

Now, I ask the leader: Is it correct, in your view, that what Senator McCAIN was saying is that while the benefits of production would take some years to achieve, there could be an immediate psychological benefit simply from the decision that we were going to do this, such as the \$20 reduction in the price of a barrel of oil following shortly after the President's announcement that he was going to lift the moratorium on offshore drilling?

Mr. MCCONNELL. My understanding of Senator McCAIN's position is the same as my good friend from Arizona. I believe he states correctly the position of his senior colleague from Arizona on this important issue of whether it would be useful for America—the third-largest oil producer in the world, sitting on vast reserves—to expand the usage of those reserves, particularly on the Outer Continental Shelf.

Mr. KYL. Secondly, Mr. President, the second question. The Republican leader said a moment ago that speculators were betting on scarcity and the majority is doing everything to prove them right.

With respect to a decision to begin production off our shores on the Outer Continental Shelf, is it the Senator's opinion that this would have a beneficial effect on drawing down the price of futures in the oil market because the decision would be seen as a commitment to produce more?

Mr. MCCONNELL. I would say to my friend from Arizona, my view on that is probably not as significant as others. For example, the famous oilman, T. Boone Pickens, who has been in town this week and who has met with Republicans and Democrats, has made it quite clear that he thinks we ought to be doing all these things, both on the find-more side, which would certainly involve greater use of the Outer Continental Shelf which is currently off-limits. He thinks we ought to be doing all these things. I gather that most experts understand the law of supply and demand, and if you increase supply and diminish demand, you are working in tandem to get gas prices down. I think it makes elementary good sense that that is the only way we will be able to make progress on this issue.

Mr. KYL. I thank the leader.

RESERVATION OF LEADER TIME

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

WARM IN WINTER AND COOL IN SUMMER ACT—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 3186 which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to Calendar No. 835, S. 3186, a bill to provide funding for the Low-Income Home Energy Assistance Program.

Mr. DURBIN addressed the Chair.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 10:30 a.m. shall be equally divided and controlled between the two leaders or their designees.

The assistant majority leader is recognized.

Mr. DURBIN. Mr. President, I was going to ask unanimous consent to speak as in leader time on behalf of Senator REID, who is not here, following Senator MCCONNELL.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DOMENICI. Reserving the right to object, I understand the remaining time until 10:30 is already allocated, half of it to the Democrats and half to us. From our side, I intend to claim our half, and I will use it when the time arises.

The ACTING PRESIDENT pro tempore. The time until 10:30 is equally divided.

Mr. DOMENICI. Does the Senator from Illinois desire to speak now? Is that what he is saying? I am glad to let that happen.

Mr. DURBIN. Yes. I ask to be allocated the Democratic time, and I am going to yield to the Senator from Missouri to begin that.

The ACTING PRESIDENT pro tempore. The Senator is correct. The assistant majority leader.

Mr. KYL. Mr. President, might I clarify? There was no objection to the assistant leader speaking as part of the Democratic time as it is now allocated; is that right?

Mr. DURBIN. I would like to yield to the Senator from Missouri.

Mrs. MCCASKILL. Mr. President, I would like to ask, if I could, the minority whip one brief question before he leaves the Chamber. I notice you all were trying to clarify the position of our colleague from Arizona on drilling, and this is simply a yes or no question. Does Senator McCAIN support drilling in ANWR?

Mr. KYL. Mr. President, I am happy to respond. I was not only clarifying his position but ensuring people understood what the majority leader said about his position was incorrect. Senator McCAIN does not support drilling in ANWR, but he does support drilling off our coastal shores and the Outer Continental Shelf.

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

GAS PRICES

Mr. DURBIN. Mr. President, the motto of the Republicans in the Senate is: Talk more, produce less. Do you know what we offered them this week? We said to the Republicans: Here is the opportunity of a lifetime. Do you have a position on speculation? Do you think it is an issue? If you do, put your proposal on the floor and we will put our proposal on the floor. We will have an equal vote requirement, equal de-

bate time. We will go at it and we will let the Senate decide. We are not going to write your version of the speculation, you would not write ours, but you have every right to do that. The Republican response was: No, we are not interested in that. We don't think speculation is a problem.

Well, they ought to meet with the CEOs of the major airlines. They ought to spend a minute talking to them about what they feel because they are paying the jet fuel costs and they are cutting back on service and they are cutting back on employment. That is the reality of what they face today. Speculation, manipulation is a major concern. We have a responsible approach to it. The Republicans refuse to offer an alternative. OK. That is their decision.

Then we said to them: Why don't you present your energy bill? The Republican leader came to the floor with a litany of things the Republicans believe in. For over a week we have said to them: Put it in a bill offered on the floor. They have said: No, no. We would rather come to the floor and complain, rather than come to the floor and debate our approach.

I listened to the Republican leader as he came to the floor, and it is very clear to me. They don't want a debate and a vote. They want this issue to drag out forever and ever, amen. That is not what the American people want. They want us to tackle this thing, offer alternatives on the floor, debate them up or down, go forward.

It troubles me when the Republican leader repeatedly says—incorrectly—that when it comes to energy, from the Democratic view, we want to deal with speculation and, in his words, “do nothing else.” He forgets the whole second part of this—the Energy bill we are proposing on the Democratic side and they are going to propose on the Republican side. We offered them that. They turned us down.

I might also say there is no idea how many amendments the Republicans are going to offer. Two days ago, Senator KYL and I were on the floor, and he said there were 25 amendments. Senator SPECTER walked up and said: I have 2, so make that 27. Then Senator KYL said: Come to think of it, I have one too. We are up to 28. That was 2 days ago. This is growing similar to bacteria in a petri dish as the Republicans meet in their conference and dream up more amendments. That is good. It shows a creative mind at work, and it is a great exercise, but it isn't what the American people are asking for.

If you have a good set of ideas, offer them. You want to bring up more nuclear power, Senator DOMENICI? Put that in your package. You want to have more offshore drilling, put it in your package. You want to have coal to oil, put it in your package. If you believe in it, stand and fight for it. But they will not. They will not fight for it. They want to run. Run to the press and

explain that they are not being given enough time on the floor, if they could have a little more time, as days burn off the calendar as they stand and complain. They can't come up with a plan, and that is the unfortunate reality.

Then, they quote T. Boone Pickens. Mr. Pickens, I am sure, is a gifted man. I have never met him. I have seen him on TV. He has spent a lot of money to make sure we all get to see him. They have misquoted him on the floor so often. I have watched that ad he is paying millions of dollars for America to see, and I do remember the part of the ad where he says: "We can't drill our way out of this problem." Mr. T. Boone Pickens said that.

You don't hear that from the Republican side. Their idea is we can drill our way out of this. They forget the reality. Of all the oil in the world, if you look at the vast quantity, we have 3 percent of it under our control—3 percent. We use 25 percent of the oil. You can't drill your way out of it. We know we are going to need exploration and production, but we know we need a lot more, including conservation, renewables, sustainable energy sources. That is the reality of what we face.

We have made this offer to them time and again. They will not accept it. They would rather come to the floor and complain.

When you go through the list, you see first drilling offshore. Democrats support that. There are 34 million acres currently under lease to oil companies for drilling they are not using. Why don't they start drilling there since they paid for this land?

Oil shale. That is in our bill. Even though that is 15 years away, we want to take a look at oil shale as an opportunity.

Incentives for batteries, of course we support that. There is no debate there.

Untapped American oil. We think there is untapped American oil in Alaska—23 million acres' worth that the oil companies aren't touching. They should go in there and take a look, drill for it, bring it forward.

Nuclear energy. I don't understand how Senator MCCONNELL could come to the floor and say we could bring gasoline prices down with more nuclear energy. Could you picture a car being powered by nuclear energy? I can't. If he is talking about plug-in hybrids, he ought to clarify the example he is using.

There are plenty of things we can do. It should have started with a good-faith offer which we made to the Republicans and, frankly, they should have accepted.

I yield the floor to the Senator from Missouri.

Mr. DOMENICI. He can't yield the floor to the Senator. He either uses it or it is there made available for the Republicans to use. He can't yield to someone.

Mrs. MCCASKILL addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator can allocate time to

another Senator based on the time allocated to him.

Mr. DOMENICI. Mr. President, I have no objection to her speaking. I understand that the time is allocated specifically. Who has time?

Mr. DURBIN. How much time remains?

The ACTING PRESIDENT pro tempore. There is 3 minutes 45 seconds on the majority side, 12 minutes on the minority side.

Mrs. MCCASKILL. Mr. President, I will speak as in morning business, so I am happy to yield now to the Senator from New Mexico. I am happy to do that.

Mr. DOMENICI. I understand there is 3 minutes left for the Senator from Illinois.

Mr. DURBIN. I will use it after the Senator speaks.

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

Mr. DOMENICI. Mr. President, I don't know where to begin. So many things are being said by the other side. In particular, the Senator from Illinois spoke for 10 minutes, and it is impossible for me to answer all of the fallacies he indicated to the American people in his remarks.

I want to say that yesterday afternoon I got word from the floor of the Senate that the American people are not going to be permitted to have a vote by the Senate on an amendment that would open the offshore lands owned by the American people, because the majority leader has seen fit to use a parliamentary process—and I know the people are confused and tired of us talking about parliamentary processes around here, but the truth is that Senators are also getting fed up with it. The majority leader comes along—and we all understand he has the right to be recognized—and, when he was recognized, he offered amendments, so that yesterday evening, as I sat preparing for today, I was told to change your thoughts and your approach because you cannot offer any amendments. That is an undeniable fact.

The majority leader has cloaked this bill in amendments and that is called "filling up the tree." I don't know where such an interesting concept came from. If it were Christmas time, filling up the tree would seem like a nice event. When you are here trying to get the Senate to vote on whether a giant asset that belongs to the American people can be open for drilling, it is not a very good-sounding series of words.

"Filling up the tree" means that those who want to offer amendments, who want to let the Senate determine the future of that 85 percent of the offshore lands of America, cannot do so. Those Senators, on behalf of their people—every Senator represents people and all of the people have an interest in the ownership of this land; it is a huge piece of land. It is very valuable in terms of crude oil and natural gas.

Americans should probably have woken up this morning to go to breakfast and to read in the paper: United States Senate permits drilling in the offshores of continental America so the price of gasoline can come down. That is what they should have read in the newspapers across the land. There is no question that more than 50 Senators—Democrats and Republicans—favor opening all of those lands to exploration; that is, drilling, and to let the Governors of the States participate in that process so the States can share in the royalty. That is a very simple proposition. That is the bill and that is the issue.

Now we have been told, for their own reasons, the Democrats have said you cannot do that, we have filled the tree. You will come to us and prayerfully ask for permission to do anything on this bill. You will have to seek our permission. So the Senator from Nevada can stand here and say you can do this or that, but the truth is, what he is saying is: If I want to let you do it, you can, because the rules of the Senate do not permit it.

