bill, and those issues would be before the Senate.

If we needed any more evidence that most of my colleagues on the other side opposed new domestic energy production, it came in the form of a canceled Appropriations Committee markup.

In the news this morning, we read that the majority's spin on this decision is:

On the Interior Appropriations bill, the Republicans had threatened to strike the ban on offshore drilling that has been in effect for nearly 20 years, even though they have been offered a separate vote to strike this ban on the Senate floor. Their rejection of this offer makes it clear that they are more interested in playing political games to score cheap political points than to complete action on the bills that fund America's priorities.

Can you imagine? I beg to differ. Republicans are not trying to score cheap political points, we are trying to get something done—something done to deal with the supply and demand imbalance at the heart of this energy crisis. Our rejection of the so-called offer to bring up a single amendment tells you more about the majority's decision to avoid, at all costs, a solution that measures up to the scale of the energy problem than it does about the Republican's desire to get our work done here in the Senate.

This ban on production of our own energy resources can no longer stand in the face of a growing crisis. What we are talking about now, Senators, is that starting 20, 25 years ago, some 27 years ago, the Congress of the United States decided, 1 year at a time, in the appropriations bills, that they would put a ban on drilling off the shores of certain States, until we got to the point where 85 percent of all the coastal areas of America have a ban, a congressionally imposed ban. You cannot go into those areas using the lease proposals of the U.S. Government and give oil companies, large and small, leases to drill and find oil and gas for the American people.

Now, obviously this ban on production of our own energy can't stand with today's problems. Those bans started when we were worried about oil spills, and they started when we didn't worry about the price of oil. They started when oil was so cheap that we did not care about producing our own. We could, with reckless abandon, put bans and prohibitions on drilling anywhere we wanted and nobody would get hurt

and the American people would not suffer.

Such is not the case now. That is why I beg to differ with Democrats who say we are here playing some kind of politics. If there is any politics being played, it is the politics that is trying to prevent Republicans from presenting here on the floor amendments that try to do the people's business, that try to use this oil and gas that is ours in such a way that it will reduce the price of gasoline at the pump.

They have called hearings on their own proposals; they have canceled them. They have called for markups on their own bills which would include these same issues; they have canceled those hearings. They can avoid hearing testimony on their own policy proposals. They can avoid production votes on their own appropriations measures. They can even avoid real production votes on the Senate floor. However, my colleagues will not be able to avoid their constituents during the August recess.

Thus far this week, instead of action, we have heard a great deal of talk from the other side. We have heard tales of how Republicans are "blocking another bill." I mean, it is really hard for a Senator like this one, who has been here 36 years—this is my last year—I have been in charge of energy legislation, been in charge or ranking member only for the last 4 or 5 years. Prior to that, I did budget work and other work. But in terms of being chairman or ranking member, it is only a few years. We got a lot of things done in those few years.

We are here since the Democratic leader brought a bill to the floor. It was his choice to bring it here. He brought the bill here in an extraordinary manner. It is now here, it is pending, and it should be treated the same as any ordinary bill that is pending.

It is a bill which allows for any responsible provision to be added to it as an amendment and a responsible provision, as we see it, that will help with the crisis confronting America and we say any amendment that will produce more oil, more gas that will be added to what America can drill for and use. That is important. We are not blocking anything.

Can you imagine, they bring down a bill that does one little thing that has been said by most experts to not even be needed. If anything, it is a minor problem. And they want to vote on it and go home and tell the American people they have done something about the energy problem? We turn around and say: Yes, let's do something about it, and we are the ones "blocking" another bill.

The majority has said they want something done on energy. This would be believable if the leadership on the Democratic side had not clearly stated in December that they would pivot away from highlighting accomplishments in the coming year, abandoning

any attempt at accomplishments, and a staged attempt to manufacture the appearance of obstruction is transparently political.

This strategy of campaigning from the Senate floor has weakened the institution and left the American people without much needed leadership during this energy crisis. Instead of impugning the name of the American President from the Senate floor, instead of reading poll numbers on the Senate floor, instead of providing daily opinions on the status of the Presidential campaigns—Mr. President, I ask unanimous consent for 2 additional minutes.

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

Mr. DOMENICI. Instead of providing daily opinions on the status of the Presidential campaign and special elections, the Senate could have been legislating.

We have been told that Republicans may be allowed to offer one amendment; I repeat that, just one amendment. And I repeat that in my 36 years, I have never seen a problem so big met by a proposal or a proposed solution that is so small. The offer of a single amendment was accompanied by a baseless assertion from the majority that they are willing to compromise and work together on energy legislation that both sides can live with.

We were told that one amendment from the majority and a competing proposal from the minority is how the legislative process is supposed to work. I disagree. The Senate passed bipartisan comprehensive energy legislation in 2005 and 2007. I was here every moment of it. The process for those bills, which passed both Chambers in the Congress and were signed by the President, was quite different.

Take the Energy Policy Act of 2005, for example. And now I will go through the history of that one and the two that followed it.

We devoted 10 days of the Senate's time to debating that measure. There were 19 rollcall votes held on amendments, 23 rollcall votes on the legislation itself, there were 235 amendments proposed, and 57 of them were agreed to. There is a similar story to be told of the Energy Independence and Security Act of 2007. Over 15 days, the Senate voted on 16 amendments, held 22 votes on the bill itself, saw 331 amendments filed and 49 of them agreed to.

We can look back further, of course, to a time when the Senate successfully moved legislation focused purely on environmental protection. During consideration of the 1990 Clean Air Act Amendments, the Senate devoted 5 weeks to a thorough and open debate. A total of 180 amendments were offered and 131 were ultimately acted upon by the full Senate.

And yet, we are told that one amendment from each side is how the legislative process is "supposed to work." This approach is more accurately described as a lesson in how to steer the legislative process towards failure. The

American people want action, not excuses; they want real proposals, not political ploys; and they want genuine solutions, not small measures.

During the recent climate change debate, perhaps it was good that the majority undertook a process that was doomed to fail. The cap-and-trade bill would have increased gas prices by more than a dollar per gallon, and energy prices across the board would have increased as well. But now, as a growing majority of Americans from all political camps demand more energy production here at home, we have to get serious about doing the work that we have been elected to do. Advancing a bill that focuses on such a narrow part of the energy crisis we face, stifling the ability to offer amendments to that bill, cancelling markups, and abandoning hearings are not what the American people want from the Congress.

I am disappointed that we will not be offered the opportunity to act in a real way this week on the most important issue facing the American people. Despite the majority leader's assertions about the recent decline in the price of oil, talking will not solve what all experts say is a supply and demand imbalance. Solving this problem requires action and leadership. I hope we will see both before we depart for our home States in August.

It is pretty clear to me, and I think we are able to make it pretty clear to anybody who is interested, that now is the time to pass meaningful legislation that will help the American people through the crisis of the high prices of gasoline. While we are building a major plan and have come along with a minor plan, in a couple weeks we could knock out a very good bill. I am willing to sit down, bipartisan. If the majority side is willing and the chairman of the committee is willing to invite me, I will be there. Maybe we can do it. Thus far, it seems it was not possible. So we are trying the best we can to do the work for the American people. That means good amendments to a pending bill which we did not bring up, but it is there for us to use, pursuant to our rules.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. CASEY. Mr. President, I ask unanimous consent to speak as in morning business for up to 10 minutes.

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

HOUSING CRISIS

Mr. CASEY. Mr. President, I rise to talk about the housing crisis which has gripped the United States for many months now, more than a year, but especially to talk about the bipartisan work done in the Senate and across the Capitol in the House. I commend the work of Chairman DODD and Ranking Member SHELBY from the Senate Banking Committee, as well as Chairman FRANK on the House side, for their ef-

forts to put together a bipartisan piece of housing legislation which will have the effect of stemming the tide of foreclosures and bring some measure of relief to families. We know the data, the statistics, which bear repeating. Every weekday in America, only because courthouses are not open on Saturday and Sunday, some 8,500 families begin the foreclosure process or take some step in the process of being thrown into that nightmare. Every day that happens. No day does it not happen. We are thinking today about those families and their problems and their lives.

We think about the necessity of this legislation on a lot of days, but today the New York Times reported the average 30-year fixed mortgage rate went, from last week, from 6.44 percent to 6.71 percent, in a matter of days going up by that much. For a lot of those families, interest rates are going up. The misery and the nightmare of foreclosure is overwhelming them. It is incumbent upon the Senate and the House and the administration to do something about it, not just to keep talking about it but to do something about it. Fortunately, there are people who have done that.

One of the elements to this, of course, is dealing with the crisis which has gripped the two largest providers of mortgages, two entities in our system that provide as much as \$5 trillion—it is hard to comprehend that number—of our mortgages, Fannie and Freddie, as we know them by their commonly known names, using that terminology.

In the first quarter of this year, 70 percent of all new mortgages were provided by Fannie and Freddie. These two government-sponsored enterprises, described as mortgage giants, have a tremendous impact on our mortgage market but also have a tremendous impact on our economy here at home and around the world. We cannot let them fail. Some people will talk about what Secretary Paulson has proposed and others about Fannie and Freddie, and they will say how much does it cost. That is an appropriate question. There are a series of questions I have asked that I will get to in a moment. The other question we need to ask is: What is the cost of letting them fail? That is why this bipartisan effort has been so important.

I commend Secretary Paulson for doing an extraordinarily difficult job under difficult circumstances. He has worked hard. He has tried to find common ground. I haven't always agreed with him. I am sure he has not always agreed with me and every Member of the Senate and the House, but I think he has worked hard with both parties to try to work something out.

It is very simple. If Fannie and Freddie are going to come to the Congress and say, we need your help, we need a line of credit, and we need to have the authority to purchase equity, then we say, last time we checked, we were elected by taxpayers. So if you are going to ask us for help, we are

going to ask you questions and demand that you put on the table and we put into any agreement the kind of principles any taxpayer should have a right to expect. That is the exchange. They want help, and we will give them help. We think it is important to make sure they don't fail. But if they are going to get the help, they have to put some principles in place. So Fannie and Freddie, those major organizations—institutions—have to bring some measure of accountability to their own practices.

I looked at a chart yesterday. I am using round numbers here, but they are not off by very much, to generalize. If you look at the top people at Fannie and Freddie, about 13 people, when you add up bonuses and salaries and other incentives, it is about \$76 million in 2007. So if 13 people are getting \$76 million in 1 year, you better believe taxpayers have an interest in this. I think Fannie and Freddie have still a ways to go. Even if the House does their job today and passes this legislation, even if the Senate passes it, Fannie and Freddie have to prove to taxpayers, these two mortgage giants have to prove to taxpayers that they are going to be accountable, that it is not just symbolic. They have to put practices in place and measures in place.

I have asked for that. I have said both of them should pursue litigation, if it takes that, to recover excess bonuses. They should make sure that when they make any agreement on stock purchases or any other benefit to their executives, that they have to consider steps that will hold them accountable, in addition to all the other safeguards taxpayers have a right to expect, if taxpayers are going to help them. Again, I support making sure we don't let these two fail, but taxpayers have an interest here.

One of the other features of the bipartisan legislation is that in order for Fannie and Freddie to work well, to be effective in the mortgage market, we have to have a tough, independent regulator for both. That is what we worked out in the Banking Committee. The Presiding Officer knows of our work. We have worked that out as part of the legislation. It is critically important the American people know that part of the non-Fannie and Freddie part of this housing legislation is a provision that speaks to how we regulate their activities. In addition to working on any kind of help that we are going to give Fannie and Freddie, the Banking Committee and people in this Chamber have a real concern about making sure we have a strong, independent regulator in place.

