

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

break point. The American consumer will finally react. We went by \$2 a gallon for gas as if it didn't exist. Well, at about \$2.75, I began to get phone calls from some of my farmers and large consumers saying: Larry, it is getting pretty pricey out here. But the average consumer still wasn't reacting. Last year, we went by \$3 a gallon as the world began to recognize we were consuming more and more and producing less and less of a very important product—crude oil. In the high dollar, the \$3-and-some-odd-cents range, my phones began to ring. Idaho consumers, who are large consumers of energy—because we travel long distances in big, expansive, Western rural States such as Idaho—were saying: Larry, this is expensive stuff. We are having trouble. That was at \$3.50 or \$3.60. Then, all of a sudden, it hits four bucks and everybody's phones light up. America asked us—the politician, the public policy shaper—what happened? Why are we here? Why was this allowed? Why are you standing in the way of the ability of the marketplace to drill and produce? That is the debate we are having right now. It is a very important debate.

The majority leader, the Democratic leader, HARRY REID, has brought S. 3268 to the floor saying: It is speculation. Somebody out there in the marketplace is profiteering; therefore, this is the bill that will fix it. Well, I am saying: HARRY, that is fine. There might be some slight maneuvering in the market, so let's debate the bill, but we also know it is clearly a supply-and-demand situation and maybe we ought to figure out how markets work. A few of us know about that. Others try to deny it; that is: If you have more being consumed than you are producing, you create a new value to the commodity or the product being consumed.

So what I am saying and what other Republicans are saying is: We will debate S. 3268, but we want an opportunity to add to it a production concept. We want to be able to produce, to turn this great Nation on to production. Guess what they are saying over here. No, no, no, no. We have built our political base on nonproduction over the last 20 years. We have said let's be green. Let's don't produce anymore. Let's take it off-limits.

It didn't work, did it? No, it didn't. If you are paying four bucks today and you are angry about it, there is a clear answer why you are: This Nation quit producing. We didn't quit consuming. We began to consume what the rest of the world had, and the rest of the world wants it now as badly as we do. That is the reality of the problem we are in. This Senate ought to spend all the time it takes to produce a bill that deals with speculation, if it is there, and allows this Nation to produce once again.

We have done it. We did it in 2005. We were responsible. We brought a bill to the floor, we spent 2 weeks, we had many amendments, we debated them

up or down, they passed by 50 percent plus 1 or more votes, and those that didn't failed. We produced one of the better energy bills our Nation has seen. When we started that debate, there wasn't a nuclear reactor on the drawing board for design. Today, there are 33—a direct result of a responsible action on the part of the Senate and the House in the Energy Policy Act of 2005.

Then, in 2007, last year, another energy bill—because the Senate was somewhat awakening and public policymakers were awakening to the reality of the need that had not hit us full force in 2008. We passed a bill that had a new renewable fuels standard that allowed increased production in biofuels. Today, the Department of Energy said if we didn't have ethanol in the market, the gas at the pump would be 25 to 40 cents more a gallon. So we have done some things there, and there are those who oppose it. There were some on the floor who opposed it, but we handled it in a responsible fashion. We brought the bill to the floor. We allowed it to be amended. We debated it. There was no filibuster. There is no filibuster today. It is simply a majority leader of a party that has based their politics on a nonproducing policy, and they can't allow the consumer to understand it or see it. So when we come to the floor and say: Let's amend it, let's add production to it, the answer is: Oh, no. Politically, we can't go there. There is an election out there. Let the American consumer and his pocketbook burn down.

Well, if that is the policy of the day, it is the wrong policy. It should not be allowed. I am one who will refuse to allow it to go forward. We are either going to debate energy in a full-blown, responsible fashion; we are going to allow amendments that are going to be up or down, we will win or we will lose, but America deserves to see a robust, proproduction, proconservation, proalternative, antispeculation debate and bill produced on the floor of the Senate. Anything less isn't acceptable. I hope the American people are listening today. Anything less than that isn't acceptable.