So we are unable to get a vote. That doesn't mean we are going to quit. We are going to stay here on this floor. If, in fact, the majority leader tries to close off debate, he will lose, because we believe the biggest issue confronting the American people, bar none, today is the price of oil. We think the biggest opportunity to lower the pressure and bring down gasoline prices at the pump and cause us to import less is to open the offshore of the United States to drilling, plain and simple.

The majority started this issue with a bill they put in, which is supposed to have something to do with the price of oil. It has to do with speculation.

I send to the desk to be printed the statement of several prominent Americans, all of whom say the problem is not speculation; the problem is supply and demand. To affect supply and demand, you ought to be opening the offshores, which affects supply in a big way. I ask unanimous consent that this be printed in the RECORD.

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

"It's not speculation, it is supply and demand. We don't have excess capacity in the world anymore, and that's what you're seeing in oil prices."—Warren Buffett, Chairman & CEO, Berkshire Hathaway, 6/25/08

"There is little evidence that large investment flows into the futures market are causing an imbalance between supply and demand, and are therefore contributing to high oil prices. . . . Blaming speculation is an easy solution which avoids taking the necessary steps to improve supply-side access and investment or to implement measures to improve energy efficiency."—International Energy Agency, Medium-Term Oil Market Report, July 2008

"If financial speculation were pushing all prices above the level 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 shows notable declines over the past year.”—Ben Bernanke, Chairman of the Federal Reserve, 7/15/2008

“There is speculation, but speculation, under most circumstances, is a positive thing. It provides liquidity and allows people to hedge their risks. And it provides price discovery. It can help allocate oil availability over time, depending on the pattern of futures prices and so on.”—Ben Bernanke, Chairman of the Federal Reserve, 7/15/2008

“The rise in oil prices can be explained by basic economic factors, such as limited growth in supplies in recent years, a weakening dollar, a global surge in energy demand and a string of production disruptions in countries like Nigeria.”—Daniel Yergin, Chairman, Cambridge Energy Research Associates, 6/25/08

“The truth is that increased speculation in oil futures is not a cause of rising oil prices, but rather an effect of those prices, which have skyrocketed due to growth in global demand, geopolitical instability, and constricted supply in several producing countries.”—John Chapman, Researcher at the American Enterprise Institute, 7/16/2008

“If Congress is literally going over the CFTC’s head and talking about imposing legislation or making the CFTC exercise its emergency powers to limit excess speculation when they don’t even know what that means. I don’t even know what excess speculation means.”—Michael Haigh, senior commodity analyst at Societe Generale Corporate and Investment Banking and former associate chief economist with the CFTC, 6/30/2008

“There’s no evidence of speculative influence. Speculators are not contributing to the demand for physical oil as they almost always roll positions prior to delivery.”—Craig Pirrong, professor of finance at the University of Houston, member, CFTC energy markets advisory committee, 6/24/08

“On any given day, expectations determine the price; but the spot market also has to clear, and the way this happens is that excess supply must be added to physical stocks. Even with fairly inelastic supply and demand, any large speculative deviation from the “fundamental” price should show up in a noticeable increase in inventories.”—Paul Krugman, New York Times columnist, 6/28/08

“To date, the PWG has not found valid evidence to suggest that high crude oil prices over the long term are a direct result of speculation or systematic market manipulation by traders. Rather, prices appear to be reflecting tight global supplies and the growing world demand for oil, particularly in emerging economies. As a result, Congress should proceed cautiously before drastically changing the regulation of the energy markets.”—President’s Working Group on Financial Markets, Letter to Senator Saxby Chambliss, 7/21/2008

“The Task Force’s preliminary assessment is that current oil prices and the increase in oil prices between January 2003 and June 2008 are largely due to fundamental supply and demand factors. During this same period, activity on the crude oil futures market—as measured by the number of contracts outstanding, trading activity, and the number of traders—has increased significantly. While these increases broadly coincided with the run-up in crude oil prices, the Task Force’s preliminary analysis to date does not support the proposition that speculative activity has systematically driven changes in oil prices.”—Interagency Task Force on Commodity Markets, Interim Report on Crude Oil, 7/22/2008

Mr. DOMENICI. Mr. President, I have been here for 36 years. I chose this year

to leave. When an energy bill came forth on the floor and we were going to be able to amend it, I thought we were going to be able to talk about all of the issues, get together with the Democrats and see how many would join us in a major piece of legislation, and I was rather excited. I thought the American people might be pleased with us again, because we were going to do something good.

Do you know what. This 9-percent approval rating of the Senate is not there for no good cause. We are, today, adding to that negative image when the American people try to understand what is going on. We were told—and we applauded when we heard it—that this great big piece of property we own—everything 3 miles out from the shoreline of America is owned by the people. There is oil and gas there. For some reason, we closed it down 27 years ago, and every year we put that moratorium on again. It is time to open that and say to the world that we don’t have a total solution, but we have a lot of oil and gas we ought to put into the mix and let our companies get to work on, trying to drill and see how it will affect the price of oil.

Some people are saying, well, there are already a lot of oil and gas leases on the Outer Continental Shelf; why don’t we force those oil companies to do better at using it? Let me make that proposition clear. Eighty-five percent of the offshore land is tied up in the moratorium and 15 percent is being used. That 15 percent that is being used is all subject to leases which say that if you don’t produce on time, you lose the lease. We don’t need any further management in that regard. It is already managed by a “use it or lose it” clause in every lease that anyone has on any of the lands that are currently on lease to American companies, or a consortia of American companies and others. So that is a joke when we talk about the fact that we will get more by rearranging that. We need to open the portions that are closed. We need a thorough debate on a number of amendments, and our leaders have said there are at least five or six of them. We don’t need a long period of time, but we need an open and free amendment process that we could use. We could go to the other side and get some bipartisan things going. I believe there are many Democrats who want to join us.

It serves the wishes of the majority leader to close off debate, because even Democrats cannot join in amendments to do anything now, because the tree is filled—and it is not with Christmas presents. It is filled with amendments so we cannot offer any more amendments. In other words, we are dead in the water in trying to offer what Americans expected—amendments that will open the offshore to drilling.

Mr. President, as I understand it, I have how much time, 3 minutes?

The ACTING PRESIDENT pro tempore. Yes.

Mr. DOMENICI. I think Senators understand that this Senator from New Mexico, as part of the last 6 years while serving on the Energy Committee, has been party to producing three major energy bills that have all been good for the country. They all have ended up being bipartisan. They all required a lot of time on the floor. I could not come down here and put in an amendment and say it is done. It took some time. We wanted to use this time to thoroughly debate the appropriate options to opening the offshore for drilling.

We thought Americans, who are watching the price of crude oil come down since the President lifted the Executive closures that existed, would like to see the job finished. We thought they would like to see it opened totally, taking off all of the congressional hangups, the congressional moratorium.

I think Americans deserve that. They deserve something positive. They are very worried. The economy is suffering because of the \$700 billion a year that goes to foreign countries. It is taken from us for the crude oil we buy. While that foreign country grows, America dwindles. We get poorer; the world gets richer. I don’t know how much longer we can stand it. We didn’t want to stand it too much longer. We wanted to put in our offsets offshore and let them join in this war we are in, instead of letting us die by attrition as we send our money overseas.

It doesn’t seem anybody in America should get confused. Democrats can make laundry lists of things that happened and put up a sign in the Senate saying we are the ones blocking this. How could we be blocking this when we are not in control? The majority leader stood up and locked this bill up with his amendments, so we cannot offer amendments without his approval. We don’t intend to do that. That is not the way to do business.

The American people expect us to have debates and up-or-down votes on this issue, with every Senator expressing his or her will on what happens to this big asset. That is what we want.

I thank the Chair.

I yield the floor.

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

Mrs. MCCASKILL. Mr. President, I ask unanimous consent to speak as in morning business.

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

Mrs. MCCASKILL. Mr. President, I thank my friend from New Mexico. I know his service in this body is one that every American should admire. He is a good Senator for his State. He has been a warm and friendly senior Senator to this very junior Senator from Missouri. I appreciate his friendship very much.

Mr. DOMENICI. Mr. President, I thank the Senator. I will not use her

time, I will use mine. It has been a pleasure since I first met the Senator. I don't always remember all of the new names, but the Senator has the same name as one of my daughters. We have become friends. I admire the Senator from Missouri too, and say I do believe she is learning to be a Senator very fast. I am proud to be her friend. I thank her for her kind words.

AUDIT REPORT

Mrs. MCCASKILL. Mr. President, yesterday there was an incredibly dark cloud that passed over Washington. I think the saddest thing about this very dark cloud is the fact that there wasn't an immediate outcry from every corner of this building and every office in the Pentagon. One of the most frustrating things about Washington is the attention span of so many in Washington and the search for the headline that is the most sensational. So it is no wonder that news about auditing doesn't bust out.

I come to the floor to try to emphasize the crisis we are facing right now in terms of the Pentagon and auditing of taxpayer dollars.

Let me briefly explain the two agencies involved. One is the Defense Contract Audit Agency. What is DCAA? That is part of the problem. Nobody knows what it is. Nobody knows what it does. DCAA is the auditing agency in the Department of Defense that is responsible for auditing the contractors. Think about that for a minute: 3,500 people are employed by this Agency, and they are our eyes and ears into contractor practices at the Department of Defense. We are talking serious money here. We are talking about hundreds and hundreds of billions—with a "b"—of dollars.

One would think that if we have 3,500 people working full time to audit the contractors, we should all feel good about that and, frankly, before yesterday, I kind of felt good about it. As I learned about all of the auditors of the Department of Defense, I thought: I am glad we have an agency with the responsibility to get to the bottom of the prices that were charged by contractors, to get to the bottom of the money that comes out of our Treasury for contractors—until yesterday.

The other agency involved is the GAO. I know the initials "GAO" are thrown around all the time. Let me explain what GAO is. GAO is the Government Accountability Office. They are what I would call the papa bear of auditors in Government. They are the auditors who look at all parts of Government, many times in response to a request by Congress but many times in response to a hotline call they have gotten from people within Government.

They start getting hotline calls about the practices at DCAA. This is enough to worry an auditing agency, that they are getting hotline calls on an auditing agency. This is enough to get their attention. So GAO started this audit of the Defense Contract Audit Agency based on complaints to their fraud hotline.

Here is the allegation. Are you ready for this? Here is the allegation: that these audits were being changed with no factual basis at the direction of supervisors, without evidence to support the changes, to help the contractors. This is a wildly sensational claim within the world of auditing. This is the kind of claim that, frankly, most auditors would probably not take seriously because it is so outrageous. But because there had been so many calls to the hotline, GAO went to work, over 100 interviews, months and months of work, and yesterday they issued their report.