Two more points, one of which is on community development block grants. Thank goodness that apparently Secretary Paulson and others, I and others have called upon the President to lift his veto threat and to stop using help for local communities as an impediment to signing housing legislation

which is needed to stop those 8,500 foreclosures every day of every week. Apparently, from what we hear today, the President has, in fact, lifted his veto threat. Thank goodness for the housing market. But also thank goodness for families across America, especially those who might be 1 of those 8,500 every day of every week in the near term, before families fall into that dark hole, that nightmare we hope this legislation will help.

Community development block grants are one way to help here. There is no reason why local communities, those local officials who are closest to the problems and closest to the people, there is no reason why they shouldn't get the help they need through this legislation. There are a lot of other provisions we could talk about in the legislation, but I wish to commend the work done by the committee, the Banking Committee, by Chairman DODD, Ranking Member SHELBY, and Chairman FRANK on the House side. This, in the end, is not about some esoteric Fannie Mae or Freddie Mac issue. It is not about some distant theoretical housing issue. This is about real lives and real families. Many of them are not just struggling with impending foreclosure and the devastation that can bring; this is about families also who are paying the highest gasoline prices we have ever seen in American history, paying higher health care costs, paying college tuition costs, paying the higher cost of food. This is one of many problems that has been heaped upon middle-class and low-income families.

This legislation will provide some relief. I am thankful the House is working on it today. I look forward to prompt passage in the Senate and having President Bush sign it into law.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I come to speak basically about the need for more energy production as well as more conservation. Before I do, I would like to follow up on the comments of my colleague from Pennsylvania. This housing bill we have all worked on for quite some time now is hopefully going to be passed by the House. The President has withdrawn his threatened veto. It looks like this major piece of reform will finally come to pass. I thank Chairman BAUCUS, Chairman GRASSLEY, and Chairman DODD for including in that bill, before it left the Senate, an extremely important provision for the State of Louisiana and Mississippi, the whole gulf coast, that will provide some significant tax relief to people who had received Road Home benefits based on the extent of their damage, whether they received a \$20,000 grant or a \$50,000 grant or a cap at 150, to try to make them somewhat whole.

This is not making people whole along the gulf coast. But if their insurance failed them or they were in a

place that was not a flood plain and didn't have insurance because they weren't in a flood plain but lost everything anyway because of the magnitude of the storms, we allow them an opportunity for a grant to rebuild. It is working. It has been very slow. It has been painful. The programs were not established correctly initially, but both Mississippi and Louisiana are making great progress. The problem was, these grants would have been taxable, putting people in a tax bracket where they would have to write a check to the Federal Government for \$5,000 or \$15,000 or \$20,000. It would be impossible for them to do that under these circumstances. So this bill has corrected that. They will still have to pay regular taxes but not on these Road Home grants. It is basically a billion-dollar direct relief to homeowners in the gulf coast. We could not be more grateful to the Members, to the Presiding Officer and others who voted to include that and particularly to the chairman. If any homeowners in America need help, not just the ones who were foreclosed on through no fault of their own but most certainly the 300,000 homeowners who lost their homes because these storms took everything they had, we are very grateful for that help in housing.

I wish to speak about energy. There have been a lot of charts and graphs put up because this is a dynamic and tense debate. There are legitimate issues on both sides. I wished to bring a new chart that can explain the situation at least much more clearly. The facts are that in the United States, along the Outer Continental Shelf which is off our shore, there is currently now a moratorium along the west coast, along the east coast from Maine to the top of Florida, and on the eastern side of the gulf. This goes out 200 miles from State waters, and it is now off-limits to exploration.

Meanwhile, Canada, our friendly neighbor, is drilling right here off their entire coast.

I do not know how much they are producing off this coast, but it is substantial resources. Right here in the gulf, off the coast of Louisiana, Mississippi, and Texas, as you all know, we have a long tradition of believing that natural resources actually belong to the public, and we should be exploring these resources for the benefit not just of our region but for the Nation.

Most of the oil and gas—basically a third of the oil and gas—of the Nation is coming off the shores of Texas, Louisiana, Mississippi, and, to some degree, Alabama, despite the no-drill zone or no-exploration zone off Florida.

Now, interestingly enough—which is what is partly driving a change in this debate—is this area right here, as shown on the map, which is off the coast of Cuba but very close to Florida. It is currently being leased for drilling by the Chinese, by European powers. So the fact is, while we sit and lock up our resources off our coasts, China and

Europe are coming in and drilling closer to the land of the United States than we are allowing ourselves to drill, which does not make sense.

What we need to do to get prices down is to increase the supply of oil and gas domestically and—and—significantly reduce our usage of it by moving away from gasoline-only vehicles. It does not mean we all have to move from big cars to tiny cars. It does not mean our farmers have to give up their pickup trucks. It does not mean our truck drivers have to park their big vehicles and sit on the side of the road.

What it does mean is we can, through legislation, build new trucks, new cars, and new pickup trucks that get 50 miles a gallon or 60 miles a gallon and not just gallons of gasoline but gallons of ethanol produced from corn or from sugarcane or cellulosic matters or fiber or waste, municipal waste.

So we need to look and see where we can drill safely in these places. There is drilling allowed right now in Alaska but very limited. Although it is allowed, it is limited. We need to look at how we can accelerate this drilling. The great news is—even though I support drilling in ANWR; we do not have enough votes to do that—ANWR represents this tiny dot, a dot. We should not stop fighting about ANWR, but we should also think about other places in Alaska where we could drill safely and open exploration in limited places, providing a buffer zone for States and providing very strategic care.

One myth I wish to correct today—because it is a rampant myth—is that there is hardly any oil and gas off our coast. People will come to the floor and say: The Senator is correct. This is off-limits to exploration, but the reason it is is because there is no oil and gas there.

That is not true. I know people are not purposely misleading because they are citing statistics from old material. But I wish to give you some statistics that will prove my point.

The estimates come from Minerals Management through the Energy Department. In 1995, the Government was making estimates of what was in the Gulf of Mexico. They said, in 1995, there were only 5 billion barrels of oil in the gulf. But when they started drilling more and exploring more and using new technologies, we have now determined there are 20 billion barrels of oil.

So in 1995, the same group that is doing these estimates here, said in the gulf there was only 5 billion barrels. But after we did the right kind of exploration and testing, we actually found more than 20 billion. That was in 2000. So the idea is that today, if we would allow the inventory to take place right now, the estimates might be that there are only a few billion barrels. But based on the experience we have in the Gulf of Mexico, we know it is going to jump considerably.

We are the only country, to my knowledge, in the developed world that

has not even explored or taken an inventory of what the resources are. In those days, we did not have the kind of technology we have today. So we can use modern 3D seismic technology. I am going to suggest we do not have to wait until 2030. We do not have to wait until 2040. There is infrastructure in place now in this part of the Gulf of Mexico, and it could be established in some other places as well, to go after the oil and gas that is there that this country needs to increase our domestic supply.

Mr. President, I know I only have 1 more minute to close.

As you know, people from this Chamber send letters overseas.

Mr. President, I ask unanimous consent for 1 more minute.

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

The Senator is recognized for an additional minute.

Ms. LANDRIEU. We keep sending letters overseas asking everybody else to increase production so they can send us oil and gas. Yet off our own shore, we have great resources of oil and gas for which we must make a breakthrough and open for exploration.

So I know my time is wrapping up now. I wish to come back to the floor and talk about the safety and the new technology.

I am going to show one picture in the Chamber. This is what an offshore oil rig looks like. There is a platform on top of the water, which a lot of people have not seen. But you can see these off the coast of Texas and Louisiana. We like the way they look. It talks about money and independence. That is what it means to us. It can be done quite safely. This is as blue as the water looks, with lots of fish around those rigs. The pipelines are down on the ocean floor.

So I will come back and talk more about the new technologies that allow us to drill safely. But I hope the facts I have shared help us to come to terms with opening more resources in the United States.

I yield the floor.

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

Mr. ROBERTS. Mr. President, I rise with my colleagues to help explain the need—the crucial need—for comprehensive action on the Nation's most pressing domestic issue, as explained so eloquently by Senator DOMENICI. We all owe him a debt of gratitude for his leadership and his service in the Senate.

This is a national issue. But I wish to focus on an individual because this affects individual people and families as well as it being a national and domestic energy issue.

Never was the energy crisis made so clear to me than when I met with John Grau, a Kansan who runs a cattle operation—or did before a tornado—near Soldier, KS. I visited with John at

what used to be his home, until a June 11 tornado reduced it to a basement, opened to the sky except for a fruit closet, of all things, with the fruit jars still there. What a miraculous thing. He and his wife had taken shelter and—also a miracle—they had survived, thank the Lord.

Despite everything he had been through and everything he would face as he would begin to recover from his losses—we were standing there, looking at what used to be his ranch and what used to be his home—he wanted to talk about gas prices. He said: I am going to be all right, after the storms. I can make it back. Look at the 200 friends here helping me. But Congress has to do something, he said, because the high cost of gas was a crucial hardship for his employees, his neighbors, his friends, and his future.

Now, I have been retelling this story because it is important for those engaged in the debate to understand how high prices are affecting real people and that we need real answers and we need them now.

Now, when I hear those on the other side of the aisle criticize our proposals on the basis that it will take several years for new oil and gas to hit the market, I am reminded that over the last two decades this body has held over 20 votes on energy production. That is 20-plus votes on deep sea, oil shale or Alaska production that have been blocked by my colleagues.

The only thing that has changed in this surreal argument is energy prices and gas prices have continued to increase to a crisis level proportion. Twenty years of policy that increased our reliance on foreign oil is enough. That is why the American public is calling for us to change course and to do it now.

They know we cannot tax or regulate our way out of high energy prices. We must enact a long-term, comprehensive strategy that steers the Nation in the right direction so we are not at the mercy of foreign interests.

This is also a matter of national security. We do not want to be dependent on people with names such as Ahmadinejad and Putin and Chavez. It is not only about John Grau. As I have said, it is a matter of national security. But John Grau is the individual who is being hurt, similar to so many millions of Americans today.

The answer is pretty simple: Adopt policies that lessen demand on energy and create more energy here at home, from sources we can depend on. We need action on this strategy, and we need it now.

The Gas Price Reduction Act takes these necessary steps. The bill would tap as much as 14 billion barrels of oil along the Atlantic and the Pacific. The legislation would also open three times the oil reserves of Saudi Arabia through Western State oil shale exploration.

Now, some of my colleagues want to paint this side of the aisle as advo-

cating for drilling only. It is obvious they have not read our proposals. Yes, we—and the majority of Americans—support increased domestic production. But we also support reduced consumption and increased transparency, oversight and efforts by the CFTC regarding the futures markets.

Our policy position does not stop at “find more.” Our message—and the message from my constituents—is: Find more and use less.

Our bill encourages alternative sources of energy, including plug-in electric vehicles through the development of better batteries to maximize electricity range and use less gas.

Our bill is the latest in a number of actions we have taken to reduce demand on foreign oil and increase production of clean energy here at home. In 2005, we passed the Energy Policy Act that developed incentives for ethanol production. In 2007, we passed the Energy Independence and Security Act, which improved vehicle fuel economy by increasing CAFE standards and provided incentives to develop cellulosic ethanol, the next generation in ethanol production. I might add, in regards to the CAFE standards, it was also with the cooperation of the automobile industry, for the first time.