My time is nearly up, so let me conclude because others are on the floor to debate this important issue. Two years ago, I introduced this chart to the lexicon of the debate on American oil production. Then I called it the "No Zone," and others are now using it, and I am mighty proud they are, because this red area was where American politics said you cannot drill. We called it the "No Zone." Well, we know there is potentially billions of barrels of oil there, but oh, we dare not touch it, for whatever political reason, I am not sure. But guess what Americans are saying today and what is incorporated in the opportunity to debate and amend a bill here on the floor: That is to allow effective and responsible exploration in areas where oil is known.

So come on, HARRY REID. Give America a chance to save some money. Give

America a chance to get back into production. It is quite that simple. I will conclude by saying: How simple? Use the bill you have. Allow it to be amended. Allow a full debate. Allow Senators to work their will, and we can produce something that in time will allow production to flow and the American consumer to be once again advantaged by a robust energy market.

I yield the floor.

Mr. SANDERS. Mr. President, I ask unanimous consent to speak for up to 4 minutes.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. SANDERS. Mr. President, let me begin by suggesting that a number of my Republican friends who come to the floor speak under the mantra: Drill, drill, drill; it is going to solve all our problems. Well, you know what. The American people, the people in Vermont are disgusted, angry, and frustrated that they are paying \$4.10 for a gallon of gas. The people in my State—the Northern part of this country—are worried sick about how they are going to be able to heat their homes next winter when the price of home heating fuel may well be double what it was just a few years ago. Well, you know what. Drill, drill, drill is not going to solve the problem because President Bush's own Energy Department has told us very clearly that increased drilling offshore—what many of my Republican friends want—would have "no significant impact" on gas prices until the year 2030. Even then, its impact would be negligible.

So if you are outraged about paying \$4.10 for a gallon of gas, it is of no help at all for our Republican friends to say: Well, gee, maybe in 20-some-odd years we may be able to lower the cost of gas by a few cents a gallon. We must do a lot better than that. We have some folks who think we should drill for oil in the Arctic National Wildlife Refuge. Well, President Bush's own Energy Department told us in 2005:

Drilling in the Arctic National Wildlife Refuge would only reduce gasoline prices by a penny per gallon and only in 20 years when drilling is at or near peak production.

So if we are serious about addressing the energy crisis this country has, and we don't want to wait another 20 or 25 years to lower gas prices by a few cents a gallon, we have to start looking at some other options. The first option we have to look at is taking a hard look at the excessive speculation which is now taking place in the energy market.

We have heard experts, energy economists, come before one committee or another to tell us, in fact, that the price of a barrel of oil today may be 25 to 50 percent higher than it should be under normal processes—supply and demand and the cost of production—because of excessive speculation. So we have to move aggressively on the speculation issue.

Second, because I know ExxonMobil feels that the public doesn't trust them, it is nice to see so many of my

Republican friends who have such confidence in the oil industry, and who believe that if we allow the oil companies to drill offshore in areas where there has been a drilling moratorium, to ignore the fact that there are over 60 million acres of land they already have leases on, and people believe if a oil company is given more land to drill, then prices will go down. I am glad to see some people have confidence in the oil companies. I personally do not.

While oil prices have been soaring, it is important to point out that, year after year, oil companies have been making record-breaking profits. Year after year, they have been paying their CEOs huge and excessive compensation packages. Year after year, instead of investing in new machinery to, in fact, drill for more oil, they have been using their profits to buy back stock and raise the price of the stock.

Last year alone, ExxonMobil used \$38 billion of their windfall profits to buy back their own stock in increased dividends to their shareholders. Mr. President, \$38 billion is enough money to reduce gas prices at the pump by 27 cents a gallon for an entire year. But it is interesting to know that some of our Republican friends have so much confidence that if we gave our friends in the oil companies even more territory to drill on, in environmentally sensitive areas, they will absolutely do the right thing, that the oil companies are staying up nights—ExxonMobil and the others—worrying about the American consumer. If you believe that, I have a couple of bridges to sell you.