They looked at 13 different audits named in the complaints and found that in every single audit, favorable findings for the contractors had no backup in the workpapers. What does that mean? If you are an auditor, your job is to find the facts. Everything you put in an audit has to be backed up by what are called workpapers. That means that anybody at any time could go in and find the factual evidence to support every line in the audit. That is part of Government auditing standards.

What else did GAO find? You are not going to believe this. You are not going to believe how bad this is. They found that supervisors dropped findings and changed opinions without the evidence to support it. They found several instances where auditors were threatened if they did not change their findings to support what the supervisors wanted and if they did not change their findings to favor the contractors. GAO found this practice to be so pervasive at two of the three locations, they called it "a pattern of frequent management actions that served to intimidate auditors and create an abusive environment." These auditors were intimidated by supervisors and made to tell them what they were telling GAO. So not only were the supervisors on the auditors to do findings favorable to the contractors, they got on them when they started talking to GAO. They intimidated them into telling them what they were telling the investigators, the auditors from GAO. Their supervisors made them feel their jobs were threatened.

At one location, auditors were sometimes given 20 days to finish an audit, and if it wasn't enough time to do the audit work, they said: Just do it; just do it with what you have.

Supervisors admitted to not reviewing the workpapers. That doesn't sound like a big deal, right? Who reviews workpapers? Let me tell you, in the world of auditing, it is a very big deal.

This is how an audit works. The field auditors gather the papers, the factual information, and then it goes through a series of reviews and checks. It is ultimate quality control in an audit. It is unheard of for an audit to be issued without review up the line. That review is how you cull the information that is incorrect and make sure everything in that audit is factual and objective.

Here is a very good example of how serious and systemic the problem is. DCAA actually agreed with a contractor, one of the five largest contractors in the country, ahead of time what items would be reviewed for the audit. It is like giving a kid the answers to the test. There is no point in doing an audit if you tell the auditee ahead of time: OK, we are going to test you on this.

Here is the amazing thing. Even with the inside information, the DCAA auditors found the process to be inadequate with the contractor. Did they issue an unfavorable opinion? Oh, no, they didn't issue an unfavorable opinion. Instead, the auditor was removed by a supervisor. The new auditor was threatened with personnel action if the audit was not changed to favor the contractor.

In every single one, all 13 audits that were reviewed, the GAO found that Government auditing standards were not followed.

There is a book in auditing called the Yellow Book. It is the bible of auditing. It is the generally accepted Government auditing standards, and every Government auditor is required to follow these standards. Once again, auditors have a lot of professional pride about the objectivity of their work and about the standards they follow. It would not be effective if you had auditors who were auditing the government in Michigan and auditors who were auditing the government in San Francisco and auditors who were auditing the Pentagon all using different methodology to do audits. So this standard is, in fact, revered within the Government auditing world.

Here is what is amazing. Thirteen audits were looked at. Did one of them not meet standards? No. Did two of them not meet standards? No. Every single audit failed Government auditing standards—13 of 13, 100 percent. This is mind-boggling, that we would have 3,500 people watching Defense Department contractors in this country and every audit that was looked at was failed by Government auditing standards. Nine of the thirteen had audit opinions changed without documentation and without workpapers to support the charges. Three had evidence that showed the DCAA auditor trying to perform his or her job and his independence impaired by his supervisors. Nine of the thirteen audits had conclusions that were not supported by the work performed by the auditors.

They got caught. They have gotten caught in what could be the biggest auditing scandal in the history of this town. And I am not exaggerating. I will guarantee you, as auditors around the country learn about this, they are going to have disbelief and raw anger that this agency has impugned the integrity of Government auditors everywhere by these kinds of irresponsible actions.

By the way, auditors are very conservative with other auditors. Every

auditing agency has peer review. By the way, GAO has always passed all of its peer review without any problem. But I know when we were getting peer reviewed when I was the State auditor in Missouri, it was a very nervous time because auditors come into your office from all over the country and they pore through your work. They go through your workpapers. They check all of your reviews. They, in fact, as an objective third party, look and make sure you are doing objective professional government auditing work. They are very conservative because it is peer to peer, right? It is hard to criticize your peers. It is hard to call out another auditor. That is why this is such a big deal. It is damning. This audit is damning of DCAA and the job it should be doing to protect Government taxpayers from the incredible waste and inefficiency in the contracting of the Department of Defense.

So when you get an audit, another part of the audit is you respond to the audit. The auditee gets an opportunity to speak in the audit. It is a very good thing because the auditee, if they firmly believe the audit is not justified, has an ability to give their side of the story. It also allows the opportunity to make sure you are exchanging information. So that response in the audit is also a part of Government auditing standards.

Let me tell you, when they got this audit, it was a dark day for them, and they had a choice. DCAA had a choice. They could have come forward and said: We have a big problem here and we have to clean house, and announced they were firing people in all of these offices and that supervisors were being fired and that they were going to clean up their act. That was one choice they had, to admit they had been caught in this scandal and to admit they would make it better. But what did they do? What did DCAA do as a result of this incredible audit report? They "disagreed" with the totality of the audit.

Here is what is so insulting about them disagreeing with the totality of the audit. They have no evidence to back it up. They have nothing to refute. The voluminous—this is not a small audit, this is page after page of documentation. They dispute the facts about the contractor being given prior notice that he would be audited in the above case even though there is clear evidence to support this conclusion in the DCAA workpapers.

They said, believe it or not—wait until you hear this:

They are currently operating at a satisfactory level of compliance with Government auditing standards.

Satisfactory? Thirteen out of thirteen failing Government standards, and that is satisfactory? How dare they. How dare they say that is satisfactory. They flatly stated they don't believe any supervisors harassed or intimidated staff or willfully removed findings. The evidence is there. The fact they are denying the evidence is there

shows the level of dysfunction in this auditing agency. They don't seem to be too concerned about zero percent of these audits meeting Government standards.

The Department of Defense has been on the high-risk list of this Government for more than a decade. Scandal after scandal has rolled out of the Department of Defense on contracting.

I took a trip to Iraq on contract oversight, and with an auditor's eye, meeting with the people who oversee the contracts in Iraq. And I will tell you conservatively—and auditors are very conservative—conservatively, I think we have burned up more than \$150 billion in pure contracting abuse.

We have had hearings where weapon system after weapon system comes in 100 percent more expensive, 3 or 4 years off time. And all this time we have been wasting hundreds and billions of dollars, the fox was in the chicken coop. The Defense Contracting Auditing Agency has been indicted in the strongest terms by their peers at GAO.

This situation demands hearings. And if somebody doesn't lose their job at DCAA before nightfall, the problem is more serious than anybody in this Chamber can possibly imagine. Because they think they can sweat it out. They think we are not going to pay attention. They think we are going to move on to the next headline, the next campaign stop. They think we are so worried about all the other problems that no one is going to notice this auditing agency has been disclosed and exposed as being fundamentally corrupt in the way they issue audits.

It calls into question every single audit done by this agency. And if we don't take it seriously, if we don't give it our attention, if we don't demand that the fox get out of the chicken coop, and we start taking care of taxpayer dollars, ultimately it is our national security. All of the needs we have for our men and women who fight for us, all the needs of our active military, all the technology we need to stay secure and safe, all of it is so important to our Nation. Yet what we have found out in the last 24 hours is no one is paying attention to the way we are spending that money. It makes me sick to my stomach.

I am angry. And I will tell you, this Senator is not going away on this issue. If I have to stand on this floor every day for the next 6 months, I will do it, to get someone fired at that agency and to get them to clean up their act.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Washington.

ENERGY

Mrs. MURRAY. Mr. President, I come to the floor this morning to talk about the fact that the Senate is going to have an opportunity to vote on cloture to move us to an important bill that will address the issue most of my constituents in the State of Washington, as well as all those in the country, are

facing, and that is the high price of gasoline today—\$4.45 is what I paid last weekend when I went home to Washington State. This is having an impact on our families, on our communities, and on all of our businesses—on everyone.

It is important that we address this issue. The bill that is being offered, which we hope to get past cloture and filibuster from the other side, is not a silver bullet, but it is an attempt to get at what we believe is a fundamental part of the solution, and that is the manipulation of the oil marketers by a few greedy traders, thereby increasing the cost you and I pay at the pump. We are not asking for a large energy bill, but we are saying it is important that we address this issue in a way that will produce relief as quickly as possible in some way for our consumers as we head out a week from now for our August break.

I have been listening to this debate, and I have to say I am fairly surprised by all of those who come to the floor and say: Wait, wait, wait, wait, wait. Unless we get to offer amendment after amendment after amendment on drilling more, and drilling more, and drilling more, then we are not going to allow the Senate to deal with the issue of speculation, which Members on both sides agree is critical that we address. I think it is important that we step back for a minute and go back in history and talk about energy and this Senate's history over the last 8 years and this White House's history over the last 8 years.

Democrats understand there are short-term solutions for the crisis facing us, but we also need long-term solutions because we believe, at the end of the day, that we have to decrease our dependence on oil. We have to decrease our dependence on oil, otherwise this Senate body, 10 years from now, will again be debating whether to open up more drilling. Meanwhile, we are all supposed to ride our bikes until we have more oil out there again, and then the next generation gets to debate oil again. We want to break this cycle. We want to get to long-term energy independence. We want to create new alternatives for people. We want that new technology to be invested in so that consumers 10 years from now, and the next generation of Senators who are here and consumers out across the country, don't have to listen to this debate again. We can get there, but it is not easy.

Eight years ago, this country elected two oilmen to the White House. No surprise: Every energy debate since then has focused on how we can drill more for oil. Here we are today, a week before we leave for the August recess, and those on the other side want to take us right back to drilling again. Let me remind our colleagues what Senators on this side of the aisle have been doing for some time. When we got the majority a year and a half ago, we said: Okay, with the majority, we want to

begin making inroads on focusing on energy independence which, by the way, will reduce the cost to everybody as the consumption decreases. We looked at CAFE standards. We were successful, not in doing it quickly, but at least beginning to make progress on setting CAFE standards so our cars will be using less fuel. That is part of reducing the price of gas in the long term and our dependence on oil.

We also looked at an energy tax package. In fact, we brought an energy tax package to the floor of the Senate that would create incentives for alternative energy. It costs a lot to develop new technology for energy. We said it is time for the Government to put its backing there and provide tax credits for these companies so they can do the research that is necessary to get that alternative technology out there. What did the other side do? Filibustered. Blocked it. And today, those investors are not out there investing in new technology. Democrats said we need to move this bill. It is part of our plan in the long run to reduce the price of oil to create those alternatives. We were blocked on the other side from doing that.

A few months ago, Democrats said: It is important to look at how we can stop this increasing, spiraling cost as soon as possible. We put together an energy package, and one of the key components was focusing on the oil companies, who were reporting record profits at the time—and by the way, still are today—and we tried to repeal some of the oil companies' tax breaks they currently get so that those costs would go back to consumers and reduce our prices. What happened? We brought the bill up, and it was blocked by the other side. Why? Because they wanted to focus on drilling more oil.