Limiting our efforts to only address concerns about speculation ignores the root cause of higher prices, and that is production. The President lifted the ban on offshore exploration. All that is left is for Congress to act.

Again, clearly, the next step is action on a long-term comprehensive energy solution for the Nation which would increase the supply of affordable, clean domestic energy. We can start by passing the Gas Price Reduction Act. However, the alternative on the floor—the bill we are debating—is the majority leader's speculation bill, and it has been proposed basically on the floor. It did not go through the committee process. The President's working group, working on the very same problems, has strong concerns with this bill.

The Interagency Task Force on Commodity Markets' preliminary report just came out and also shows that supply and demand is the driving factor in energy price increases. Another final report will hopefully be out in September.

Now, concern for the unintended consequences of this so-called speculation bill is precisely why we must engage in an open and fair debate where ideas and all pertinent proposals are discussed and should be voted upon. The American people deserve no less. However, that is not happening, and that is an egregious error.

Our constituents expect and deserve more from their Senators. They need solutions—real solutions, comprehensive solutions—and they need them now.

I harken back to my comments in regard to Kansas cattleman John Grau looking over his home and ranch, completely destroyed by a tornado. He said

it best: I can make it back, PAT, but Congress has to take real action. We should—we should and eventually we will—find more and use less. I completely agree with John Grau.

I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina is recognized.

Mrs. DOLE. Mr. President, it is imperative—imperative—that American leaders declare war on high gas policies and implement policies to achieve energy independence. We are almost 60 percent dependent on foreign sources of oil, from the likes of Iran's Ahmadinejad, Russia's Putin, and Venezuela's Chavez, all of whom harbor anti-American sentiments and get richer while American families are suffering and our businesses are hurting terribly.

To secure our energy future, America needs what I would call a "kitchen sink" policy. We need to throw everything and the kitchen sink at our energy crisis—conservation, alternative energy, exploration, and market fairness. We need policies that provide immediate relief as well as short- and long-term solutions.

I urged that we halt deposits to the Strategic Petroleum Reserve, and we successfully passed legislation to that effect. I support right now releasing one-third of the current reserves which would increase supply, drive down prices, and signal to speculators that the U.S. Government is dead serious about addressing high gas prices.

It is also important to protect consumers from illegal market manipulation and corporate corruption. I, along with some of my colleagues, am calling for an oil and gas market fraud task force to police oil speculators and ensure that energy markets are functioning properly.

As we know, the Senate is currently considering a bill to rein in energy market speculation, and I agree that additional enforcement and transparency can help better manage these commodities that are critical to our economic and national security. We should move forward with responsible actions, but cracking down on speculators alone will not solve our gas price woes.

We must also decrease demand and increase supply. Rising gas prices are driven primarily by supply and demand imbalance in global energy markets. Last year, global demand exceeded supply by nearly 1 billion barrels per day. The result: Over the past year, gas prices in North Carolina have increased by more than 30 percent.

To decrease demand, I strongly support conservation efforts and investments in alternative energy research. No question, America needs a crash course in conservation. I have cosponsored numerous bills to pursue these goals, including the Clean Energy Investment Act, the Climate Security Act, and the Clean Energy Tax Stimulus Act.

To increase supply, we also must utilize America's vast energy resources. Surely, bringing these energy resources on line will not happen overnight but, if anything, that means we should move more quickly to pursue them. For instance, if President Clinton had not vetoed legislation in 1995 to open 2,000 acres of the 19 million acres in remote areas of Alaska for exploration, our current energy deficit would already be reduced by roughly 1 million barrels of oil a day.

After careful consideration, I support lifting the moratorium on the Outer Continental Shelf—OCS—giving States the option of allowing exploration at least 50 miles offshore, where it is not visible from land. A portion of revenues generated from leases would go to the States and could be used for dredging and beach renourishment and other coastal priorities. Families struggling with high gas prices cannot afford for Congress to keep energy options off the table. They must all be on the table.

I am excited about lifting restrictions on oil shale exploration in the Rocky Mountain West. With the potential for oil shale to produce more than three times the proven reserves of Saudi Arabia, we can ill afford to further delay utilizing this American oil resource.

However, we should not explore for more petroleum at the expense of alternative energy. We must pursue all available resources, including nuclear, clean coal, natural gas, wind, solar, and biofuels.

Along those lines, let me add that not only are families being slammed with high energy costs, but they are also being hit hard with escalating food prices. I am very concerned that food-to-fuel mandates have resulted in a substantial volume of our corn crop and vegetable oils being diverted into ethanol and other fuel supplies, severely impacting food and feed prices. In fact, since February 2006, the price of corn has increased by more than 200 percent, and this has caused feed price increases that impact the cost of basic items such as milk, eggs, and meat.

During consideration of the 2007 Energy bill, Senator INHOFE and I tried to include a safeguard in the renewable fuel standard which would have helped prevent a situation such as we face today. The administration should waive the mandates, and we need to correct these unintended negative consequences where an excessive amount of corn and vegetable oils have gone to ethanol production. This is having an impact worldwide and emptying the shelves of our food banks and our food pantries. Alternative energy must absolutely be a part of our energy future, but there are obvious and painful lessons to be learned from the ripple effects of these mandates.

One day we will be free from the stranglehold of high gas prices and dependence on foreign oil. We will power our economy with alternative energy sources, and no longer will the

petrotyrants in Iran, Venezuela, and Russia be able to hold the world economy hostage.

However, to get there, we are going to have to throw everything and the kitchen sink at our energy crisis. I call on President Bush to hold a national summit now for congressional and national leaders to come together and develop a comprehensive plan. The time is now for realistic, bipartisan solutions to provide families and businesses with immediate relief to meet our energy needs for the short term and to secure our energy independence for the future.

I yield the floor.

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

Mr. KYL. Mr. President, I think Senator DOLE's idea of the kitchen sink approach is right on target. Maybe we will even find a way for the kitchen sink to somehow help us out here, but at least it is everything but the kitchen sink that Republicans are suggesting is the answer to our oil crisis.

There isn't just one answer. That is why we don't agree with the Democratic bill, which is simply to deal with speculators and speculation. I am going to talk about that in a moment. First, to reiterate what Senator DOLE said, Republicans support a broad-based, balanced approach to this problem that recognizes there isn't one silver bullet, but through a combination of things such as conservation, such as renewable energy, such as producing a lot more oil and gas which this country has. Also, if we will simply lift the moratoria that currently preclude us from exploring for more energy, deal with speculation to the extent it exists, as well as certainly nuclear power—all of these things together can help us work our way out of the crisis. Part of it is short term, part of it is medium term, part of it takes long term. We have to look at this as a long-term problem.

I shake my head at those who say: Well, that particular solution doesn't do anything for 3 to 7 years. My answer is, of course, I have never completed a journey I didn't start. If we had completed some of the things we started years ago, we wouldn't be in the crisis we are in right now. However, we are stuck right now with one bill on the floor. Unfortunately, it is not the Republican approach, which is a balanced, broad-based approach, and includes new production, but simply the limited approach of dealing with so-called speculators.

I wish to talk a little bit about why only focusing on speculation isn't going to produce one more drop of oil, it is not going to reduce the price at the pump, it is not going to solve the problem and, in the long term, could actually hurt, and I will try to explain why.

It is propitious that yesterday a report came out that supports what I am now saying. We didn't have anything to

do with the timing, but I say it is propitious because it helps to answer questions that people have been asking. For over 3 months now the regulatory body of our Government that looks at speculation, called the Commodity Futures Trading Commission, has been testifying, and despite enormous pressure from the other side to point the finger at speculators, they have consistently said they don't think it is speculators. We believe it is the law of supply and demand, the fact that there is much more demand for oil than we are producing that is creating a problem.

Well, an interagency task force led by the CFTC and composed of staff from the Departments of Agriculture, Energy, Treasury, the Federal Reserve, the Securities and Exchange Commission, and the Federal Trade Commission all reaffirmed yesterday that:

Current oil prices and the increase in prices between January 2003 and June 2008 are largely due to fundamental supply and demand factors.

Furthermore, the report—and again I am quoting:

suggests that changes in futures market participation by speculators have not systematically preceded price changes. On the contrary, most speculative traders typically alter their positions following price changes, suggesting that they are responding to new information—just as one would expect in an efficiently operating market.

The other side has ignored this CFTC analysis for a long time. I hope the new report will not be ignored, because what it illustrates is you are not going to solve this problem by trying to figure out a way to somehow regulate speculators. You have to deal with the law of supply and demand.

I tried to explain this to a younger person who was wondering what all of this debate was about, and this is the example I came up with—or the analogy: These are investors, these so-called speculators, and what they are trying to do is to predict into the future what the price of something is going to be. Now, if they guess right, they can make money. If they guess wrong, they may lose money. They are researchers and they are looking at the best evidence they can. One of the things they look at is will there be more supply or more demand. Obviously, if there is more demand, then the price is going to go up. It is a little bit like the weatherman predicting the weather. The weatherman is a professional too and he looks at all of the research and he concludes that by this weekend we are going to have some rain. Now, he may be right, he may be wrong, but that is his job, to try to predict, and more often than not, he can predict it fairly accurately. What if we don't want rain next weekend? What if we don't think rain is a good idea? Are we going to muzzle or fire the weatherman and say: We don't want you to report this because we don't want the rain? Is that going to do any good? It doesn't do any good at all. If it is going to rain, it rains. If not, it won't.

If the prices are going to go up because Iran is rattling its sabers in the Persian Gulf, the prices are going to go up. If they don't, and the prices don't go up, it is not the speculators who make the price go up or down. The speculators are reporters. They are people who are trying to figure out what the price is going to be. They don't make it what it is; they are trying to figure out what it is going to be.

That is why the CFTC said they typically alter their position following price changes, reacting to new information. Again, it would be like trying to shut the weatherman up because we don't like the weather he is predicting. That is the role these speculators have. They are trying to predict the future and they actually help the market by setting a price that is useful to those who are trading in the market.

I appreciate that there are colleagues on the other side who are skeptical about this, but let me explain why I think it is unlikely that commodity traders actually push up the price of oil. Here is the explanation. They can only do this and drive up prices if they actually took physical possession of the product and then hoarded that, withheld it from the market.

But between 2003 and May of 2008, only about 2 percent of oil futures contracts actually resulted in physical delivery. Those are the utilities, airlines—folks like that.

If commodity index fund investors were, in fact, hoarding actual physical inventories to raise prices, one estimate suggests that they would need to fill storage tanks with more than 40 times the amount of oil currently held in the inventory at the Cushing oil terminal in Oklahoma where the West Texas intermediate oil contract is valued. Since we have not seen all of this frenzied new construction of oil storage tanks and facilities equivalent to 40 Cushing oil terminals, it is very clear that there is no hoarding occurring.

What is actually happening to supply today? Total oil stocks in the developed countries have been static. In other words, we have not been increasing the supply. A year ago, including strategic reserves, they amounted to about 4.1 billion barrels and today are at about the same level. Global demand, on the other hand, was 86 million barrels a day in 2007, while supply totaled 85.5 million barrels, creating a deficit of half a million barrels a day. As one would expect, prices are rising to reflect the fact that there is not as much supply as there is demand for the product.

I also think it is interesting that when you talk about speculators, you know the price has been going down in the last few days. I haven't heard anybody complaining that the price of oil is going down. If they are to blame for the price going up, maybe we ought to pat the speculators on the back for driving the prices down. Of course, they don't have that effect; I am being facetious. But who are these nefarious investors?