I think we have to take a hard look at the continued greed of the oil companies. It would be a nice thing if we had a President of the United States who wasn't, in fact, an oilman. It would be a good thing if we had a Vice President who wasn't part of the oil industry. It would be nice if we had a President of the United States who would bring the oil industry into the Oval Office and say, gentlemen—and they are gentlemen—stop ripping off the American people. You have to start lowering your prices.

Thirdly, when we deal with the myriad of problems we have in terms of energy, we have to be mindful not only of the greed of the oil companies, not only of Wall Street speculation, but we have to understand that right now—right now—this summer and this winter there are millions of Americans who need and will need immediate help to deal with the coming winter, as to whether they are going to be heating their homes, whether they are going to be going cold, and in fact we have to worry about people now in the southern States who are seeing temperatures of 110, 115 degrees, who cannot afford the rapidly increasing price of electricity, and are seeing their electricity turned off.

If you are old and you are sick and frail, do you know what. That 115 degree temperature is not particularly healthy for you. What we need to do—

and I hope we can get the bill on the floor immediately—is substantially increase funding for LIHEAP. We have legislation that would double LIHEAP funding. I am proud to say this bill has bipartisan support. We already have 49 cosponsors, including 12 Republicans. I have little doubt that if we can get that bill on the floor, if the Republicans do not continue to object to Senator REID's effort to bring it up, we can get not only 60 votes but maybe a lot more. There is companion legislation in the House. We can move this quickly, while we continue the debate on energy policy, and we should come together. We have the votes to significantly expand LIHEAP funding and make sure that old people who are trying to exist in 115 degree temperatures in the Southwest do not get sick from heat exhaustion because they don't have electricity, which is a problem that LIHEAP could address.

Of course, as part of this overall debate, it is very clear to many of us that we must, finally, in a significant way, a dramatic way, in a way that Vice President Gore was talking about a few days ago, break our dependency on fossil fuel, on foreign oil, and move this country to sustainable energy and energy efficiency.

That is an outline of where we want to go. I think some of my Republican friends are talking about very insignificant lowering of prices in 20 years or 25 years. I think we have to pass the speculation bill that is on the floor right now.

It is interesting to me that we have had executives of major oil companies who have come here to Congress—and people are saying, “Why is oil \$125, \$130, \$140 a barrel?” Do you know what they say? The CEO of Royal Dutch Shell testified before Congress:

The oil fundamentals are no problem. They are the same as they were when oil was selling for \$60 a barrel.

That was the CEO of Royal Dutch Shell. My friends say it is supply and demand. That is not what a number of executives from the oil industry, who presumably know something about the issue, are saying.

The CEO of Marathon Oil recently said:

\$100 [this is back when it was \$100 oil] isn't justified by the physical demand in the market.

The senior vice president of ExxonMobil, Stephen Simon, told the House Energy and Commerce Committee:

The price of oil should be at \$50 to \$55 per barrel.

So you have folks from the oil industry, who, I suspect, know something about oil fundamentals, who are telling us that the price of oil today is way, way, way higher than it should be. One of the reasons they point to is the role of speculation. By “speculation,” we mean that as a result of an action by Senator Gramm back in 2000, with the so-called Enron loophole, energy trading has been deregulated. We have seen

the results in a number of areas. Some people say: You guys are talking about speculation; you are into conspiracy theories. You are pointing out the bad guys there, and you are trying to create demons.

Let's look at recent history. Is the idea of speculation in energy markets a new idea? Well, in 2000 and 2001, our friends at Enron successfully manipulated the electricity markets, and the results, of course, were that in the western part of our country, electric rates went off the wall. I remind you that during that discussion you may remember that what Enron was saying was: Don't blame us; this is supply and demand. Well, some of those people who were telling us that, I suspect, are in jail now, because as everybody knows, Enron manipulated prices big time until they were finally uncovered. Enron collapsed, and some of their executives, I believe, are now in jail. That was manipulation of the electricity markets in 2000 and 2001.