We have tried many ways on this side to focus on the larger picture of energy and how we can reduce consumption, how we can get to energy independence, how we can focus on making sure those high gas prices that my constituents and others pay today—and by the way, when this administration took office 8 years ago, gas was \$1.46 a gallon, but because of the energy bills that have been pushed by the other side that focus on drilling, it is now \$4.45 a gallon in my home State. Yet here we are today, as we try to focus on speculation in the markets, and what does the other side say? Oh no, we need to drill for more for oil. Well, that hasn't worked in the past. We have already, several years ago, added an additional—and I see my colleague from Illinois here on the floor—I believe it was an additional 8 million acres to be leased in this country. We added that. Did it reduce the price of gas at the pump?

Mr. DURBIN. Will the Senator, through the Chair, yield for a question?

Mrs. MURRAY. I would be happy to yield to the Senator from Illinois.

Mr. DURBIN. Is it not only true that we have 68 million acres of land we

have leased to the oil companies, which they are paying us money to lease in order to find oil and gas, but they are not doing anything with it—some 34 million offshore, on the Outer Continental Shelf and some 33 million onshore that they are now leasing?

The Republican side of the aisle has become a one-trick pony—keep drilling, keep drilling, keep drilling. We know if we decided today to drill on any acreage here, it would be 8 to 14 years before we would see any oil coming from it. So this notion not only flies in the face of the 68 million acres they currently have, but it doesn't solve the problem.

As the Senator from Washington said, it makes the problem worse because we don't face the realities of what we need to do to have a national energy policy.

Mrs. MURRAY. The Senator from Illinois is absolutely correct. Every time we have come out here to try to broaden the energy debate and to bring down the price of gasoline and get to energy independence, we have heard from the other side: Oh, no, there is only one answer, and that is drill more.

We have given them that. In fact, yes, the oil companies have 68 million acres of land today that can be drilled, but they are choosing not to. Why? Because if they increase the supply, the price is going to drop. So what good does it do for us to give them even more of our Federal lands, because their benefit is keeping the price high.

Mr. DURBIN. If the Senator from Washington will yield for another observation, she noted that when we elected President Bush and Vice President CHENEY we brought two people in from the oil industry, and coincidentally, during this two-term administration, profits of the oil companies in America have reached historic high levels at the expense of our economy and families. The Republicans, the President's party, want to end this administration by giving them the biggest farewell gift anyone could ever wish for in the oil industry—millions and millions more acres so that they can, at their pace and in their time, decide to drill on.

It would seem to me, if you are honest about the oil companies and what they have done to this economy, this is the last thing we should be doing. We should be holding them accountable for the prices they charge, the profits they are reporting, and what they have done to the American economy. So I ask the Senator from Washington: The alternatives we have talked about over the years—fuel efficiency for cars, more efficiency in the appliances we use, the buildings we build, all of this is part of the big energy picture, is it not? It isn't just about keeping oil companies happy.

Mrs. MURRAY. Well, I say to the Senator from Illinois, he is absolutely correct. In fact, in the past few days, a headline from Reuters read: "ConocoPhillips' Earnings Rise With Record Oil Prices."

The oil companies are making a lot of money, so what is the other side's answer to every energy debate we have? Give them more money.

I say to my colleague from Illinois, I know he goes to the President's State of the Union Addresses every January, as I do, and we sit in the House Chamber and listen to what the President is presenting to us. I wonder if the Senator from Illinois remembers 2½ years ago, the President's third State of the Union, I believe it was—and I rose with excitement when I heard the President say this to us:

Keeping America competitive requires affordable energy. And here we have a serious problem:

Now, this is the President of the United States in his State of the Union speech.

America is addicted to oil, which is often imported from unstable parts of the world. The best way to break an addiction is through technology.

These are not my words, but those of the President of the United States. Yet every time we have tried to bring a bill to the floor to break our addiction to oil, we are stopped because the other side wants to drill more oil.

So I say to my colleague from Illinois, does it feel to him as though we are trying to break our addiction to oil here?

Mr. DURBIN. I would respond to the Senator from Washington, through the Chair, and say that I think America understands this. Sure, we are going to be drilling oil in America—we need to, for exploration and for production—but we know we only have 3 percent of the world's supply of oil—3 percent—and we use 25 percent of the oil. So we can't drill our way out of this.

Whether it is T. Boone Pickens or some friend of mine in central Illinois, it is obvious: You have to look for other solutions, and those solutions mean the oil companies are not going to be the answer to every question. Unfortunately, the Republican side of the aisle, time and time and time again, all they have to suggest is drill more oil and make more money for the oil companies.

That isn't the answer to America's energy problem. If it were the answer, we would have seen, as the Senator said, gasoline prices coming down as we made more acreage available for drilling over the last several years. It has not happened. They have gone up dramatically.

Mrs. MURRAY. The Senator from Illinois is absolutely correct. I have listened to this debate, and it is not just the debate today on speculation, about whether we should do that. It is whether we should bring energy tax credits, whether we should repeal oil company tax breaks and whether we can invest in alternative energy. Every time, the only answer we get from the other side is, no, we are not going to do that. We want to drill more.

I would say to my colleague that drilling for oil is a false promise to the

American people that it will bring down their prices substantially as we head off to our August break. Even their own Presidential candidate has said drilling oil only brings psychological benefit. We don't need any mental health care. We need real reductions at the pump. Even President Bush's own energy experts say drilling more oil will not produce a significant decrease in the price at the pump.

As I truly believe and I think most people understand in this country, until we invest in long-term energy independence, all we are going to do is see the oil companies get more profits and our prices go up. The bill we are offering today and hope to move to will begin to deal with that and that addresses the issue of speculation. I hope we move to that.

I yield the floor.

THE PRESIDING OFFICER (Mr. BROWN). The time of the majority has expired.

The Senator from Wyoming is recognized.

Mr. BARRASSO. Mr. President, I rise today to speak about the extraordinary impact of rising gasoline prices, the extraordinary impact it is having on all Americans, and the parliamentary games of those on the other side of the aisle.

The airline industry, truckers, ranchers, families who must travel to and from work and school, families going to buy groceries, all of them are experiencing dramatic increases in the cost of energy. These soaring gasoline prices offer a glimpse at the effect home heating costs will have on the American family budget this coming winter.

Today's energy crisis is focused on prices at the pump. But the Nation's energy concerns stretch well beyond the pump. In the coming weeks and months, rising energy prices will be seen in the monthly bills for home heating, natural gas, electricity, and heating oil. In fact, this month, in Washington, DC, right here in this Capitol Building, we are operating our own Senate offices under an electric brown-out advisory. This is recent evidence that our electric grid is stressed. When it comes to energy, we need it all.

We need to develop domestic supplies of oil and gas. We need to develop nuclear energy. We need to develop renewable energy, such as wind and solar. We need to develop America's most affordable, secure, and abundant energy supply, and that is coal. In fact, coal to liquid offers great promise in reducing America's reliance on foreign oil imports.

We must also develop concerted policies to promote increased efficiencies, to promote increased conservation, and to reduce waste. In summary, we must find more and use less.

On the subject of soaring gasoline prices, I must ask my colleagues: When is enough enough? When will this body be willing to address the underlying issue of both supply and demand. Many

are calling for change. Few are offering meaningful solutions. Here are a few examples.

Some on the other side of the aisle want to tax their way to lower oil prices. Increased taxes will result in higher prices and less oil and gas production, not more. Taxes will stifle our economic security. Taxes will not encourage economic security.

Many on the other side of the aisle think litigation is the way to bring down prices at the pump. The proposals I am cosponsoring choose innovation over litigation.

Some on the other side of the aisle claim we can regulate our way to lower prices at the pump. They want to do it by penalizing oil and gas leaseholders. This approach shows very little understanding of the energy development process. This approach offers no help, no help at all with the bureaucratic maze and roadblocks to finding more energy.

Some propose restrictions on price gouging by gas station owners, but those same individuals fail to show any actual evidence of price gouging. In fact, the margins for the gas station retailers in this country are being squeezed. Rather than increased regulation, I support proposals that invest in inspiration, in ingenuity, and in productivity gains. I support technology gains that unleash the power of the private sector to develop short- and long-term energy solutions.

Some want to impose heavy-handed Government mandates to nationalize the speed limit. Some are suggesting 55 miles an hour. I bring along a copy of a newspaper that hardly ever makes it to the streets of Wyoming. It is the New York Times, and this is this morning's paper. While the people of Wyoming do not read it, reporters from that paper actually went to Wyoming and covered Sheridan, WY.

There are five wonderful colored pictures of Wyoming and there is a nice map and it talks about Wyoming. On the front page of today's New York Times, it talks about the Kerns family, a wonderful family in the Sheridan, WY, area. They were at a town meeting I recently had and they were talking about ranching. This summarizes it. When I hear people propose a 55-mile-an-hour limit, talk about ranch families such as the Kerns—conservative, self-sufficient, and wanting mostly to be left alone.

That is what it is all about in Wyoming—conservative, self-sufficient, and wanting to be left alone. We do not need Washington telling us how to drive and how fast. We can make those decisions for ourselves.

I have the belief in the ability of Americans to choose for themselves. I am confident the people of America, not Washington, will make the right decisions. History has proven that American's self-reliance is an effective tool against rising energy prices.

American families right now are conserving in record numbers. They are

carpooling, they are cutting back on the miles they drive, and they are purchasing more fuel-efficient vehicles. Statistics show that this year the year-over-year gasoline use is down roughly 2 percent. It is the steepest drop in demand in the last 17 years. American families are responding and they are responding without being told by the Federal Government to inflate their tires. Yes, that is what I heard yesterday in an Energy Committee hearing from an official: It is time to inflate your tires.

American families are conserving. They are doing so without far-reaching Government mandates. American families are demanding and purchasing more fuel-efficient cars regardless of any timeline for energy efficiency standards Congress may impose.

In fact, American families have done much more than simply conserve on energy in the past several months. Some have dealt with serious job losses. Many have struggled with housing deflation. We are all facing inflation at the grocery store.

You say: Is that happening everywhere? Wyoming has been in the news today. First, a front-page story in the New York Times and now a large story in the Wall Street Journal today; the headline: "Want to See Inflation's Pressures? Try Wyoming, and Its \$1.14 Bagels."

There is a nice picture of a friend of mine, a bakery owner, Marsha Asbury, in Casper, and first it talks about this city. It talks about "this wind-raked city on the plains." It tells you we are committed to renewable sources of energy because we have a lot of wind in Wyoming. But they talk about gasoline prices.