If you have a relative who is retired or a friend or someone who has a pension, you probably know a speculator. That is who is primarily investing in these kinds of funds. All investors want to diversify their portfolios to protect themselves against risk. You do that by purchasing as many different kinds of assets as you can, by investing in commodities. Pension funds and other institutional investors can protect beneficiaries like retirees from market downturns. In the current market, commodities are one of the few investments that have been actually generating positive returns. Under the legislation before us, if you declare these people bad investors or illegitimate speculators, you are going to be hurting regular investors in the market. I don't think we want to do that.

Interestingly, one of the pieces of legislation the Republicans have sponsored—the legislation called the Gas Price Reduction Act—is very similar to a bill introduced by my colleague from Illinois, Senator DURBIN, who I think takes a thoughtful approach to speculation in the energy markets. Like our bill, his focuses primarily on increasing the resources available to the CFTC so it can continue to do its job and even do a better job of ensuring there is enough transparency in the system to enable it to continue to investigate and take action, if need be. With just a few modifications, I think the Durbin bill would be a good approach, as is the Gas Price Reduction Act, which Republicans have introduced, which strengthens the CFTC and makes sure it has the assets it needs to do the job we asked it to do.

In conclusion, I think everybody agrees that a stronger CFTC and additional transparency are good. I think we can all support that. It is part of that kitchen sink approach we heard talked about earlier, but it is only one small part of this. In no way are we going to see that approach drive down the price at the pump. As I said, it is little bit like the weatherman, these speculators. They find out what the price is and they, in effect, report it by their purchases or sales—either one. But you don't improve anything by killing the messenger—the speculator—any more than you improve the weather by shooting the weatherman.

As we proceed with the debate, I hope my colleagues will agree that while there may be a lot of good ideas—and one may be to strengthen the CFTC somewhat—that is not the answer to the crisis we face. It doesn't produce one more drop of oil or gas. At the end of the day, we are not going to be successful unless we find a consensus to enable us to produce more so that, along with using less, we can drive down the price of gas at the pump.

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

Ms. KLOBUCHAR. Mr. President, it is now Wednesday, and we have been debating the issue of speculation for

several days. I believe it is time to stop talking and it is time to vote to end speculation in the oil marketplace.

There is an honest debate going on about our long-term energy policy—one I am glad we are having. We need to talk about the potential of expanding our domestic production and about new refineries. I live next door to North Dakota, and I see their potential with the oil shale. Certainly, as T. Boone Pickens has been doing over the last few weeks, we need to lead the way with wind, solar, and to put the focus on hybrid and electric cars, biofuels, as we have seen in Minnesota. We have seen a revival in our rural areas with wind. We are third in the Nation with wind. We have seen it with biodiesel, biofuels.

I have seen firsthand the potential for this next energy revolution. It is my belief that we should be investing in the farmers and workers of the Midwest and not the oil cartels of the Midwest. So I welcome this debate, and I hope we can get something done on that.

Let's look at the short-run. What are the American people facing now with \$4-per-gallon gasoline? Right now, they don't have the time or the patience for us to tell them we are not going to get anything done on speculation even though almost every Senator in this Chamber has admitted there are problems with speculation and that it is part of the problem. We may differ on how much of a problem it is, but we know it is part of the problem.

I believe our Stop Excessive Energy Speculation Act will help to pop the oil speculation bubble. This bill has a number of provisions that will fight the kind of excessive speculation that drives up energy prices for hard-working American families.

This bill will close the so-called London loophole. It will stop traders from routing transactions through offshore markets to get around limits on speculation put in place by U.S. regulators. The Intercontinental Exchange, or ICE, allows trading on American oil futures, gasoline, and home heating oil with far less stringent reporting requirements than we have here at home. I can tell you that my constituents—it is not great to tell them: Don't worry, Dubai or London will be taking care of you. They don't buy that, and they don't buy it for a good reason. The way the world has worked now with the loopholes that have existed, like the Enron loophole—and I see Senator FEINSTEIN, who worked to close that loophole to the point where we can better regulate our energy future. We know there is more we can do, and that is what this bill contains.

This bill will make foreign trades in American oil and gasoline futures subject to the same reporting requirements as trades made here at home, so we can stop a glut of overseas trades from driving up our energy prices.

This bill would also require the CFTC to review the letters of “no action”

that it issued to the ICE electronic exchange in Atlanta, and the Dubai electronic exchange, which operates in cooperation with NYMEX in New York. With these “no action” letters, the CFTC gave these exchanges permission to operate in this country and trade in American energy futures with no oversight from U.S. regulators. Personally, I don't believe it is good enough to say that the Dubai Financial Services Authority is looking out for people in my State. We need to let speculators know that if they want to trade in American energy futures, they are going to be subject to American regulation.

The bill would also convene an international working group of financial market regulators to develop uniform reporting and regulatory standards in the major trading centers in the world to put an end to the problem of speculators shopping around for the country with the weakest regulations. The world has changed. One of our jobs in the Senate is not to just put our heads in the sand and pretend the world hasn't changed. It has. The laws must change with it.

This bill would also require the CFTC to impose position limits on speculators who trade in energy futures but don't actually produce energy or receive physical deliveries of energy commodities. If you are an investor who buys and sells oil futures but you don't plan to ever take delivery of actual barrels of oil, this bill will limit how much you can buy and sell so that you won't be distorting prices for your own personal gain. We know some limits are in place right now in American laws, and this is to cover the situation we see going on in the world today.

Last, this bill is going to give the CFTC the funding authority to hire at least 100 full-time employees so the Commission can strengthen its regulations and improve its enforcement over the energy derivative market. As a former prosecutor, I know—I have seen it before—you can pass all the laws you want, but if you don't have the cops on the front line enforcing the law, you will not be able to get the job done. I heard the head of the CFTC testify before the Agriculture Committee. I was surprised. As a prosecutor, I said: Give me all the tools I need, because you want to have the tools. That is what this bill does.

We have heard from the other side of the aisle that speculation is not a major contributor to high oil prices. It is hard to imagine such a position, but our friends on the other side seem intent on finding some straw to hang on to that just doesn't work. They are literally living in an evidence-free zone. Look at what has happened. Oil prices are up 25 percent. Gasoline is up 25 percent in 6 months; it is around \$4. We know demand hasn't gone up 25 percent. Have we seen some increase in worldwide demand? Yes, but demand in the United States is down. It is nowhere near 25 percent, though.

We know something is going on. It is our job to adjust our laws and give the

agency that enforces these laws the funding it needs to do its job. We saw this happen with the Consumer Product Safety Commission. Exports went way up, millions of exports; at the same time, the agency became a shadow of its former self. It is no surprise that we suddenly had little foam toys, which were supposed to inflate in water, morph into date-rape drugs. We had a little boy in Minneapolis die because he swallowed something from a toy that was 99 percent lead.

You have the same thing going on here. It is this Congress which has to step in and say: Let's get the agency the resources it needs to do its job. When oil prices jump \$16 in 2 days without any events to drive them up, we cannot say speculation isn't having an impact. When the 12th largest private company in the United States is filing for bankruptcy after losing billions in oil trading, we cannot say speculation isn't having an impact. Even Walter Lukken, the Acting Chairman of the CFTC, has stated that oil markets are “ripe for those wanting to illegally manipulate the markets.” We had an expert testify before Congress that speculation in the oil market is the biggest gambling hall in America. We had CEOs saying it should be trading at \$55 or \$60 a barrel. Do you know who is taking a hit? It is Americans across the country. They are taking a hit every time they go to fill up their gas tanks.

There is no excuse for this Congress not to act on speculation. We are listening to the people of this country, and we are hearing that this bill—Majority Leader REID's bill—makes common sense to everyday Americans.

Groups across the country that deal with high gas prices every day have come out in support of our efforts to stop the out-of-control speculation going on in the oil market. These groups include the National Farmers Union, the Teamsters, the Air Transportation Association, the Consumers for Competitive Choice, Northwest, and the American Feed Industry Association. And the airlines in Minnesota aren't exactly partisan organizations. They are businesses. They have seen their profits go down. They have seen their routes go down. The number of planes they can fly has gone down. They have unhappy customers. They have millions of airline customers who are writing in to do something on speculation. Speculation is where the rubber hits the runway for the airlines in this country. We must do something about it. Even the beer wholesalers want to do something about it. I talked to one of their members last night. They want to get something done. I can tell you that my friends across the aisle say speculation has little to do with this. I will use a good beer word: That is all foam and no beer.

It is time to get something done. It is time to act on speculation.

In conclusion, the cost of energy is hurting Americans from all walks of

life, in businesses and every sector of our economy. We need to work hard. I have pushed, in the last year and a half, for a long-term energy policy. We need a bold energy policy to carry our Nation forward. We also need to do something now—today, not tomorrow, not next week, not in September. Let's pass this speculation bill and help the people of this country.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent to speak for 12 minutes.

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

Mrs. FEINSTEIN. Mr. President, I wish I could come to the floor and say there is a quick fix for gasoline prices at the pump. This is needed as much as anywhere in California where gas prices are high and at times the very highest. I wish I could say there was this quick fix, but I cannot. I wish I could say if we could drill all of the Outer Continental Shelf, if we could drill on all of the public land in America, the price of gasoline at the pump would drop immediately, but I cannot.

In all good conscience, I do not believe opening the Outer Continental Shelf to new drilling would lower the prices at the pump anytime in the near future. In the first place, it takes 2 years for MMS, Minerals and Management Service, to do the contracts. Secondly, all drilling rigs are now leased. There need to be new rigs. Thirdly, there is no additional refining capacity. Fourth, drilling in the Outer Continental Shelf and on public lands in America over the last 8 years has increased by 361 percent and, at the same time, the price of oil has doubled. So there is no relationship between drilling on the Outer Continental Shelf, drilling on public lands in America, and the price of oil. I deeply believe this.

Some say it is simply a problem of supply and demand, but physical supplies of oil and natural gas have remained relatively stable over the past year. In fact, if you remember, executives from oil companies testified before Congress recently and asserted that the price should be about \$60 a barrel if it were just a matter of supply and demand.

Some point to instability in the Middle East and Africa's production regions. Others have pointed to the falling dollar. These are certainly factors. But I cannot explain the sharp uptick in prices we have seen at the pump over the last few months.

So what is really going on? What is new in this picture? Consumption in America has dropped 3 percent this year over the same period last year. So what is new? There is only one thing that is different, there is only one thing that is new, and it is a massive influx of speculation in the marketplace. This is the 800-pound gorilla.

Increasingly, experts now say rampant speculation in energy markets accounts for anywhere from 25 to 40 percent of the energy price increase. Some will say even more. So I think we have to take a look at why this is the case and what we can do about it.

In May, Congress took a major step forward in the effort to bring more oversight to energy futures markets when we enacted legislation to close the notorious Enron loophole. The Senator from Minnesota just referred to it. I had worked on this for 6 years. I came to the floor when Phil Gramm argued against it. I lost. I got just 48 votes. We came back again. We finally got it in the farm bill this time, and the notorious Enron loophole today is closed.

What was that? This loophole was created in 2000 when a measure was inserted in the dark of night into a must-pass appropriations bill at the behest of Enron and others to essentially eliminate them from the Commodity Futures Modernization Act. Two commodities were left out: energy and metals.