That is not all that has happened in the last decade. In 2004, energy price manipulators moved to the propane market. Many people use propane to heat their homes. That year, the CFTC, Commodity Futures Trading Commission, found that BP artificially increased propane prices by purchasing enormous quantities of propane and withholding the fuel to drive prices higher. In other words, they manipulated the propane market and prices went up. By the end of February of 2004, BP controlled almost 90 percent of all propane delivered on a pipeline that stretches from Texas to Pennsylvania and New York. BP's cornering of the propane market caused prices to increase by 40 percent during the month of February 2004, which eventually caused them, because of their illegal manipulation of the propane market, to pay a \$303 million fine.

So, again, when we are talking about speculation, and people say you are into conspiracy theories, etc., etc., etc—we have, in 2000 and 2001, Enron manipulating the electric market; and, in 2004, we have BP manipulating the propane market.

But it goes on. In 2006, energy price manipulators moved to the natural gas market. When Federal regulators discovered that the Amaranth hedge fund was responsible for artificially driving up natural gas prices—natural gas. So we had electricity, propane, and now we are on natural gas. Amaranth cornered the natural gas market by controlling as much as 75 percent of all of the natural gas futures contracts in a single month. The skyrocketing cost of natural gas, because of Amaranth's control of the market, cost American consumers an estimated \$9 billion. Shortly after Amaranth was suspected of manipulating natural gas prices, the hedge fund collapsed.

Today, there are many who believe that what happened in electricity, what happened in propane, and what happened in natural gas is now happening in oil. I think we should not be

shocked by that, given the recent history I have mentioned. I think we have to move very aggressively in dealing with speculation.

Let me take this opportunity to say a few words about the LIHEAP legislation. The bill we introduced would increase LIHEAP funding by going from \$2.5 billion to over \$5 billion. Basically, it is a doubling of funding. That, in fact, is the amount that has already been authorized. We should be very clear. In terms of the need to increase LIHEAP funding, we are literally dealing with a life-and-death situation. People will die. People will die of exposure to cold. People will die of heat exhaustion if we do not move, and if we do not move quickly.

It is important to understand, because CNN cameras do not go there—they do not go to an old person's house in Tucson, AZ, who is struggling with 110 and 115 degree temperatures without electricity. They don't go to a low or moderate income home in Vermont and Maine when people are trying to stay warm, when the temperature gets 20 below zero. The truth is that more people have died from the extreme heat and hypothermia since 1998 than all natural disasters in this country combined, including floods, fires, hurricanes and tornadoes. I know we all see and appreciate the pain people in the Midwest are experiencing today with the floods. We appreciate and want to respond to the crisis in California with the fires. But the fact is that more people die from exposure to cold and to heat than from these natural disasters, as terrible as they are.

To give you an example—this is hard to believe, and many people don't know this—over the past decade, more than 400 people have died of heat exposure in Arizona. That is one State. That is 400 people in the last decade, including 31 people in July of 2005. All of these deaths could have been prevented if these people had had air conditioning.

What I worry about is that electricity prices are going up because fuel prices are going up. Our economy is tanking, and we are seeing a record number of disconnects. So I ask people to be concerned about what happens when it gets 20 below zero in Vermont and in Maine. I also ask people to be concerned about what happens when people get disconnected from their electricity in Arizona, Nevada, Texas, and other States.

Let me simply conclude that, clearly, we are in the midst of a major energy crisis. There are a number of aspects to that crisis and they have to be addressed. I hope that, as a Congress, while we debate those issues, we come together, as I think we are, in saying that no one in this country this year should die of heat exposure, no one in this country should die through being frozen to death when the temperature gets very low in the northern part of our country.

I thank, again, the 49 cosponsors of this legislation. It is tripartisan. Both

Independents are on it. We have 12 Republicans on it. The rest are Democrats. I thank them all. I thank Senator REID for trying his best to try to get that bill to the floor as soon as possible. The AARP and dozens of other national organizations know how important it is that we pass an increase in LIHEAP funding and do it as soon as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I inquire, I believe the Republicans have 13 minutes?