Gasoline prices, too, have risen sharply as they have across the country. But it is the price of—

Actually it is what Ms. Asbury puts into her bagels that is causing her the trouble because it is causing the inflation. It says:

Most of her ingredients are shipped in from nearby states. The prices have jumped dramatically this past year, as suppliers struggle to recoup the high cost of trucking items to Wyoming.

Heavy items have increased in price the most. The canned jalapenos and pumpkin that Ms. Asbury uses for her specialty bagels; the canned apples, for strudel; the sugar and flour—all are up 35 percent in the past year. Butter and milk are up 25 percent.

All because of the cost of energy and transportation fuels.

As it says:

Still, the rising cost at the pump hits hard, because Wyoming drivers put an awful lot of miles on their pickups and sport utility vehicles as they traverse this sparsely populated state.

Yes, American families have moved beyond simply conserving. Now many are sacrificing. Despite the resilient response of the American people, there is still no meaningful action from this Congress to address the fundamental supply and demand for foreign oil. The Senate leadership on the other side of

the aisle will not allow a debate on bills that will actually increase American energy supplies. Each of the provisions to increase American energy offered by this side would be coupled with measures to improve conservation, to promote energy-efficient measures.

To be very clear, I agree with some of the components of the speculation bill before us. In fact, several of these provisions were included in legislation I have cosponsored. Yet, as a matter of principle, I believe the Senate must act on a set of solutions rather than pursue a piecemeal approach. It is not simply the soaring prices, but it is America's reliance, America's dependency on foreign imports. Congressional leadership is opposed to even debating increasing American exploration and production. With more American supply, there is a more secure energy future.

We have seen the same old responses from the other side of the aisle. They approach the current energy crisis, such as nearly every other policy challenge, with more taxation, with more regulation, and with more litigation. Rural States such as Wyoming are especially hit hard by soaring prices. Mass transit is not an option. Prices are high and the hundreds and hundreds of letters I received on this issue are a testament to the real pain. Wyoming does contribute greatly to America's energy needs. We are the largest producer of coal in the country; the largest producer of uranium; the second largest source of onshore natural gas; and we have world-class wind resources.

The citizens of Wyoming get it. We have been involved in domestic energy production and transmission for decades.

The other side of the aisle simply says no to domestic energy exploration; no to American energy. America faces an energy crisis and an economic crisis. Continuing to rely on increasing amounts of foreign oil leverages our country's future. It is time to focus on an American response: American energy efficiencies, American conservation, and, yes, American energy exploration. Our country deserves better and our children deserve better.

The massive transfer of wealth that is happening every day, from our country to overseas, is putting our children and our grandchildren's future at risk.

When is enough enough? I am asking those opposing American development, how much transfer of wealth is enough? How many hundreds of billions of American dollars must we send to foreign nations to buy their oil? How much of our Nation's great wealth must we transfer before it is acceptable to develop American resources? Is it \$100 billion? Is it \$200 billion? Is it \$300 billion? Apparently not.

Some on the other side of the aisle do not want to allow American energy production through deep sea exploration, through oil shale development,

through streamlined permitting. Their so-called responses leave America more and more reliant on foreign countries to provide for America's energy. We can do better and we can do so in an environmentally sensitive manner, as we have done for the 118 years we have been a State in Wyoming.

There have been extraordinary technological developments in oil and gas exploration and development. Provisions to address excess speculation must be coupled with added supply and added conservation. We must find more and use less. The rhetoric from the other side is all about change. I think those blocking American solutions to foreign energy dependence would do well to change their minds, change their policy prescriptions, and change their approach on energy policy; otherwise, this Congress will only be leaving American families with change in their pockets at the end of each month.

I believe Americans want meaningful solutions, not merely change.

There is a difference. American energy is the most important issue facing the American people today. American families are sacrificing. At a minimum, at an absolute minimum, those same families deserve real action from this Congress.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. THUNE. Mr. President, I congratulate my colleague from Wyoming for his comments. His State of Wyoming and my State of South Dakota share a border. We have a lot of very similar ways of making a living. We share a commonality when it comes to the people we represent, their values. And he is exactly on point when he talks about the importance of energy to a State like Wyoming and a State like South Dakota and its impact on the economy and how families in our States are struggling and sacrificing with this extraordinary challenge that faces our Nation today, and that is the high cost of energy.

I want to speak to that subject today as well because on Tuesday, July 22, the Interagency Task Force on Commodity Markets released its Interim Report on Crude Oil. I think it is important and it bears on the debate we are having in the Senate today because the primary purpose of the bill that is before us, as put forward by the Democratic leadership as a solution to energy, is to focus on the very narrow issue of speculation in the marketplace.

Well, the task force is chaired by the Commodity Futures Trading Commission and includes staff members from the Departments of Agriculture, Energy, and the Treasury, the Board of Governors of the Federal Reserve, the Federal Trade Commission, and the Securities and Exchange Commission.

Although its final report is not expected until September, I think the interim report provides some valuable insight on the energy markets and the record increase that we are seeing in

oil prices. The report concludes that record oil prices are caused by the simple economic laws of supply and demand.

The report states:

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

The report describes that worldwide demand for petroleum has greatly increased over recent years due to population growth and rising incomes.

Specifically, the report states:

World economic activity has expanded to close to 5 percent per year since the year 2004, marking the strongest performance in two decades. Between 2004 and 2007, global oil consumption grew by 3.9 percent, driven largely by rising demand in emerging markets that are both growing rapidly and shifting toward oil-intensive activities.

It continues to say:

China, India, and the Middle East are among the fastest growing in the world; together they have accounted for nearly two-thirds of the rise in world oil consumption since 2004.

The report also states:

Since 2003, world oil consumption growth has averaged 1.8 percent per year, representing an estimated 1 million barrels per day in 2008.

On the supply side, on the other side of the equation, the report also details how the worldwide supply of oil is inadequate. Both non-OPEC and OPEC supplies are failing to keep pace with increasing demand.

The report states:

In the past 3 years, non-OPEC production growth has slowed to levels well below historical averages, and world surplus capacity has fallen below historical norms. Preliminary inventory data also shows that the Organization for Economic Cooperation and Development (OECD) stocks have fallen below 1996-2002 levels.

The report continues:

World oil consumption growth has simply outpaced non-OPEC production growth every year since 2003. OPEC production is also falling behind.

The report describes the failure to meet what they call the "call on OPEC," which is the difference between global demand for oil and oil produced by non-OPEC countries.

Since 2003, OPEC oil production has grown by only 2.4 million barrels per day while the "call on OPEC" has increased by 4.4 million barrels per day. As a result, the world oil market balance has tightened significantly.

Recently, the President's Working Group on Financial Markets reinforced the Interagency Task Force's conclusion. This working group consists of the Secretary of the Treasury, Board of Governors of the Federal Reserve System, U.S. Security and Exchange Commission, and the Commodity Futures Trading Commission.

In a recent letter to congressional leadership, the Working Group on Financial Markets stated:

Prices appear to be reflecting tight global supplies and the growing world demand for oil, particularly in emerging economies.

The Interagency Task Force and the President's Financial Working Group

have concluded what several Members of Congress and, I think, what the majority of the American people have known for a long time: we have a supply and demand problem. The solution to that problem is to find more energy, to produce more and to use less.

Now, with regard to the supply solution, we have lots of solutions that are out there. We have talked about the North Slope of Alaska. We know there are about 10 billion barrels of oil on the North Slope of Alaska. We have had numerous votes since I have been in the Senate, and prior to that in my service in the House, on opening the North Slope of Alaska to more production. Every time, it gets defeated by the opponents.

In fact, in 1995, it was actually passed by Congress, and it was at the time vetoed by President Clinton. If it had not been vetoed back then, we would have an additional 1 million barrels of oil in the United States each and every single day.

Ironically, we hear the same arguments against that today that we heard back then: that it will take 5 to 10 years to develop it. Well, that is exactly the argument that was used in the debate 10 years ago. If we had acted then, now, 10 years later, we would have that extra 1 million barrels of oil a day available to us, which is the equivalent of about what we get from Venezuela.

The Outer Continental Shelf is home to about 18 billion barrels of oil, and that, too, is off-limits. Some of the Outer Continental Shelf data is almost 30 years old. There are estimates that there are 86 billion barrels of undiscovered reserves that exist right off our very own coasts.

Oil shale—there are estimates of 2 trillion barrels of oil shale that is currently off-limits; 800 billion barrels of that, of the U.S. oil shale, could be economically recoverable.

Now, Saudi Arabia has the world's largest proven reserves of oil in the world; that is, 263 billion barrels. The next largest is Iran with 133 billion barrels, followed by Iraq with 115 billion barrels. Kuwait and Venezuela bring up the next, with 100 billion and 77 billion barrels, respectively.

But the point very simply is that Utah, Wyoming, and Colorado may have more oil than Saudi Arabia, Iran, Iraq, Kuwait, and Venezuela combined. Right now, U.S. energy companies are ready to invest billions of dollars in developing this domestic research. They are not asking for Government funding. They are not asking for Federal financing. They are not asking for environmental exemptions or any kind of special treatment.

All they are asking for is for the U.S. Government to govern. They simply want consistent regulation that will allow them to move forward with their research. Unfortunately, this Congress has said no—no to ANWR, no to the Outer Continental Shelf, no to oil shale, no to coal to liquid, no to nu-

clear, no to all of the things that could lessen our dependence on foreign sources of energy.

Meanwhile, I think the American family is asking, why? Why will Congress not work to lower gas prices? Why is Congress standing in the way of American ingenuity? Why is Congress limiting access to our resources while we send, Americans send, \$1.6 billion each and every single day outside the United States for imported oil to petro dictators around the world, where we are propping up and enriching people in places such as Iran and Venezuela who have nothing but hostile intentions toward our country?

Well, it is past time for Congress to act on a supply solution. It is time for us to deal with this issue of our supply, and it is also important that we deal with the issue of demand because, as I mentioned earlier, when you are talking about impacting supply and demand, you can do one of two things. You can affect supply by increasing domestic production or you can affect the demand side by using less energy. I think the solution consists of both, but neither are getting a vote in the Senate.

Congress must invest in advanced technology, batteries and hydrogen fuel cells. Those are new technologies that we have to support, and we need to continue to invest in renewable fuels. There has not been a bigger advocate in the Senate than I am of renewable energy. It is already reducing domestic demand for traditional petroleum by about 130,000 gallons per day.

We also need to address America's fleet of vehicles. Last year, Congress raised the vehicle efficiency standards by 40 percent to 35 miles per gallon for cars and light trucks. I think we can and we must do more. We should extend the tax credits for fuel-efficient hybrid vehicles.

I believe Congress should create a new tax credit for next-generation electric plug-in hybrid vehicles which can go 20 to 40 miles before using an internal combustion engine.