During the western energy crisis in 1999 and 2000, we saw the costs in my State soar from roughly \$8 billion in 1999 to \$27 billion in 2000 and then to \$27.5 billion in 2001. The reason for this was, in the main, manipulation, fraud, and reckless speculation of the worst sort, all because you could trade on electronic platforms with no transparency and there was no antifraud, antimanipulation oversight by the Commodity Futures Trading Commission.

When all was said and done, these energy traders left California taxpayers with an increased bill of about \$40 billion. To date, 32 companies have pled guilty to market manipulation and settled \$6 billion in claims.

In recent years, we also saw the \$6 billion collapse of the Amaranth hedge fund because of unregulated speculation in natural gas futures on electronic exchanges. And the list goes on.

This has typified the energy marketplace. So it became clear that a legislative fix was needed. We finally got that done, as I said.

The bill, which is now law, ensures that all major trades of energy futures that could drive up prices or have what is called a price discovery impact are placed under the oversight of the Commodity Futures Trading Commission. The new law imposes limits on rampant speculation, prevents fraud and manipulation, requires traders for the first time to keep records, and provides an audit trail to the CFTC. This was a significant victory. It is signed into law.

But as we continue to learn more about what is really going on with energy futures markets, it is clear more work remains to be done. We are learning about additional loopholes that must be closed, and the legislation before us is critical to ensure that we can level the playing field in energy markets, that there is transparency there.

First, the problem of large institutional investors, such as pension funds; this is what is new in this market. From 2003 to 2008, institutional investments in commodity index funds rose from \$13 billion to \$317 billion. That is in 5 years, from \$13 billion to \$317 billion.

One might say, what does that have to do with it? Daniel Yergin, to a great extent, said what it has to do with it when he said:

Oil has become the "new gold"—a financial asset in which investors seek refuge as inflation rises and the dollar weakens.

"Investors seek refuge." So the implications are potentially devastating, and here is why. Unlike gold, energy and agricultural commodities meet essential needs in everyday lives of average people. They are limited. They are not potbellies. Energy is limited in the amount we have.

These institutional investors, the big pension funds, such as my own, the California Public Employee Retirement Fund, has invested over \$1 billion in these markets. These institutional investors are trading long on energy futures prices. In other words, they are betting that the prices in these future markets continue to rise. They are not hedging against the risk of changing oil prices, as airlines and utilities frequently do. They never take delivery of a product. They participate in the oil markets only on paper. Yet these investors, the big ones, are currently exempt from CFTC regulation when they execute these trades through brokers or dealers. These trades are called swaps.

Currently, the CFTC limits speculation positions to a total of 20 million barrels of oil and 3 million barrels of oil in the last 3 days of a contract. However, these same investors avoid these limits by executing their trades as swaps. This is a mistake. Institutional investors have become speculators.

Last month, the CFTC announced that it will review trading practices for these investors, and this is a positive step. But legislation is still needed to level the playing field and close the loophole. The bill before us will limit the size and influence of institutional investor positions in energy markets.

To further increase transparency, this bill also requires the CFTC to begin distinguishing between the institutional investor index trader and the swaps dealers who broker their trades. This legislation closes the swaps loophole, bringing transparency and speculative position limits to contracts executed through swaps dealers, in that way preventing a price discovery function as much as possible to keep prices from continuing to escalate.

Specifically, the bill gives the CFTC the authority to begin collecting data on large over-the-counter traders so that it can determine whether price manipulation or excessive speculation is taking place. This would ensure that the CFTC has a clear picture of all

trading in over-the-counter commodity markets.

The London loophole, what is the London loophole? I think we also must prevent U.S. crude oil contracts from being traded on international exchanges without robust oversight.

I ask unanimous consent for 2 more minutes, please.

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

Mrs. FEINSTEIN. A recent CFTC report found the traders were using the London exchange to trade U.S. crude oil futures to avoid U.S. regulations—in other words, go around it. Trades exceeded U.S. speculation limits every single week since 2006.

Last month, CFTC announced that it would limit this offshore market speculation and require recordkeeping and an audit trail for these traders. That is a start. But legislation is still needed to codify the regulation. This legislation will require foreign exchanges with customers in the United States to adopt the same speculation trading limits and reporting requirements that apply to U.S. trades, ending the regulatory race to the bottom. This language is based on legislation that Senator LEVIN and I introduced previously.

I believe very strongly that we must ensure that American energy commodities are protected from manipulation and excessive speculation, regardless of where the commodities are traded.

Bottom line, this bill brings transparency, it brings accountability, it brings recordkeeping, it brings oversight to the energy markets. It would impose sound, proven economic principles to markets that are currently broken and where speculation has increased so dramatically that it is pushing up the price. It would close regulatory and legislative loopholes that prevent the CFTC from enforcing the Commodity Exchange Act in energy commodity markets.

I hope my colleagues will support the bill. I suspect it may not pass. I hope it does because there is no question in my mind that the 800-pound gorilla in the price of gasoline at the pump is excessive speculation on commodities futures markets dealing with energy.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, will you be kind enough to notify me when there is 30 seconds remaining so I can conclude without imposing on the other party's time?

Mr. President, today, Rhode Island drivers are paying more than \$4 a gallon for gas, and they have been paying those prices for well over a month now. We all know that 8 years of two oilmen in the White House equals over \$4-a-gallon gas, a nearly sixfold increase in oil prices.

These record oil prices have sent consumer prices skyrocketing, not only at the pump but at the supermarket and the department store. Food and house-

hold goods take energy to produce and transport and have become more and more expensive. While George Bush and DICK CHENEY's friends in the oil industry celebrate grotesque profits, ordinary Americans struggle to make ends meet. Families in Rhode Island and across the country are having to choose between filling their tank and feeding their families and between heating their home and buying needed medicine. They are frustrated, they are angry, and they are looking for solutions any way they can find them.

Unfortunately, rather than taking steps that will help consumers today, the Bush Republicans are now trying to harness Americans' anger and frustration and, of all things, use it to capture more inventory for big oil. The energy companies have already bought 68 million acres of public lands to drill, and they are sitting on it. They are spending more buying back stock than they are drilling these holdings. Now, rather than drill what they have, they want more.

The administration and its allies have said that opening more land to drilling is the one and only way to lower the price of gas in this country. That is flat wrong. The United States owns 3 percent of the world's oil reserves and consumes 25 percent of the world's oil. The measures endorsed by the administration and its allies would have zero effect on gas prices—zero effect for at least a decade. Even then, the Energy Information Administration projects these proposals aren't likely to make any significant dent in gas prices—cold comfort for Americans who have watched gas prices rise by about \$3 a gallon while two oilmen occupied the White House.

We cannot drill our way out of this problem, now or ever. But that is not all. Even as the Bush Republicans say their only answer to our energy crisis is drill, drill, drill, they have repeatedly refused our good-faith offer to bring their proposal to a vote. If they are confident this is the right solution, then give each of us the chance to vote up or down, based on what we think is right for the people we represent.

Why not? Because as we have seen, time and time again, they are not interested in finding the right solution, in doing what is right by families who need help today. No, the Bush Republicans are much more interested in playing politics and pouring more money into the pockets of oil companies already reaping world record, history-of-the-universe profits. Their proposal would encourage our continued dependence on oil, harm our environment, and delay our badly needed transition to the vibrant green economy that beckons us. Make no mistake, if the Republicans would let us walk through this door, a vibrant green economy does beckon American workers and families.

We need real commonsense solutions that can make a difference now. One factor most economists believe has

played a major role in driving up prices is rampant speculation in the commodities and futures markets, something we can address today. Speculators invest in oil futures with no intention of taking possession of the commodity itself. They have historically played a role in the marketplace, but under George Bush's watch, excessive and irresponsible speculation has exploded. Experts may disagree on whether speculators have run up the price of oil by 10, 30 or 50 percent, but there is broad and growing agreement that speculation is a serious problem and that fixing that problem can help bring gas prices down now.

Of course, the big oil companies, and those in Congress who support them, say the dynamics of supply and demand, not speculation, is the real cause of the massive price increases. There are two problems with that argument. First, we have heard testimony from experts who say there is no way that simple supply and demand for oil can explain the huge rise in energy costs that have plagued American families in the last several months. Second, energy speculation has its own supply and demand in the commodity market. According to data from the CFTC, speculators now control 71 percent of the oil market, up from 37 percent when President Bush took office.

The PRESIDING OFFICER (Mrs. MCCASKILL). The Senator has 30 seconds remaining.

Mr. WHITEHOUSE. I thank the Chair.

With relatively constant supplies of futures and the dramatically expanding demand of speculators, prices have nowhere to go but up. So I am here to support legislation that our colleagues have offered to get to the bottom of the energy speculation boom. Senator MARIA CANTWELL, in particular, has been a leader, but I wish to commend Majority Leader REID for offering the Stop Excessive Energy Speculation Act of 2008, which would address the problem of excessive speculation.

In the time that remains, I will simply urge my colleagues to take a look at this problem. When there is \$16 billion that used to chase these indexed futures funds and it is now over 300, clearly something is going on in these markets that we need to get a look at. We should regulate them the way we do other markets, such as grain.

These funds, which include university endowments and pension funds, may unknowingly be helping drive up prices by holding energy assets—commodities they don't intend to sell or consume—as part of broad investment strategies.

The amount of money in commodity-based index funds has exploded in recent years, rising from \$13 billion in 2003 to \$317 billion today, according to one estimate.

Leader REID's bill would bring to light the role of index traders in the energy market by requiring the CFTC to collect and publish data on their

participation. Greater transparency combined with the new investigatory resources that this bill provides will help lower energy prices.

Do we know for sure that speculation is driving oil prices? Not for sure. But we do know two things—one, we regulate speculation in this commodity, oil, less than we do other commodities such as grain, and two, there is more than enough evidence of excessive speculation to prompt a reasonable and prudent person to act.

I hope the Senate will act quickly to pass legislation strengthening the government's authority to crack down on rampant speculation in the energy markets and call on my Republican colleagues to take action that will help consumers in the near term, instead of resorting to political gimmickry.

I appreciate the courtesy of the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. CORKER. Would the Chair remind me of how much time I have.

The PRESIDING OFFICER. The Senator has up to 10 minutes.

Mr. CORKER. If you wouldn't mind letting me know when 60 seconds remain.

The PRESIDING OFFICER. I would be happy to notify the Senator when he has 60 seconds remaining.

Mr. CORKER. You are a most helpful Chair, and I thank you so much.

Madam President, I rise to talk about energy today. My good friend from Rhode Island mentioned how we would like to vote, and I agree with him. I think it is an amazing thing that the biggest issue in the country today is energy and here we are, in the greatest deliberative body in the world, for some reason, not allowed to vote to try to solve this particular issue.

I had a townhall meeting last night. On the telephone, we had about 1,200 callers at all times. I can assure you that while other subject matters arose, the issue constituents care most about today is gasoline prices.

I am part of a bipartisan group that is trying to craft some kind of legislation to pass, and we were all asked to put down on a piece of paper those things we think ought to be considered and those things that should not be considered—five Republicans and five Democrats. After we did that, there were many things we all agreed should at least be discussed as part of an energy bill. Yet it is fascinating to me that when we have an issue of supply and demand—and I think contrary to what my friend from Rhode Island said, most economists all agree there is a supply-and-demand issue—an issue where we have continuing demand throughout the world and in this country and we have lessening of supplies and, in fact, the price of oil continues to rise, it is interesting to me that when we have this phenomenon of supply and demand, we focus on speculation.

Now, this is one of those bills, unfortunately, Madam President—and I

know you are from the great State of Missouri and use a lot of common sense in the things you have done there—that is a ready, aim, fire bill. This is not a bill to be taken seriously. It is a bill to sort of take the American people's minds off the issue of supply and demand.