The PRESIDING OFFICER. That is correct.

Mr. INHOFE. Mr. President, will you please let me know when 6½ minutes has expired.

Mr. President, it is somewhat humorous to listen to the class warfare that has been coming from the other side of the aisle talking about trying to explain to the American people that supply and demand does not work. It is interesting that the other day, there was an editorial in the Washington Post saying even Congress can't repeal the law of supply and demand. Supply and demand does work, and it is a tough job to try to explain to people and it is going to be very difficult to explain to people who are buying gas at the pumps why increasing supply is not going to bring down the price.

Let me clarify one point. It is always easier to find someone to blame for a quick fix. On this speculation bill, none of the people who are really well informed on this issue believe that would have anything to do—anything to do—with the price of gas at the pumps. Walter Williams, an economist at George Mason University, said:

Congressional attacks on speculation do not alter the oil market's fundamental supply and demand conditions.

He goes on to say it wouldn't lower it at all.

We have the International Energy Agency saying:

Blaming speculation is an easy solution which avoids taking the necessary steps to improve supply of oil and gas.

That is what it is all about, it is supply and demand. There is not a person in America who has a high school education who has not already studied the law of supply and demand, and they know, in fact, it does work.

I came down really to talk about something about which I am proud, and that is what T. Boone Pickens is doing right now. He is saying we have to continue to drill, drill, drill everywhere we can—offshore, ANWR, into the shales—do everything we can to produce and increase the supply. But in the meantime, let's try to do something that has a more immediate effect, and that has to do with compressed natural gas.

Let me state to you, Mr. President, that I have introduced a bill that will allow us to use compressed natural gas for automobile use. It simply does three things.

We now have a tax credit for alternative fuels, and we want to add biofuels to that. One of the problems we have currently, if you have a car that has been converted to natural gas, to compressed natural gas, it is not readily available all over. There is a machine you can get now which you hook up at nighttime which will compress it overnight and you can use it. A lot of people don't have that machine. There are some places you cannot buy it. So biofuels vehicles should have the same tax credit as the alternative-fuel vehicles have. If we can do that, then that is going to allow people to have an engine to run on regular gasoline or on compressed natural gas.

The second thing we need to do is to have the mandatory renewable fuels standard include natural gas. If it does that, that is going to be another great advantage.

The third thing is, I was talking to a man named Tom Sewell in Tulsa. He is the one who I believe invented the machine you can hook up to your gas line and compress the gas for use in automobiles. He said one of the major problems is, when you go to convert your car, you have EPA requirements that are the same—if you have one engine that would be in three different manufactured automobiles, such as General Motors, Chrysler, and Ford, and some others, they have to get the same certification for that engine from each source. Certification is around \$80,000. If we can pass this legislation, this will knock down the additional cost of converting your car by about \$2,000 for each one.

I think this is something that has to be in the mix. I agree with T. Boone Pickens when he says there are some things we can do that would be effective, but in the meantime we have to take the natural gas we are using for other sources and replace it with—he is saying wind energy. I don't care what you replace it with, but let's use that so we can have compressed natural gas or liquefied natural gas. All these buses around Washington, DC, say "This bus is running on clean natural gas." That is liquefied natural gas. Those technologies are here. You don't have to wait.

To answer the previous speaker—he spent 30 minutes trying to explain to people that supply and demand does not work—just look at this and realize that if we were able to open the Outer Continental Shelf, 14 billion barrels; ANWR, 10 million barrels; Rocky Mountain oil shale, which is the big reserve out there, 2 trillion barrels—right now Democrats have a moratorium, so we cannot go to those areas. They are trying to do the same thing with the Canadian oil sands. They already put a prohibition on using that for defense purposes. There are 179 billion barrels out there. This is what we can use. If we should open this, the market would immediately respond. All the smart people say they know that would happen because they know that help would be on its way.