In addition to tax credits, Congress should require the production of flex-fuel vehicles. This week, a tripartisan group of Senators, led by Senator BROWNBACK, introduced a bill that would dramatically change our transportation sector. Senators BROWNBACK, LIEBERMAN, SALAZAR, COLLINS, and I have introduced the Open Fuel Standard Act, which essentially requires that starting in 2012, 50 percent of new vehicles be flex-fuel vehicles that are warranted to operate on gasoline, on ethanol, on methanol, or on biodiesel.

This requirement increases 10 percent each year until 2015 when 80 percent of new vehicles would be required to operate on renewable fuel.

We will never break OPEC's monopoly over our fuel supply without enacting bold policies. And the one I just mentioned is an example of such a policy. That bill would give consumers a choice at the pump and give all con-

sumers the option of purchasing cheaper, homegrown fuel such as ethanol and biodiesel when it comes to addressing their energy needs.

But the fact is, as I noted in the study that I cited, we cannot solve America's energy problem by simply dealing with a narrow solution, a minimalist solution such as that which has been put on the floor by the Democratic leadership in the Senate. What they have attempted to do is to block the consideration of amendments that would address those other issues that I think are so important to this debate. There is not anything in this bill that was put forward by the Democratic leadership that reduces the dangerous dependence that we have on foreign energy. Now 60 percent of our energy is coming from outside the United States. There is not one thing in this bill that affects that.

They can talk about lawsuits. They can talk about taxing oil companies. You can talk about regulating, further regulating the commodities markets. I am all for some of the things that are being proposed with regard to speculation and the commodities market. I, frankly, think there are things in the bill that are good.

But the bottom line is, it does nothing. It does nothing to affect the fundamental rule of supply and demand, which, as I just noted, is what is driving energy prices higher in this country. And if we try to do something in the Senate or in Congress to address energy in this country and the tremendous economic impact it is having on American families and businesses without going at this fundamental basic issue of increasing our domestic supply or domestic production and reducing our demand, we will not have done anything meaningful for the American people to address the issue that is impacting their pocketbooks more than anything else today; and that is, the high price of gasoline.

If you are serious about getting the commodities futures market to reflect or to bring down the futures price for energy stocks and all this trading that is going on, the way to do that is to send a clear, unequivocal signal to the energy markets that America is serious, that American ingenuity and hard work and our entrepreneurship in this country—that we are serious about increasing the domestic supply of energy that we have, about increasing domestic production because the market will interpret that.

The market looks down the road and says: OK, in the future, what is the price of oil going to be based upon the current supply of oil and the current demand?

If we are serious about increasing supply and reducing demand, the market will reflect that. We will see lower prices per barrel of oil, per gallon of gasoline, and some relief for hard-working American families and small businesses taking on tremendous water in their personal households and in the

needs they have to meet for families because they are spending all their money, literally, to fill their cars with gasoline and to pay for the high cost of energy. It is affecting literally every sector of the economy.

South Dakota, as my colleague from Wyoming spoke to earlier, is a vastly rural State and sparsely populated, heavily dependent upon transportation. The energy issue impacts in a dramatic way our ability to grow our economy and create jobs. I hope the debate today will include more than only a narrow issue and will get to the fundamental issue of supply and demand, that we can have an open debate in which we may offer amendments so this issue will be addressed.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I believe our side now has the next half hour. I yield myself 20 minutes and 10 minutes to the Senator from New Mexico, Mr. BINGAMAN.

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

Mr. SCHUMER. I request the Chair to alert me when I am halfway through.

The PRESIDING OFFICER. The Senator will be notified.

Mr. SCHUMER. Mr. President, I rise to speak on two issues, both pending before us, both vitally important to the economy. One is energy, one is housing.

We all know the pain Americans experience. We all know the price of gasoline. In New York, people are already anticipating, with fear in their hearts, the price of home heating oil to heat their homes in winter. Everywhere else the costs of energy are driving prices higher, creating a middle-class squeeze.

We had a hearing at the Joint Economic Committee yesterday. Elizabeth Warren, a professor at Harvard, outlined that squeeze. The average middle-class person is hurting. They have built up a good life for themselves. Now they are hurting because, on the one hand, their income is not going up—productivity is but income is not—and at the same time their costs are going much higher than the rate of inflation. So they are caught in a vise—income declining, prices increasing.

This Friday night, there will be millions of Americans who, after dinner, husband and wife, will be sitting around the table talking about the things they care about, their children and their futures, their health. But probably the No. 1 topic will be, how the heck are we going to pay the bills.

Democrats are here to try and finally, after 7½ years of being dominated on the energy debate by oil, oil companies, oilmen in the White House, change the debate. The other side has a simple solution. It gets modified every couple of years, but it is basically the same. Do what big oil wants. When the price is low, give them subsidies. When the price is high, make sure they don't pay much in taxes. All throughout,

focus our energy economy on oil, because that is what the big oil companies want.

Rex Tillerson, the head of ExxonMobil, came before the Judiciary Committee a year and a half ago and said: ExxonMobil does not believe in alternative energy. I guess if I were ExxonMobil, I wouldn't either. Because as demand goes up and supply stays relatively flat, the price goes up and the profits go up. I have been asking, what do the big oil companies do with their profits. A huge percentage goes not into new exploration. They say they want to explore, but a majority of the money, in some cases, and a plurality, in most, goes to buying back their stock to raise the share price for themselves and their shareholders. This idea that oil companies are eager to explore is belied when we look at their financial statements. They are buying back their stock. It doesn't create one drop of oil. For the limited number of people who have ExxonMobil stock, that is a godsend. For the rest of us, it squeezes us even more. Chevron does it. BP does it. They all do it, with billions and billions of dollars. I believe last year ExxonMobil took \$29 billion to buy back their stock.

I challenge my colleagues on the other side of the aisle, if they are so eager for exploration, why aren't they putting that \$29 billion into exploration? But they are not. Again, we have the answer from the other side: Big oil today, big oil forever.

The American people know we are not going to drill our way out of this crisis. Even if the oil companies wanted to—and statistics show they do not—we don't have enough oil to prevent the price from going up, because demand worldwide is dramatically increasing, in China, in India, in the Middle East. The number of new cars in China and India in a short while will exceed the total number of cars in America, in 10 years, 15 years. Imagine that, new cars in China and India competing with us to buy gasoline. Obviously, the price will go up.

When our majority leader repeats over and over that we have 3 percent of the reserves and 25 percent of the consumption, there is no way to reduce prices significantly in the long term other than to get off our dependency on oil. So drilling is not the answer. Yes, in certain places, it may help. We are not opposed to that. I proudly went to the Republican majority, got Democrats to vote for drilling in the gulf. But it is not going to solve our problem. It will ameliorate it a tiny little bit in certain places, if you drill in the gulf and places near refineries.

The answer is to ween our dependence from foreign oil and tell OPEC and Chavez in Venezuela and Iran to take a hike because we don't need them anymore. They can't have their hands around our necks any longer—economically, politically, or geographically.

The good news is, we can do that. We can do that on both sides of supply and

demand. That is what we Democrats are attempting to do. We are attempting to help get an electric car. Electric cars, no gasoline, will ride as smoothly and as well but much more cheaply than our present cars. They are not these little golf carts you drive around. You can have a big SUV with a battery that goes 250, 300 miles, same as a tank of gasoline, and drives with the same speed and the same power and the same torque. We are not too many years away from that, if we help create the battery. They have the battery. It just has to be mass produced. We need some research to get that done in a cheap enough way so that the price of cars stays the same while the price of fueling the cars goes down.

Senator BINGAMAN will be here shortly. He put one of my proposals in the Democratic proposal for housing conservation when you build. Forty percent of our energy is consumed not driving cars but cooling and heating homes, air conditioning and heating. If we were to adapt conservation measures, that could dramatically drop. One State has done it, California. California's energy consumption is lower than just about any other State, even though they are a car culture. Why? Because in 1978, under Governor Jerry Brown, whom many regarded as "Governor Moonbeam," this was an excellent idea that has proven successful; they put conservation in building standards for homes and offices. Now, in terms of buildings, their per capita consumption of energy is about what Denmark's is. Why don't we do it nationwide?

Then there is alternative energy. There was an op-ed in the Washington Post by an oilman, someone I know named Jim Tisch, who said that now it is profitable to do wind power, solar power and other kinds of power and take our dependency off oil and gas.

We can both increase supply and decrease demand, reduce the price, if we embark now on a program of change. When we have tried to do this, our colleagues on the other side of the aisle have said no. Why? The big oil companies don't like it. Some of the big utilities don't like it. The big special interests don't like it. But they are doing great. It is the average middle-class person who needs the help.

The equation is simple. I will put it in stark terms, but I think it has to be put that way: Republicans, big oil, the past; Democrats, alternatives, the future. Let me repeat that. Republicans, big oil and the past; Democrats, alternatives and the future. Every American knows which side we want to be on.

I am sorry they have decided not to accept Majority Leader REID's generous offer and take their proposal and our proposal and debate them. We will do that any day of the week. I am sure Senator OBAMA is eager to debate Senator MCCAIN, who is following in the big oil footsteps of George Bush and DICK CHENEY.

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. SCHUMER. I thank the Chair.

I am sure he is eager to have that debate. When you ask people in polling, should we drill, they say sure. Then when you ask, can we drill our way of the problem, they know we can't. We are going to continue to push. I hope and pray we don't have to wait for the next President to do this. I would like to see it done now, because we have waited 7 years. We have had bills on the floor in the past: bills to raise mileage standards of cars, stopped by the auto companies; bills for alternative fuels, stopped by the oil companies; bills to make sure utilities are more efficient, stopped by the utilities. When the price was low, no one paid much attention. But now we are all paying the awful price. Let us change once and for all. There are short-term solutions, whether with the SPR or tamping down speculation. But the only long-term, real answer is to reduce our dependence on oil, move to alternatives and conserve more, consume more efficiently. I hope my colleagues will do that. I hope we will look forward to the future and not delay the future any longer and not look back at the past.

HOUSING

The other bill that is before us now and upon which we will vote shortly is the housing bill. I urge my colleagues to support it. Unlike the energy issue, I think we do have broad bipartisan support. I was delighted to hear yesterday that the President changed his view and will now support the bill Chairman DODD and Congressman FRANK have put together. I am very glad of that. It is a good bill. I have had some significant input into it, for which I thank both of them.

Housing is at the nub of the recession. Housing prices go down and people don't have the money to do other things. That hurts. Homes are foreclosed upon and neighborhoods suffer. Even if you keep your home and even if your housing price is flat, mortgage rates go up. Since so many people have adjustable rate mortgages, that hurts us as well. But housing has been the bull's-eye of the economic crisis. For too long, Washington has twiddled its thumbs, despite the efforts of those on our side who want to do something and who have smart, rational, and targeted plans. But now finally, because the crisis is screaming at us, the President has agreed to support our legislation, and many on the other side, hopefully, will vote for it, as they did last week.