Let me read a couple of sentences. On page 14, it says:

Not later than 30 days after the date of enactment of this subsection, the Commission shall impose by rule or regulation speculative position limits on trading that is not legitimate hedge trading.

The bill is referring to the CFTC in that sentence. Then it goes further to say that they will, 30 days after enactment, put together an advisory group that, after 60 days, will make some recommendations. This is, of course, after the CFTC has already, per this "shall" language, imposed various requirements and stipulations on hedging in place. Then, after that, 270 days after that, this advisory commission will look back over what has occurred to see if it is right or wrong.

This bill is not on the floor to be taken seriously, and I think most of us who have talked with people throughout the industry realize that. Again, this is something to take the voters' minds off the real issue—the issue of supply and demand.

I wish to say to my colleagues on the other side of the aisle that I am willing to look at everything there is to look at in the equation of supply and demand. There is no question that in a country which has 3 percent of the oil reserves in the world, has 4 percent of the population, yet uses 25 percent of the world's oil production, conservation needs to be a big part of it. I would love to talk with my colleagues on the other side of the aisle about what we might do in the area of conservation. My guess is there would be a lot of people on both sides of the aisle who would reach agreement over what we ought to do as a country to lessen demand by focusing on conservation.

Yesterday, in the State of Tennessee, Nissan—a great automobile producer—announced their focus on producing an all-electric car by the year 2012. I welcome that day. I look forward to the day when I and my daughters and my wife Elizabeth drive a vehicle that we plug in at night, that is being charged with base load power at low prices and that we drive the next day and not use petroleum. Why don't we debate some amendments on this floor that have to do with that?

Much of the discussion has been about offshore drilling, about the Outer Continental Shelf. Again, as part of the equation, we ought to look at supplies. I am all for looking at additional offshore development. I think it only makes sense at a time when we have rising demand and lessening supplies. But I would like to talk about a lot of other things.

Again, it is an interesting thing to me that one person, the majority lead-

er of the Senate, can decide that we have one so-called speculation bill on the floor that, again, majors in the minors. The issue is supply and demand. Yet in this body of "100 great Senators," we don't have the ability to talk about an issue that is the biggest issue in front of the American people.

I think all of us know right now what I am doing, and this is something I am not accustomed to doing, but I am burning up time on the floor. The last speaker was burning up time on the floor. Basically, what we are doing is waiting to see if later this afternoon the majority leader of the Senate will allow 100 grownups—100 grownups elected by their respective States—we are basically waiting to see if the majority leader of the Senate will allow 100 grownups, who represent people all across this country, to actually offer amendments that might help solve the supply and demand issue we have in our country.

I think it is very obvious that we, as a country, need to produce more and use less. My daughters, 19 and 20, learned this when they were in middle school; that there is an issue of supply and demand.

Again, I wish to meet my colleagues in the middle. I agree that conservation, as I have stated before, needs to be a big part of this, but it is a diminishment of this body to know that basically all day long people are parading back and forth on this floor to make points on one side or the other about energy, the biggest issue before the American people, and what it is all about is killing time until we find out whether the majority leader will allow us—treating us like teenagers—allow us to offer amendments. It is an amazing thing.

It seems to me that if we were going to be serious about this, that we would have the gumption to stand here on the floor, offer real amendments, talk about those amendments, and hash them out. That is why I came to the Senate. I think that is why the Presiding Officer came to the Senate and has offered so much in the way of making this body function in an appropriate way. So I hope that very soon we will move away from these political games and things that might affect the fall elections and move to the serious issues the American people care about. That is what I came to do.

Madam President, how much time do I have remaining?

The PRESIDING OFFICER. There is 1 minute 15 seconds.

Mr. CORKER. So for 1 minute 15 seconds I will talk about supply and demand again, something that I think most of us understand.

I will say again to my colleagues on the other side of the aisle that I am willing to look at every possible amendment that has to do with conservation, that has to do with green technology, that has to do with additional production, so that over the next 10 years, we don't send \$10 trillion overseas.

We talk a lot about the oil companies in this country, and I know there are some things that can be said pro and con, but the fact is they are public companies and they do operate in the light. It seems to me that when we argue about big oil—and we do that in a negative way sometimes—what we forget is that every year—this year \$700 billion—and again over the next 10 years, under present trends, we will send \$10 trillion overseas to countries that, in many cases, wish us ill.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CORKER. I thank the Chair for your courtesy, and I now yield the floor.

Mr. CORNYN. I thank the Senator from Tennessee for his good work and good words on this important issue. I agree with him that it is a serious problem and it calls for serious answers. We need a response by the Senate when it comes to energy, when it comes to our dependency on imported oil. As T. Boone Pickens has pointed out in his crusade to try to help people understand where we are on this, he said we send \$700 billion of American money to foreign countries to pay for the oil we import. That is because we are not producing enough here at home, because we are not conserving, and we are not far enough down the road in terms of coming up with alternative sources of energy.

What is Congress's role in all this? We have done some things. I think we ought to give credit where credit is due. We have passed a corporate fuel efficiency standard for automobiles. We have passed tax benefits and subsidies for things such as solar power and wind energy. We have encouraged the production of biofuels such as ethanol, although we are finding sometimes that the unintended consequences of using food for fuel creates problems in and of itself. Suffice it to say, this is a serious problem and Congress has, in many respects, acted I think appropriately to address some parts of the problem. Unfortunately, like so much of politics these days, this sometimes degrades into a name-calling contest. I am going to try my best not to engage in that. But I do want to respond to the accusation that was made earlier that somehow this is attributable to the current administration's tenure in office.

As you can see from this chart, the price of gasoline back when President Bush was sworn into office in January 2001 was \$1.49 a gallon. It has grown over time to when the Democrats took control of the Congress, in January of 2007, to \$2.33 a gallon. Then of course it has spiked since that time to now on the order of \$4.06 a gallon on average, more than \$4 a gallon. It has gone from January 2001 to today to more than \$4 a gallon. While our friends who are in charge of the agenda and the floor schedule of the Congress, the Democrats who were put in a majority status, have been here, we have seen it spike to the figures of today.

That is not to say it is directly attributable to them, but I would say it is unfair to suggest that because President Bush has been in office since January 2001, he is the only one responsible. The fact is, it is our responsibility too. It is the majority leader's responsibility, I submit, to give us an opportunity to come up with serious answers to a serious problem and not play the same old broken game of politics and "gotcha" that turns people off so much when it comes to the Congress. It is no secret why the approval rating of the Congress is at historic lows. There is no secret to that. It is because people look at what is happening here in Washington, DC, and they say: They are not listening or they may be listening, but they are playing political games rather than trying to solve real problems on a bipartisan basis.

I know there is plenty of fault to go around, but why can't we work together to try to solve the most pressing issue for working families in America today, and that is the high cost of gasoline and energy? We know there is a bill on the floor that deals with one part of the problem. This has to do with the so-called speculation. Last month, Warren Buffett, one of the richest men in America and perhaps one of the richest in the world, the CEO of Berkshire Hathaway, said: It is not speculation that is the problem, it is supply and demand.

T. Boone Pickens, whom I mentioned a moment ago—who is spending \$50 million of his own money—met with Republicans today, met with Democrats yesterday, to explain why he is spending so much of his own money to elevate the profile of this issue so it will be something Congress cannot run away from and neither can the Presidential candidates but is something they will have to address and solve. He said focusing solely on speculation is a waste of time.

Why would Congress deal with a bill that only addresses speculation? I would say I am not sure. What I am willing to do is certainly consider and probably support a bill that would be supported on the Democratic side that would provide for greater transparency of the commodity futures markets and would provide more resources to make sure we have more cops on the beat, so to speak, to police the commodity futures trading that goes on and to make sure that is not the problem or, if it is part of the problem, as the majority leader said yesterday—he stood here on the floor of the Senate and said he thought it was 20 percent of the problem in terms of the price of oil. I don't know if T. Boone Pickens is right; I don't know if Warren Buffett is right; I don't know whether the majority leader is right. Let's say the majority leader is right and it is 20 percent of the problem. Why in the world would we leave the other 80 percent off the table? Why would we settle for a 20-percent solution when we could have a 100-per-

cent solution, in trying to address this important domestic issue?

We have come up with a lot of ideas. We have said we need to explore and produce more American oil so we have to buy less from overseas. We have been told no, we cannot do that. We have been told no, we can't produce more nuclear power to help generate more electricity. No, we can't investigate the possibility that we could use the coal we have here for new technology that would allow us to use that coal to make aviation fuel—as the U.S. Air Force is currently testing, a synthetic fuel made with coal-to-liquid technology.

Again—I don't think this is unfair and I think this is exactly what we keep hearing—it seems that the answer from the other side of the aisle is: No new energy. They want to investigate. They want to litigate. They want to raise taxes. But when it comes to new energy sources, they say no.

The one law that Congress of course cannot repeal or suspend, even here in Washington, DC, is the law of supply and demand. We know from the experts that there is rising demand in countries such as China and India, with more than a billion people each. They are buying cars, they are consuming more energy. They have watched us and they have seen that America consumes about 25 percent of the oil in the world, even though we represent a small fraction of the population. They look at that and they say maybe that is the reason for their great prosperity.

I think there is something to that.

We are having more and more competition globally for this scarce commodity. What is our answer on this side of the aisle? We say we need to find more and we need to use less. Find more, use less.

I heard the Senator from Tennessee bemoan the fact that the majority leader has said he will not allow a full debate and amendments to this legislation. I think it is absolutely critical that we allow full debate and amendments that would be likely to actually solve the problem, rather than go through what is a patently political exercise so somebody or another can check off the box and say: OK, we have been there, done that. Now we can go home on August recess. I believe we ought to stay here. Rather than go on recess in August, I believe we ought to stay here until we actually come up with a commonsense solution to this problem.

Some have said OK, if we start drilling today in the Outer Continental Shelf, it is going to take years for that oil to come on line. I wish we had thought better about that 10 years ago, when President Clinton vetoed production from the Arctic National Wildlife Refuge, which Congress had authorized, which would have produced 1 million additional barrels of oil 10 years ago. That would be flowing today if President Clinton had not vetoed that bill.

The fact is, oil is a globally traded commodity. That is where we get back

to the speculation question. Actually, the market is a pretty rational process. For everybody selling a contract for future delivery of oil, there is somebody who is willing to buy it. That is how the market works, a willing seller and a willing buyer. If Congress were to do the rational thing, the sensible thing, the thing that would actually have a positive impact by pushing gas prices downward, we would say we are open to producing more American energy, perhaps as many as 3 million additional barrels of oil a day here in America, which is 3 million barrels less than we have to purchase from abroad. That would give us some time.

It would also send a message to the commodity futures markets that in the future there is going to be additional supply that is going to come on line. That would help bring down the price of oil because 70 percent of the price of gasoline is related to the price of oil. I think that would have a dramatic impact on the price of gasoline at the pump and would provide the American people some relief at a time when they need some financial relief.

It would give us some time so we could do the research and use good old-fashioned American ingenuity to come up with alternatives, things such as in 2010, when many of the big automobile companies are going to introduce plug-in hybrid automobiles that you can actually plug into the wall socket in your home and charge the battery you can use then to commute to work or, if you believe what Boone Pickens has suggested, he said if Government would mandate that all new Government cars and trucks run on natural gas, that would relieve a lot of the pressure on gasoline and oil prices and bring down the price of gasoline by 38 percent.