Some of this we don't have to wait 10 years or 15 years for, as the previous speaker wants you to believe, because it can happen in 2 years or 3 years. In the meantime, the market will respond. People who say it would have taken 10 years for ANWR, if you remember back when President Clinton vetoed the bill that would have allowed us to drill in ANWR as well as offshore—that was 1995—we would have all of that. The next speaker from Alaska will tell you that would be coming down through the pipeline today, more than what we are importing now, not just from Saudi Arabia but all the Middle Eastern countries and Venezuela combined.

Supply and demand still works. It is still out there, it is still alive and well, and Republicans want very much to increase the supply. There it is, right there. It is something we can do. All we need is to have 10 Democrats join us, and we will be able to increase the supply of oil and gas in America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Ms. MURKOWSKI. Mr. President, yesterday I had the opportunity to spend about half an hour on the floor talking about the leasing issues around the country and more particularly in Alaska. I had the opportunity to talk about ANWR and about the NPRA, the National Petroleum Reserve, and spent a fair amount of time on the facts. I was quite pleased this morning to come in and read e-mails from people around the country who said: Thank you for talking about some of the facts. We appreciate learning and understanding what ANWR really is, what the potential is in NPRA. Today, I would like to continue on that subject.

In Alaska, as we know, we have been blessed with incredible resources. There have been some suggestions in the debate on the floor that perhaps there isn't enough oil and gas in this country for us to really make a meaningful impact with new production. So I wish to speak just a little bit to the production side of the energy solution.

According to the latest estimates by the USGS and the Minerals Management Service, it is possible to produce nearly 24 billion barrels of oil and 100.6 trillion cubic feet of gas from onshore areas in northern Alaska—these are mean estimates—and up to another 41 billion barrels of oil and about another 290 trillion cubic feet of gas from offshore waters around Alaska. Just this afternoon, USGS came in with their new Arctic resource appraisal, and they forecast that the Beaufort and Chukchi Seas have a mean chance of containing 30 billion barrels of oil. From an oil perspective, Alaska's Arctic is being forecast to contain a third—a third—of all the undiscovered conventional oil in the Arctic region.

We recognize that when we operate up there, we must protect the environment while we develop that energy, and we will. But Alaska offers a lot of

energy potential. When I hear some of the comments on the floor that we simply do not even have enough to start, I beg to differ. The potential production from Alaska is triple America's current proven reserves of oil and would be enough oil to meet the Nation's total oil needs for nearly a decade. The gas reserves are nearly double America's current proven reserves and enough to handle all of America's current natural gas consumption for 18 years. These are not trivial reserves, if we are ever allowed to develop them. Just look at what we have up in ANWR, looking at opening the 1.5 million acres of the 1002, the Arctic Coastal Plain.

As we talk about ANWR and its potential, what we are not really hearing is what ANWR's oil potential really means to the Nation at the current gas prices, recognizing we are right at \$130 a barrel.

Earlier this year, the EIA released its latest estimates for ANWR production and what it would mean. At that time, it predicted that ANWR's opening would save the Nation from paying up to \$327 billion—\$327 billion—to buy oil from overseas over the life of the field. It predicted that it could reduce America's dependence on imported oil down to 48 percent compared to the more than 60 percent dependence we are at currently.

The EIA forecast on ANWR from this winter again actually has been used by some on the floor to argue against opening ANWR, saying ANWR doesn't help the Nation enough, it is going to take too long to have an impact, and therefore we shouldn't be doing it. There is a Chinese proverb out there that says the best time to plant a tree was 10 years ago; the second best time is today. I think that holds true with ANWR. Those who make these arguments saying there is not enough and it is too late do not recognize this EIA forecast is based on the most conservative assumptions possible. We believe the benefits are likely to be twice to three times the amount of the official forecast. The reason is this: The report pegs the price of oil in 2020 at \$59.49 a barrel in 2006 dollars. They are looking out to 2020, and they are saying: We figure the price of oil is going to be \$59.49. Given that oil is more than twice that today and that few economists predict it is going to drop to \$70 or \$80 a barrel in the future, ANWR production could help to drive down the price at the pump by a whole lot more than the Government officially forecasts.