The housing bill has many important components. It has a plan that will set a floor for some home prices. It is not a panacea, but it will help reduce the decline in home prices in many places, which is desperately needed, and reduce the rate of foreclosure for several hundred thousand homes, which is also desperately needed. I would have liked to have seen that part of the bill be stronger. I would have liked to have seen the bankruptcy provisions put in

there which would have been a club and made them work a little better. They are not there, but this is still good.

We also have in the proposal CDBG money. We held a hearing of the Joint Economic Committee where, from the community in Slavik Village, people testified how empty and vacant homes were killing their neighborhood. I don't know what entity Slavik Village is in, what town, whether it is Cleveland or somewhere else, but no local community has the ability to deal with all these foreclosed homes. The only entity that can is the Federal Government.

The CDBG money, which, thank God, now the President has dropped his opposition to, will buy up those homes and prevent the market from getting worse and communities from deteriorating. Because when you have an abandoned house and some vandals come in and pull out the plumbing and electricity, and then it becomes a haven for drug dealers and criminals, it ruins the whole neighborhood. The person living down the street, who has paid his or her mortgage and does not even have a mortgage anymore, suffers as well.

So this CDBG money, as well as the whole program we are putting together, is not simply aimed at those who cannot pay their mortgages. It is actually aimed at the millions of homeowners who are hurt because even though they pay their mortgages, and even though they may have finished paying their entire mortgage, their home prices decline because there are foreclosures in the community.

Then there is the part about Fannie Mae and Freddie Mac. I think this is necessary. It is unfortunate we are at this stage but necessary. Fannie and Freddie are at the center of our housing market, and the housing market is at the center of our declining economy. If you are simply going to say: Well, let Fannie and Freddie fail, let's learn the moral hazard, you are hurting tens of millions of innocent people along the way as you teach that lesson. That is why I do not think we should do it.

Do we need tougher regulation for Fannie and Freddie? Yes. And in the bill is a much strengthened regulator. I supported that from the get-go. But to allow Fannie and Freddie to deteriorate, and deteriorate as dramatically as they might have without a possible Government backstop, would do far more damage than the Government backstop itself. The odds are, we will never have to use it. And when you add to that the odds that we will use it but it will not cost all that much, they are overwhelming. But the alternative, the risk of looking into the abyss and letting the economy roll down—because if Fannie and Freddie were to go under, Lord knows what would happen in this economy—is not worth it.

I have spoken at length to Secretary Paulson and Chairman Bernanke, both appointees of the President, and they believe this is desperately needed. I was surprised so few of our House col-

leagues voted for this proposal. Ideologues do not usually solve problems. They have a narrow way of looking at things. So if you say Government is always the answer, you are going to mess things up. But just as equally, if you say Government is never the answer, you will mess things up as badly. We have a whole lot of people, at least in the House, who said: Don't get the Government involved at all. Let people suffer. That is for their overall good.

It reminds me of the old days when the Adam Smith theory said: Well, let anyone sell any medicine they want, and if it is a bad medicine, and you die from it, your family will learn from it and you won't buy it again. It is an awfully harsh view of the world, and not a view most Americans agree with.

In a somewhat less serious but serious note, this is the same thing with housing. If you let the housing market go in the tank, so much suffering will occur that the risk is not worth it. So this is a good package. Is it what we would have done? No. Is it what Mr. PAULSON would have done on his own? No. But it is a fair and workable compromise, and unlike the Energy bill, it is a place where we can all come together and do something for the good of the economy.

I also do want to mention there is more money for mortgage counselors. The Senator from Washington, you, I say to the Presiding Officer, the Senator from Pennsylvania, and I have been working hard to get more mortgage counselors in the bill, and there is \$180 million more for that, as well as \$10 billion in mortgage revenue bond authority, which will help States and localities to develop refinancing programs—very important in my State. It is something the Presiding Officer has supported, and I am glad it is in the bill.

In conclusion, Mr. President, on energy, let's look forward to the future. Let's hope some of our colleagues will join us and not cling to the answer: oil today, more oil tomorrow. We do not have it, given the increase in demand.

On housing, let us move this bill forward quickly. Both are vital to the future prosperity of our country, and both ought to become law without further delay.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

ENERGY

Mr. BINGAMAN. Mr. President, I believe I have 10 minutes reserved to speak in relation to energy legislation.

The first point I want to make is that the legislation the majority leader, Senator REID, brought to the Senate floor addresses one of the three aspects of the problem we face with high gas prices. I think all of us recognize there are three main factors that are resulting in high gas prices.

One is the problem with the functioning of our oil and gas markets, and specifically the problem of speculation and excessive investment in these commodities. That is something Senator

REID has proposed to deal with in the legislation he brought to the floor, and we are going to have a cloture vote on that legislation, I believe, tomorrow. I hope Senators will vote for cloture.

I also hope we can add to it some amendments. There is one amendment I am filing today at noon, along with Senator REID and other Democratic Senators, that tries to address the other two factors that we know and all recognize impact the price of gas; that is, the supply: the supply of oil and, of course, a reduction in demand; how do we reduce the need to buy so much gasoline? This amendment talks about supply and demand, primarily.

Let me briefly summarize what this amendment will try to do.

First, it promotes diligent development of existing leases. As we have had many debates here on the Senate floor, I think most people are aware there is a lot of the Federal land that is currently leased. The question is, how do we get more of it in a producing state? How do we encourage the companies that have those leases to move ahead more quickly?

What we do is we authorize the Secretary to take several steps to encourage more diligent development. We authorize the Secretary to shorten lease terms where appropriate to increase rental fees in later years where appropriate, and generally to do a better job than we fear has been done in connection with encouraging rapid development of these leases.

Second, we are suggesting that areas that have not been leased but that could be leased should be looked at and, where possible, leasing should occur.

Let me put up a chart in the Chamber that makes the point. I know there has been a lot of talk about how the current moratoria on drilling in this country is locking up 80-some-odd percent of all of our opportunity for drilling. Those are not the facts, as I understand them.

As I understand it, there is 33 percent of the Outer Continental Shelf that is subject to a moratorium that therefore, by law, is not available for leasing.

There is 67 percent of the Outer Continental Shelf that is available for leasing. What we are saying is, in that area where we have not yet leased—we have leased some of that, but there are other parts of it, substantial parts that have not been leased—let's do several things to try to do more leasing.

First, we suggest that the Secretary go ahead and reoffer portions of this 181 lease sale area. The first lease sale in the 181 area occurred in March. There were about 300,000 acres that were not bid on by companies. We think those should be offered again sometime in the near future. That is one of the provisions in this legislation.

We call for a doubling of the number of lease sales in the Gulf of Mexico. Two-thirds of the Gulf of Mexico is not

subject to moratoria, and we think in the areas that are not subject to moratoria we ought to have more frequent lease sales.

Third, in areas offshore Alaska, we think, again, that the Secretary ought to look and see if additional leasing can occur.

Let me put up another chart in the Chamber.

The current schedule for leasing carries us through 2012. This is the schedule of the Department of the Interior. They have 16 additional lease sales scheduled from now until the end of 2012, some of those offshore Alaska, some of those in the Gulf of Mexico. What we are saying is, let's look and see if there are other lease sales that we could have in the Outer Continental Shelf between now and 2012 to accelerate this.

We also propose there be an annual lease sale in the National Petroleum Reserve-Alaska. That is not in the Outer Continental Shelf. That is onshore. But there is a very substantial area there, and a very substantial resource, as best we can determine.

On the Roan Plateau leasing in Colorado, again we are proposing that 55,000 acres in that area be leased. This is estimated to contain 9 trillion cubic feet of natural gas.

We are also proposing that Renewable Energy Pilot Project Offices be established to help facilitate use of public lands for renewable energy resources. I am talking about wind farms, I am talking about solar, concentrating solar powerplants that are beginning to be built in the Southwest.

Then, on the demand reduction side, we also have a series of proposals in this amendment that I think are meritorious.

One is a provision that has been passed through the Senate several times calling for an interagency task force in the administration to develop an action plan to save 2.5 million barrels of oil by 2016, to save 7 million barrels of oil by 2026, and 10 million barrels of oil by 2030—per day in each case.

We are proposing to expand the effort at the Federal, State, and local levels to promote telework and telecommuting.

We are proposing to increase support for public transit—transport systems. Many of those systems, because of the high price of fuel, have cut back rather than being able to expand their capacity.

We are proposing a fuel economy indicator device be required on all vehicles that are sold in the country beginning in 2012. We believe that would help to focus people's minds on the fact they are using substantial amounts of fuel and encourage smart driving habits to reduce fuel consumption.

We have a proposal for an Advanced Technology Vehicles Manufacturing Incentive Program. This would provide help to the automobile manufacturing companies, but also to component companies, including those that are mak-

ing batteries so they can get on with the construction of the plants needed and the modernization of the plants needed in that regard.

As far as advanced batteries are concerned, we believe we should have an interagency task force that develops a roadmap for advanced battery development.

We have a proposal with regard to tire efficiency labeling, since we are told by experts that tire efficiency labeling is one of the areas that would improve vehicle fuel efficiency.

We have a proposal to require more energy efficient building codes throughout the country. Again, we believe that would be a step in the right direction.

And, of course, we also have some provisions that the administration has asked for with regard to the management of our own royalty on Federal leases. They have recommended that we repeal the mandatory Deep Water and Deep Gas Royalty Relief Act for Outer Continental Shelf leases in the Gulf of Mexico. We are suggesting that should be done as part of this amendment, and various other royalty management reforms that have also been recommended by the administration.

To sum up, what we are trying to do in the amendment is, we are trying to add to the bill responsible provisions that would help us address the other two factors, in addition to speculation and in addition to problems with additional investment in commodity markets that we think are impacting the price of gas. Taken together—the proposal Senator REID has made that is going to be voted on tomorrow and these provisions related to supply and related to demand reduction—taken together, we believe we would be taking a positive step on behalf of the American people to begin to moderate the price of gas at the pump.

I hope the amendment receives strong support. I hope we have the opportunity to offer it.

Mr. President, I ask unanimous consent to have a summary of the amendment I have been talking about printed in the RECORD following my statement.

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

SECTION-BY-SECTION SUMMARY OF THE DEMOCRATIC AMENDMENT TO THE SPECULATION BILL

Amends S. 3268 to add at the end of the bill the following:

TITLE II—OIL SUPPLY AND MANAGEMENT
Subtitle A—Diligent Development of Federal Oil and Gas Leases

Sec. 201.—Diligent Development of Federal Oil and Gas Leases.—Clarifies the requirement of existing law that all federal oil and gas leases require the lease holder to diligently develop in order to ensure timely production. Requires the Secretary to issue regulations that set forth the requirements and benchmarks for oil and gas development that will ensure diligent development and production from the lease during the initial lease term (to the maximum extent practicable). Lessees are required to submit a diligent development plan to the Secretary.