Mr. DURBIN. Will the Senator yield for a question?

Mr. CORNYN. I will be happy to.

Mr. DURBIN. Senator CORNYN probably heard, as I did, when President Bush said America is addicted to oil. I took that to mean that we try to find a way to move to alternatives and renewable and sustainable energy. I hear the Senator's speech moving in that direction as well.

Could the Senator tell me why he believes 68 million Federal acres of land, which we have now given to the oil and gas companies, which they are not using for exploration and production, is an argument for giving them more acreage?

Mr. CORNYN. Madam President, I appreciate the question and the opportunity to try to answer that. Let me do the best I can. I think there is the illusion here in Washington that every acre of land that is available for exploration is going to produce oil. As a matter of fact, in Texas—I am not unfamiliar with the term “dry hole.” As a matter of fact, this is a very complex enterprise, where you do seismic testing to try to figure out where oil is likely to be. Sometimes you are wrong and it costs millions, even sometimes

billions of dollars to invest to try to produce that oil.

What the oil companies try to do is figure out where their chances are best so they start there. But the more land—including the submerged lands in the Outer Continental Shelf—that is available to them that now Congress has put out of bounds, I think the better the chances are they will be able to find it.

As a matter of fact, there are experts—I am not an expert, but I read what the experts say—who believe there are vast quantities of oil and gas available in the Outer Continental Shelf that are not available now on the lands to which they have access.

Mr. DURBIN. Would the Senator yield for another question?

Mr. CORNYN. I would be happy to yield.

Mr. DURBIN. If you were given the opportunity to lease either a barrel of rainwater or a lake to go fishing, I assume you would lease the lake. And I assume these oil and gas companies, in leasing this land, believe it is likely to have oil and gas.

So I ask you, if they have paid their money to lease Federal lands, 68 million acres—half of it offshore, half of it onshore—and another 23 million acres in Alaska, where is this mother load of oil you are so certain we are holding back from these oil and gas companies that would bring us the oil instantaneously and bring down gas prices?

Mr. CORNYN. Well, I am delighted to try to answer that question, as well, because I think the Senator's question demonstrates—I am not complaining; I am not criticizing. You know we are not oil and gas experts, but I have had a little bit of exposure. Let me try to answer that.

There is not a big lake of oil under the surface of the land that is available to anybody who can punch a hole in the earth and then suck it out with a straw. So I do not think the analogy is apt.

These oil companies in America are owned by shareholders. They are not interested in drilling dry holes. They are interested in drilling where there is actually going to be some oil that can be produced. The more opportunity they have, the more lands available to them, the greater, they believe and I believe, they can maximize the likelihood that they will actually find oil.

This is not to help the oil companies, this is to help us quit sending 700 billion a year of American dollars to foreign countries for oil while we have more of it at home, if you believe the experts, about 3 million barrels a day.

Mr. DURBIN. Would the Senator yield for another question?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DURBIN. Madam President, who is in control of time now?

The PRESIDING OFFICER. The minority has 3.5 minutes remaining.

The Senator from South Carolina is recognized.

Mr. GRAHAM. Americans are probably wondering what the Congress is doing to solve the Nation's energy problems? Apparently, just asking each other questions.

What I would like to do is do something. I would like to have a comprehensive plan that would address the fact that most of you out there who are listening to me are hurting. You are having to fill up your car's gas tank with \$4-plus gas. Food prices are going up, and we are fiddling while your budget is burning.

I cannot explain this; I do not know. But you are figuring this out. The Congress is at an all-time low in terms of approval rating. It seems to me this is something we could all agree on: how to address our energy needs.

Seventy percent of our oil comes from overseas, most of it from the Mideast. If you feel good about that, great. I do not. I think most Americans would like to get away from that. There is oil off the eastern coast.

I do not know why you would not want to add more supply. If there are leases that the oil companies have now they are not using, they expire in 6, 8, or 10 years, and they have to pay to renew them. I would imagine if there is oil out there, they would go get it.

But there is a lot of oil and gas, they tell me, off the east coast. But there is a moratorium on us being able to explore for it. Lift the moratorium, add it to our supply. Every barrel of oil America can extract from American-owned resources is one less barrel we need from the Mideast, and it makes us more independent. And, yes, get away from using oil. I am all for that. But that is not going to happen anytime soon.

Just by lifting the moratorium at the executive level, oil prices have come down about \$20.

Nuclear power—everybody talks about it. The French, 80 percent of the French power comes from the nuclear industry. They recycle the waste too. They do not put it in the ground. They know what to do with the waste. Surely we can be as bold as the French.

Anyway, there is a lot we could do, but we are choosing to do nothing. We are choosing to blame each other.

There is a bill on the Senate floor that addresses one part of the problem, speculation. We should be dealing with speculators, we should be adding domestic inventory, we should be doing something about nuclear power to make sure we can expand our nuclear footprint. It would be good for the environment. It would make us less dependent on fossil fuels, and, yes, we should come up with new cars that run on batteries.

We should be doing it all. We should do it together. All boats rise if we could work together. This is one time when Democrats and Republicans, if we would lay down the partisanship and focus on America's interests, would

look better. But we have a bill that allows us to do one thing, and that is ridiculous. We should be doing a bunch of things together.

Ladies and gentlemen of the Senate, America is watching and they are not pleased.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. LIEBERMAN. Madam President, before my friend from South Carolina leaves the floor, as usual, but not always, I agree with him. I hope we can get to a point where we can deal with both of those issues, offshore drilling and the development of more nuclear powerplants.

I wanted to clarify for the RECORD, when you said we should be as bold as the French, you were speaking only of their use of nuclear power?

Mr. GRAHAM. Yes. I would like to refine my remarks. But I would like to add, if I may, the French, with all joking aside, the French have figured out how to use nuclear power in a safe manner. And we can learn from everyone, including the French.

I say to my good friend from Connecticut, he has the right attitude about his job. I wish we all would adopt it.

Mr. LIEBERMAN. I thank my friend from South Carolina.

Madam President, I rise to speak in favor of the Stop Excessive Energy Speculation Act.

I want to commend and thank Senate Majority Leader REID for considering and adopting a series of ideas on this subject, including particularly the Commodity Speculation Reform Act, which I was privileged to introduce along with Senator COLLINS of Maine and Senator CANTWELL of Washington State.

The commodity markets perform a crucial function in our economy as a place where producers and consumers of specific commodities can enter into what are called futures contracts that help hedge the risks of price fluctuations in their industries to give them this certainty that they can buy or sell the product that they are dealing with at some time in the future. And that gives them some stability for their businesses.

Those markets have existed for a long time, and they perform a critically important function. The real physical commodity market traders—the airlines, the refineries, the manufacturing firms, and the other users and producers of energy—are the people who actually intend to produce or take delivery of those commodities such as oil as part of doing their business.

That is why they go out to the futures markets. Historically, participation in those markets, quite naturally, has been dominated by those commodity traders. That is why they were created, why the markets were created.

Financial speculators, including pension funds, university endowments, and

other large institutional investors, however, have in recent years poured billions and billions of dollars into commodity markets betting on rising prices.

Let's make it clear, these are bets. There is nothing illegal about what they are doing. But as I learned long ago, just because something is not illegal does not mean it is not wrong or it does not hurt people. And the underlying premise of this legislation is that excessive speculation in these commodity markets, futures markets for oil, particularly, is unnaturally raising the price of oil, which is to say immediately, the outrageous price of gasoline that people are paying all across our country today.

The difference between the physical traders, as we call them, the people who actually want the product physically or have it to sell, such as the producers of energy or airlines or refineries or manufacturers and the speculators, the speculators never intend to buy or sell the product.

They are moving paper around, and they are moving enormous amounts of paper around. The numbers speak for themselves. In the past 5 years, the amount these so-called institutional investors have put into commodity index funds has gone from \$13 billion to \$317 billion. That is with a "b," billion.

And, of course, the price of commodities in these funds rose nearly 200 percent over the same period. That is what is shown in this chart: 1970 is here, 2008 there. You can see the black line shows the prices, and it shows the stock price commodity index over here, the amount of money put in.

It goes up and down, but it is basically staying here. Then, yes, look at that. The amount invested goes up and the prices go up dramatically.

One way to understand this is I think one of the witnesses before our committee said there had been an amazing increase in the demand for those futures contracts. So, in part, the price has gone up for that reason. But I will come back to that.

Moreover, the amount of money that pension funds have moved into the commodities thus far may be the tip of the iceberg. Estimates suggest that less than 1 percent of the \$2 trillion—trillion this time with a "t"—of private pension fund assets is currently allocated to commodities. Imagine if that percentage increases to 5 or 10 percent, what an impact that will have.

Through some mystery and magic that I never fully appreciated and certainly do not support, futures contract prices, even though they are for oil that will be delivered in the future, somehow get read right out at the gas pump pretty much the next day. Add that private pension money to increasing commodity investments from State and local governments, pension plans, hedge funds, insurance companies, and other institutional investors, and the result is clear: rising oil, gas, and food prices.

The stark reality is the speculators today threaten to overwhelm our commodity markets and substantially increase food and energy prices for years to come.

In a series of hearings that Senator COLLINS and I conducted in our Homeland Security and Government Affairs Committee, we heard testimony from one expert that this kind of excessive speculation in the commodity markets may be adding as much as \$40 to \$60 to the cost of a barrel of oil. Of course, that then gets pushed through the system and we pay at the pump or this winter in our home heating oil purchases.

There are some people who say that 40 to 60 number is much too high. But I would say most everybody we talked to said that speculation in the commodities market is certainly adding something to the retail price of fuel. I would say even a single dollar increase due to excessive speculation is a dollar too much because of the terrible effect it has on individual consumers who are struggling to spread their budget and use it for the necessities of life, but also because of the overall effect it is having now on the American economy.

Let me give you this example: One of the worst protected industries by the increase in fuel prices is the airline industry. Fuel prices are an important part of them doing business. And what we read periodically when they file their quarterly reports are the stunning losses that they are suffering; laying off people as a result, cutting flights as a result from their schedule.

So here is a number. According to the Air Transport Association, every \$1 increase in the price of a barrel of crude oil adds \$470 million a year in jet fuel costs, almost half a billion dollars more cost to the American airline industry. Of course, those costs are passed on to consumers in the form of higher ticket prices and other surcharges that are now keeping a lot of passengers on the ground and the airline industry reeling.

If speculators want to invest in energy, they can buy stock directly in energy companies and that would bring needed investment into a means of production; that would increase supply and eventually contribute to lower gasoline prices.

Unfortunately, the Commodity Futures Trading Commission, known as the CFTC, has ignored the urgent task of providing a frontline defense against this rampant speculation in the commodity markets. As we listened to the witnesses from this commission before our committee, it seemed they had not even been prepared to recognize and acknowledge that there is such a thing as excessive speculation and that it is contributing to rising commodity prices. Instead, the commission has delegated much of its regulatory authority to the for-profit commodity exchanges themselves. This is a very unusual circumstance. These are very professionally run exchanges, but what

has happened is that the regulator we created—and I will talk about that in a minute—in the 1930s has given the authority to the regulated exchanges to say how many speculation positions—in other words, how many futures contracts—any one investor in the market can hold at any one time.