The International Energy Agency just this week reported that it expects oil prices to rise even further. I know that is not something most Americans want to hear, but given that the era of cheap and easy-to-find gas is over, we should acknowledge that those predictions are reliable.

We all remember the Goldman Sachs comment earlier this year. They forecast that oil could reach \$200 a barrel, particularly with the geopolitical tensions that are out there. So opening

ANWR could help to lower our prices in this country.

The myth that ANWR production is not worth doing because there is not much oil there is yet, again, another myth. According to EIA's January forecast, ANWR oil development, assuming a 50-50 chance of finding 10.4 billion barrels of oil, is going to produce 780,000 barrels a day starting in 2018. We think that it can be brought on prior to 2018 and believe that is realistic.

We can do more in the State of Alaska. We are ready and standing by to do more, but we need the permission from the Congress to go into ANWR.

I know I just spoke strictly to production. I don't typically like to do that. I like to talk about other efforts, including conservation and renewables. Tonight, it is just the facts on ANWR.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I hope that what is happening on the floor today is visible to people across our country. They have to see what is happening on the Senate floor as they pay through the nose, to use the expression, for higher prices for gasoline. Our Republican colleagues are blocking our efforts to eliminate harmful oil speculation and to provide some relief at the gas pump for hard-working Americans everywhere. They are holding up our speculation bill with a reckless plan to let oil companies drill along our shores.

We do not have to look any further than what happened just this morning on the Mississippi River to understand why this planning is so reckless.

Two boats collided—one was a chemical tanker and the other an oil barge—dumping 400,000 gallons of oil into the Mississippi River. Now, these numbers, 400,000 gallons, may not really reach the senses of people because it is so far removed, but this collision covered more than 12 miles of the river with thick, tar-like fuel oil, and it closed down almost—closed down the Mississippi River for about 30 miles. This spill shut down water supplies to the area, and there is a frantic effort going on right now to try to contain the spill and the damage it is causing to nearby wetlands. This incident highlights the danger and the serious risks of transporting oil from rigs and refineries to other places.

Many of my colleagues have come down to the Senate floor over the last several days to urge more drilling off our coasts, more drilling across our country, but in particular we know the danger to coastlines. We see today that it is clearly not as safe as some would like us to believe.

It is a sad commentary, though, that regardless of the reality, there are those who are carelessly suggesting that drilling will solve our problems with the outrageous price of high gasoline, prices that are robbing our families of their ability to stay financially

afloat. For lots of people, these increases in gas prices destroy any reserve that families had because we are, by and large, a commuting nation, and people pay enormous prices for the ability to get to work or to places of necessity.

But there is something happening here. There is an advantage that accrues gigantically, I might add, to the big oil companies and speculators. Big oil has fared incredibly well during the last 7½ years. That is thanks to their friends and cohorts at the White House. There was a point in time when the energy policy was being written that heads of major oil companies were invited to a secret meeting with the Vice President of the United States to design a program.

Who do you think they were going to take care of? They weren't worried about the average working family, not at all. They were looking at the companies and their ability to price gouge.

In fact, hard to believe, these oil companies have earned—pocketed is a better expression—more than \$600 billion in profits over the last 7½ years. For instance, ExxonMobil made over \$10 billion in a single calendar quarter, and their profits have been coming out of our pockets and going into theirs.

President Bush's latest plan is to give the industry more public land on which to drill. But this is nothing more than a parting gift, his parting gift to the oil companies.

I want to make one thing clear. More drilling now cannot lower gas prices for American consumers. In the amount of time that it takes to get it to the gasoline pump, we could be witnessing a financial calamity in our country. More offshore drilling will not impact prices until, at the very earliest, the year 2030.

We all recognize the importance of reducing gas prices to stabilize this country's economy and to ease this terrible burden on America's families, but the plan for new drilling along our coasts could be a disaster. It will do nothing to solve our energy crisis, nothing to lower gas prices, nothing to fight inflation, and nothing to help America's families.