The Commodity Futures Trading Commission was created in the 1930s because some of the physical traders, particularly in food-related products—grains, et cetera—felt that speculators were unfairly and unnecessarily driving up the price of food. So the Congress created the Commodity Futures Trading Commission and gave them the power to regulate and prevent manipulation and, we would say, excessive speculation. They seemed to say they only have the right to police manipulation, which is doing something out and out unethical, as opposed to putting billions of dollars into the market, moving paper around, and raising the price of commodities for consumers. In contradiction with Congress's original legislative intent, therefore, the commission seems to view its responsibility as confined to that single purpose—preventing market manipulation. On the contrary, the record will show that Congress fully intended the commission to regulate not only market manipulation but what we are seeing today that is hurting consumers all across the country badly, and that is excessive speculation.

I want to talk about what this bill before us does. First, I do want to say, in fairness and clarity, I am not saying—I don't think anybody supporting this bill is saying—that the only reason why gasoline, for instance, has gone over \$4 a gallon is speculation on the commodity markets. There are other causes. One is clearly rising world demand. The other is a sense that there is a limited supply of oil under the ground. The third is a problem that we in both Houses of Congress and the President have created over a period of time, and I suppose others in our economy have contributed to it. That is the weakness of the American dollar. What is clear is that one of the reasons why this enormous amount of money is pouring into the commodity markets and speculative index funds over the last 5 years is that the dollar has gotten weaker. People who used to leave their money in the dollar as a secure place to be, as a kind of hedge against inflation, feel it is not working now. That is why they are going into these commodity index funds as a better, kind of a gold standard of the day. Until we do something about our national fiscal health and strengthen the dollar again, there still will be that incentive for people to put money into the index funds. So it is not only speculation in the commodity markets but, I am convinced this is one of the contributing causes, perhaps the one cause that we in the Federal Government, by wisely regulating, can actually do something through that will, in fact,

put downward pressure on retail gasoline and oil prices.

Here is what the leadership bill does. It incorporates a bipartisan proposal that was developed with Senator COLLINS and Senator CANTWELL to create a seamless system of speculative position limits that apply to commodity positions held both off and on the regulated exchanges. To be brief, there is a whole world now that has been created over the years outside of the exchanges, New York, Chicago, where these futures are traded, so-called over-the-counter, unregulated, foreign exchanges. This bill has the aim of covering all those. Because if you are going to regulate speculation, you should regulate it wherever it is occurring. We in Congress have the power to adopt a law such as that.

Speculative position limits, the primary policy tool of the CFTC for preventing excessive speculation, authorized back in 1935, were used successfully for decades. Now it should be extended to where the action is occurring. Speculative position limits would put a cap on the size of any one investor's holdings in futures contracts of speculation with respect to a specific commodity, wherever those contracts were purchased. Current caps only apply to positions on the regulated exchanges, and we think that no longer does the job.

In addition, I am working with other Members on a substitute amendment that, similar to this bill, because it covers over-the-counter markets, I want to go on to cover investments on the foreign exchanges, incorporate foreign holdings. The outstanding value of over-the-counter commodity derivatives is estimated by the Bank of International Settlements to be \$9 trillion. So no bill that wants to deal with the commodity trading business can do so without addressing over-the-counter trading. We want to go on to the foreign holdings as well so that the system will be complete. It won't have any holes in it. One of the witnesses before the committee said the current system of regulating sales and futures contracts, speculative contracts, is like Swiss cheese, a lot of holes in it. Senator COLLINS and I want to make it like good, strong New England cheddar cheese, no holes.

The bill includes another concept from the Lieberman-Collins-Cantwell bill that establishes a specific criteria that the CFTC must use when it sets the speculative position limits. It adopts and expands a rule from our bill by requiring the CFTC to consider the overall effect of speculative activity and to set the position limits at amounts no greater than necessary to ensure liquidity in the markets. We are not saying all speculation is bad. Some speculation makes the markets liquid. It makes them function. It makes them work for those farmers and fuel producers and home heating oil dealers and airlines that want to deal in the actual physical product. We think that provision is necessary.

Congress fully intended the regulators use the speculative position limits to counteract excessive speculation when it passed the original Commodity Exchange Act of 1935. I talked about this briefly, but you can see it here. Congress stated its purpose was "to provide a measure of control over those forms of speculative activity which too often demoralize the markets to the injury of producers and consumers. . . ." "[T]he bill"—not this bill but the bill in 1935—"has another objective, the restoration of the primary function of the exchanges which is to furnish a market for the commodities themselves."

That is from a House report of March 18, 1935. A lot of years have passed since then, but that states the problem we are dealing with now. It is worse now because of the hundreds of billions of dollars of speculative activity that is going on now.

Other provisions in this bill are drawn from legislation introduced by several of my colleagues, including a proposal from Senator LEVIN to authorize the CFTC to liquidate over-the-counter positions, if necessary, in response to major market disturbance. It also includes provisions pushed by Senator BINGAMAN of New Mexico that would enhance the tools available at present to the Federal Government to prevent market manipulation.

What I am saying is that rather than constituting a radical disruptive attempt to distort commodity markets, our legislation basically returns the regulation of commodity markets to where it was intended to be in 1935. It adjusts to the changing reality by embracing all the places where these speculation futures contracts are being sold and regulates them as the Congress of 1935 intended. I know some critics of the bill have said it would encourage investors to foreign exchanges. I don't believe so. The bill will actually discourage flight from the major American exchanges, because it puts all trading platforms under the same regulatory umbrella. It is an even playing field now because everybody is going to be covered. Speculators are subject to the same position limits as those who are investing from here, regardless of whether they invest in New York, London, Dubai, or over the counter.

There is another area of the bill I am working with my colleagues to address. I want to touch on it briefly. The bill I have introduced with Senators COLLINS and CANTWELL would extend the reforms to both energy and agricultural commodity markets. The bill before the Senate now only deals with the energy markets. I must say that in many respects the case for reforming agricultural markets is even greater than the case for energy markets, though the American consumer is feeling the increase in food prices less painfully than the increase in gas prices. But trust me, anybody who has been to the supermarket lately knows they are feeling the pinch from increasing food prices as well.

Here is the reason. The agricultural commodity markets are historically very small. As investor money flows into index funds—this is a kind of package of investments in commodities that the big institutional investors put money in—that include agricultural components, there is a significant risk that the speculative activity will actually overwhelm the agricultural commodity markets to the great detriment of farmers and American consumers as well. We put our proposed legislation on the Homeland Security Committee's Web site. We got wonderful responses from people, one very poignant one from actually an agricultural food broker in the Midwest—I believe Iowa—complaining about the unbelievable impact on farmers of this excessive speculation coming into the food commodity markets. As he said, even though the farmers I deal with are making more money because food prices are going up, they know this is going in a bad direction because prices are going up for no good reason. They are going up for speculation.

There are those who will object to the bill because they think that government should never interfere in free markets. The father of capitalism, Adam Smith, noted in "The Wealth of Nations," the great classic text on capitalism, that even in a free market, there needs to be some limits. He wrote:

Those exertions of the natural liberty of a few individuals which may endanger the security of the whole society are and ought to be restrained by the laws of all governments.

I forgot who said it, but somebody else said, probably a little less elegantly, that the world has never seen anything like a free market system to create wealth. It is a magnificent means of creating wealth. But inherently the free market system has no conscience, and there are simply occasions when, to maximize gain, people will be downright greedy without regard to the consequences on society as a whole.

We honor wealth creation in America. People are not against wealthy people in America. Everybody wants to be wealthy in America. But when there are no, essentially, policemen on the economic beat, then people who have a lot of money begin to take advantage of people who are on the other end.

That is why we have a whole system of regulation. I daresay it is part of the reason failure to regulate adequately, which has been noted by people in both parties—Secretary Paulson and others have talked about it—failure to regulate financial markets, to adequately create accountability in the extension of home mortgages—a banker gives a mortgage to somebody who is not able to pay it over the long term, but the banker has no accountability because the banker puts it in a package, sells it to somebody up the chain, and the next thing you know somebody is buying a bond based on those mortgages who lives in Norway, as somebody gave me a real-life example.

That is beginning to happen in a different way in speculation in commodity markets, which is why I think we have to extend the original law to cover the reality of our day, to protect the American consumer and, in fact, to protect the American economy.

So I know there is what has become a characteristic classic Senate moment where there is a potential gridlock over this bill because of disagreements on what amendments will be allowed. I surely hope we can overcome that because the American people need the relief this bill will offer. I hope we can figure out a way to come to a lot of the other ideas that colleagues want to put on as amendments because the American people need the relief those amendments will offer as well.

I know people comment on and joke about the fact that in recent polling, the people who have a favorable impression of Congress has dropped below 10 percent to 9 percent. My friend, the Senator from Arizona, Mr. McCAIN, says when you get down to 9 percent favorability for Congress, you are down to family and staff. I want to thank my family and my staff, all of you who are here.

But it is not a laughing matter, and the public is not happy with us for good reason. We are not getting anything done to solve their problems that they worry about, that they face every day: the cost of energy, the cost of health care, the security of their jobs, et cetera, et cetera, et cetera, the price of energy.

This bill is one way to bring some help. So I hope we will figure out a way to get beyond the gridlock and get this done.

ORDER OF PROCEDURE

Mr. LIEBERMAN. Madam President, I ask unanimous consent that the Senate now recess until 5 p.m. today for the briefing from National Security Advisor Stephen Hadley; further, that the time in recess count postclosure, and following the recess, the time from 5 to 5:50 p.m. be equally divided between the two leaders or their designees.

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

Mr. LIEBERMAN. I thank the Chair.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 5 p.m.

Thereupon, the Senate, at 4:03 p.m., recessed until 5 p.m. and reassembled when called to order by the Presiding Officer (Mr. PRYOR).

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

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, the Senate has engaged over the last day and a half or two in probably one of the most important debates and, I hope, series of votes and actions this Congress can take this year. For the future years ahead, it may be precedent setting as to whether this country will return to its ability to produce not only traditional forms of energy but will grow to expand into new and alternative sources of energy so we can become increasingly less dependent upon foreign sources.

Great nations—and ours is a great nation—do not depend, in a way that they become dangerously at risk, on other nations' resources for their strength and their vitality. The great strength of our country has always been we could feed our people during a time of war and emergency, that we could take care of our own because we had an abundance of resource. It was also true of energy—all forms from energy—from the day we discovered the use and the effective use of whale oil as a form to light our houses and illuminate our worlds, to a progression from there to petroleum products, coal and then kerosene and then diesel and now, of course, gas and diesel and a myriad of products that flow from the hydrocarbons our Nation so abundantly produced.

I came to this Congress in 1980. At that time, we were about 35 percent dependent for our hydrocarbon needs on foreign nations. The rest of it we produced ourselves. As a result of that, we had flexibility and we had little to no liability, and, therefore, little risk, that we could be held hostage or that our economy and, therefore, our people and their will could be shaped by a foreign power. That time has changed because, over the last two decades, we made a concerted decision—a political decision—to stop producing. We began to put vast known oil reserves off-limits in the name of the environment, and we began to increasingly buy from foreign production and foreign-producing powers. Today, we stand at a near 70-percent dependency, and for any great nation to be 70 percent dependent on someone else other than themselves, that great nation is a nation at risk.

Today, the United States of America is at risk because we don't control our energy destiny. We have to react to it. We send our President to foreign countries with hat in hand, asking them to produce because we have grown so rich and so arrogant we refuse to produce ourselves. That game plan or that scheme, while it wasn't working, at least was reasonably well accepted, until other consumers began to enter that world market of oil: China and India and other developing nations. They began to consume from that finite pool of resource from which we were the large takers. The price began to change.

I remember a few years ago I thought: Well, gee, at \$2, that is a