Here is another reason lifting the ban on offshore drilling is a bad idea. It will endanger our environment which for coastal communities is a huge source of revenue from tourism and recreation. Just imagine if one of these proposed drilling rigs or, as happened today, a boat had an accident and spread thick sludge along our beaches and coastlines. It would create a disaster culturally, financially, and recreationally. We would see the same kind of economic catastrophe that we had in New Jersey in 1988 after sewage and medical waste washed up on our beaches. The tourism industry, our biggest source of revenue, collapsed for 2 years.

It is clear the oil companies are hoping they can get as many leases as they can out of the Bush administration be-

fore this President's term comes to an end. But when it is giving the oil companies new leases, we have nothing to gain and everything to lose. We must not cater to the oil companies, but we can do something to lower gas prices quickly and start easing the burden on the American people, and my Democratic colleagues and I have offered a solution.

I hope my colleagues will step up to their responsibilities and permit us to act on this solution, the Stop Excessive Speculation Act, aimed at combating harmful oil speculation at the expense of the American people in every State in this country.

The price of oil has doubled in the last 12 months, and many point to speculation as the problem.

The top analyst at the Oppenheimer—when talking about speculation—said the commodities market was “the world's largest gambling hall.” And the CEOs of Continental, Delta, Jet Blue and other airlines, which are struggling to cope with crushing oil prices, have joined together to create the Web site Stop Oil Speculation Now Dot Com.

The fact is, you don't have to be an airline CEO or even a financial analyst to realize that we must ring out excess speculation from the market. And that is exactly what our bill does.

It fixes the Commodity Futures Trading Commission which oversees the oil futures markets but is currently both underfunded and broken.

It gives the commission more staff and power to police the market and stop speculators from grossly distorting the price of oil.

And it closes a major loophole that allows traders to conduct transactions on foreign exchanges and outside the watchful eyes of U.S. regulators.

For months, my colleagues and I have been working to solve this energy crisis. But the Republicans have blocked our efforts a half dozen times.

American families and American businesses are suffering because Republicans—working on behalf of the oil companies—continue to block our efforts. The Republican tactic of blocking good energy legislation must stop for the good of the economy, the good of businesses and the good of families across this country.

I plead with my Republican colleagues to stop focusing only on giving gifts to Big Oil in the form of a public land grab and to focus instead on ending excessive oil speculation.

Mr. President, I yield the floor.

STOP EXCESSIVE ENERGY SPECULATION ACT OF 2008

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion to proceed.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

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

The PRESIDING OFFICER. The majority leader.

AMENDMENT NO. 5098

Mr. REID. Mr. President, I have an amendment at the desk, and I ask for its consideration at this time.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 5098.

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

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

The amendment is as follows:

The provisions of this bill shall become effective 5 days after enactment.

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

AMENDMENT NO. 5099 TO AMENDMENT NO. 5098

Mr. REID. Mr. President, I have a second-degree amendment at the desk, and I ask that it be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 5099 to amendment No. 5098.

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

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

The amendment is as follows:

In the amendment, strike “5” and insert “4”.

Mr. REID. Mr. President, it seems that the Republicans have two tools in their obstruction and delay kit. It is a tool kit that has worked quite well for them. First, they prevent the Senate from getting to bills. The Republican leader uses this tool when he can convince enough of his caucus to kill legislation before the Senate debate even begins.

Second, when a bill is so popular that the Republican leader is unable to convince enough of his colleagues to kill it before debate can begin, he switches to his second tool—claiming the process is unfair. That is what we have before us today.

The Republican leader requests an unlimited or virtually unlimited number of amendments on which he is unable or unwilling to provide specifics. When these requests are not accepted in their entirety, as the Republican leader knows they cannot be, he then turns to his caucus and asks them to oppose any further action on the bill.

Regardless of which tool the minority leader uses, the result is the same. The Republicans refuse to let us address the most critical priorities of the American people.