Sec. 202.—Diligent Development in the National Petroleum Reserve-Alaska.—Provides that leases shall be for a primary term of not less than 8 and not more than 10 years with a 5-year extension if drilling is taking place and so long thereafter as production is occurring. The Secretary must seek to maximize the timely production of oil and gas in setting the lease term for new leases. Repeals the provisions of the Energy Policy Act of 2005 that allowed lessees to renew their leases for up to 30 years. Sets the royalty rate at not less than \$3.00 per acre and requires the Secretary to increase the royalty by not less than \$1.00 per acre per year for new leases.

Sec. 203.—Length of Lease Terms.—Provides that new federal onshore oil and gas leases issued pursuant to the Mineral Leasing Act shall be for a primary term of not less than 5 years and not more than 10 years. The Secretary must seek to maximize the timely production of oil and gas in setting the lease term.

Sec. 204.—Rentals.—Sets rentals for non-producing Federal onshore oil and gas leases issued after the date of enactment at \$1.50 per acre and requires the Secretary to increase the rental by not less than \$1.00 per acre per year. Requires the Secretary to set rentals for OCS leases at a rate determined by the Secretary to maximize the timely production of oil and gas and to increase the rents annually. The rents may be set at a rate that takes into account differences in development conditions.

Subtitle B—Acceleration of Leasing of Offshore Areas Not Subject to Moratoria

Sec. 211. Offshore Oil and Gas Leasing in Portion of the 181 Area Authorized to be Leased Under the Gulf of Mexico Energy Security Act.—Provides that the Secretary should offer for lease within 1 year after the date of enactment that portion of the 181 Area offered for lease in March 2008 pursuant to the Gulf of Mexico Energy Security Act but not leased.

Sec. 212. Acceleration of Lease Sales in Western and Central Gulf of Mexico.—Provides that the Secretary conduct an OCS lease sale every 6 months in the Western and Central Gulf of Mexico. Allows the Secretary to conduct sales less frequently if the Secretary determines it is not practicable to conduct the lease sale every 6 months and provides a report to Congress describing the reasons for holding the sales less frequently and certifying that holding the sales less frequently will not adversely affect production.

Sec. 213. Lease Sales for Areas Offshore Alaska.—Not later than 1 year after the date of enactment, the Secretary shall conduct a survey of oil and gas industry interest in oil and gas leasing and development in planning areas offshore Alaska that are not included in the 5-Year Plan for 2007–2012. In any such planning area where there is a high level of interest, the Secretary shall evaluate the oil and gas potential of the area, the environmental and natural values of the area, and the importance of the area for subsistence use. The Secretary shall provide a report to Congress within 2 years after the date of enactment containing the results of the survey and the evaluation. If the Secretary concludes that leasing should be pursued further in the planning area, the report shall describe the additional steps required by law and the timeframe for conducting a lease sale. The Secretary shall consult with the Governor of Alaska and provide an opportunity for public comment in preparing the report. The section does not modify any environmental or other law applicable to leasing and development on the OCS.

Subtitle C—Acceleration of Leasing and Development in the National Petroleum Reserve in Alaska.

Sec. 221. Acceleration of Lease Sales for National Petroleum Reserve in Alaska.—Provides that the Secretary accelerate environmentally responsible competitive leasing in the NPR-A to the maximum extent practicable, and conduct at least 1 lease sale each year. The Secretary shall comply with all applicable environmental laws.

Subtitle D—Strategic Petroleum Reserve

Sec. 231. Definitions.

Sec. 232. Modernization of the Strategic Petroleum Reserve.—Directs the Secretary to exchange 70 million barrels of light crude oil held in the SPR for 70 million barrels of heavy crude oil. The sale of light crude is to be completed within 180 days of enactment. The purchase of heavy oil is to begin more than 365 days after enactment, but within 5 years of enactment. The net proceeds generated by the exchange are to be dispersed to the Secretary of Health and Human Services to carry out the low-income home energy assistance program established under the Low-Income Home Energy Assistance Act of 1981.

Sec. 233. Deferrals.—Encourages the Secretary to use his existing authority to grant any request to defer a scheduled delivery of petroleum to the SPR, if the deferral will result in a reduced cost for the oil acquisition, or increase the volume of oil delivered to the SPR.

Subtitle E—Resource Estimates

Sec. 241. Resource Estimates.—Requires Secretary of the Interior to collect and annually report to Congress information regarding resource estimates and federal acreage under oil and gas lease and available for leasing.

Subtitle F—Sense of Senate on Alaska Natural Gas Pipeline

Sec. 251. Sense of Senate on Alaska Natural Gas Pipeline.—Encourages all parties to work together to allow the Alaska Natural Gas Pipeline to move forward and to negotiate a project labor agreement.

Subtitle G—Roan Plateau Oil and Gas Leasing

Sec. 261. Short title.

Sec. 262. Findings and purpose.—Calls for the balanced development of energy resources on the Roan Plateau in a manner that minimizes environmental impact while increasing leasing revenues.

Sec. 263. Definitions.

Sec. 264. Special Protection Areas.—Designates certain special protection areas and requires the Secretary of the Interior to manage them in a manner that prevents irreparable damage.

Sec. 265. Phased Mineral Leasing.—Authorizes the Secretary to issue mineral leases, except for the exploration or development of oil shale, within the Roan Plateau Planning Area. Provides for phased development of the Planning Area by prohibiting the Secretary from issuing mineral leases within more than one phased development area at a time.

Sec. 266. Selection of Subsequent Leasing Areas.—Provides for the selection of subsequent phased development areas once at least 90 percent of the recoverable natural gas has been recovered from previously selected areas and 99 percent of the ground disturbed in each previously selected area has been reclaimed.

Sec. 267. Federal Unitization Agreements.—Requires each lessee within the Planning Area to enter into a unitization agreement.

Sec. 268. Record of Decision.—Preserves the June 2007 and March 2008 records of decision.

Sec. 269. Conforming Amendments.—Makes leasing of Oil Shale Reserves 1 and 3 discretionary rather than mandatory and provides that leasing receipts will be deposited in the Treasury for use in accordance with the Mineral Leasing Act.

Subtitle H—Export of Refined Petroleum Products

Sec. 271. Export of Refined Petroleum Products.—Requires the President to report to Congress if net petroleum product exports to any country outside of North America exceed 1 percent of the total United States consumption of refined products for more than 7 days.

TITLE III—OIL DEMAND REDUCTION

Subtitle A—Oil Savings

Sec. 301. Findings.—Finds that dependence on foreign oil is one of the gravest threats to the national security and economy, and that the United States needs to wean itself from its addiction to oil.

Sec. 302. Policy on Reducing Oil Dependence.—Establishes the policy to reduce our dependence on oil.

Sec. 303. Oil Savings Plan.—Establishes an interagency task force to publish an action plan to reduce oil consumption by—2.5 million barrels per day during 2016; 7 million barrels per day during 2026; and 10 million barrels per day during 2030.

Subtitle B—Telework

Part I—Sec. 306. Incentive Programs for Reducing Petroleum Consumption.—Requires each federal agency to promote incentive programs to encourage federal employees and contractors to reduce petroleum usage through telecommuting, public transit, carpooling, and bicycling. Directs the Secretary of Energy to make grants to state and local governments to pay half the cost of carrying out state and local incentive programs to reduce petroleum usage. Authorizes the Secretary to pay the entire cost of local government incentive programs serving rural areas.

Part II—Telework Enhancement.—Requires the head of each executive federal agency to establish a telework policy and to provide an interactive telework training program for eligible employees. Requires the Office of Personnel Management to submit an annual report on telework programs. Extends the authority for travel expenses test programs.

Subtitle C—Public Transportation

Sec. 331. Energy Efficient Transit Grant Program.—Directs the Secretary of Transportation to establish a program for making grants to public transportation agencies to assist in reducing energy consumption or greenhouse gas emissions of their public transportation systems.

Sec. 332. Transit-Oriented Development Corridors Grant Program.—Directs the Secretary of Transportation to establish a program for making grants to public transportation agencies, metropolitan planning organizations, and other State or local government authorities to support planning and design of Transit-Oriented Development Corridors.

Sec. 333. Enhanced Transit Options.—Authorizes the Secretary of Transportation to make transit enhancement grants to public transit agencies to expedite construction of new transit projects, address maintenance backlogs, purchase rolling stock or buses, and continue or expand service to accommodate increased ridership.

Subtitle D—Sec. 336. Fuel Consumption Indicator Devices.—Requires the Secretary of Transportation to require, by model year 2012, that cars and light trucks be equipped with onboard electronic devices that provide

real-time and cumulative fuel economy data and signals drivers when inadequate tire pressure may be affecting fuel economy.

Subtitle E—Sec. 341. Vehicle-to-Grid Demonstration Program.—Directs the Secretary of Energy to carry out a demonstration program on integrating plug-in hybrids into the electricity grid.

Subtitle F—Sec. 346. Advanced Technology Vehicles Manufacturing Incentive Program.—Amends section 136 of the Energy Independence and Security Act of 2007 by directing the Secretary of the Treasury to transfer to the Secretary of Energy, without further appropriation, \$200 million for each fiscal year from fiscal year 2009 through 2013 to pay for the cost of loans to automobile manufacturers and component suppliers for reequipping, expanding, or establishing manufacturing facilities in the United States to produce advanced technology vehicles and components.

Subtitle G—Advanced Batteries

Sec. 351. Definition of Advanced Battery.

Sec. 352. Advanced Battery Research and Development.—Directs the Secretary of Energy to expand and accelerate research and development efforts for advanced batteries and doubles the authorization levels in the energy competitiveness storage programs established under section 641 of the Energy Independence and Security Act of 2007.

Sec. 353. Advanced Battery Manufacturing and Technology Roadmap.—Directs the Director of the Office of Science and Technology Policy (in coordination with the Secretaries of Energy, Defense, and Commerce and the heads of other appropriate federal agencies) to develop a multiyear roadmap to develop advanced battery technologies and sustain domestic advanced battery manufacturing capabilities and supply chain.

Sec. 354. Sense of the Senate on Purchase of Plug-in Electric Drive Vehicles.—Expresses the Sense of the Senate that the Federal Government should increase the purchase of plug-in electric drive vehicles.

Subtitle H—Sec. 361. National Energy Efficient Driver Education Program.—Directs the Secretary of Transportation to develop and promote educational materials on optimizing fuel economy through driving and maintenance practices.

Subtitle I—Sec. 366. Oil and Gas Reserves Reporting Requirements.—Expresses the sense of the Senate that the Securities and Exchange Commission should accelerate the rulemaking process on oil and gas reserves reporting.

Subtitle J—Sec. 371. Tire Efficiency Consumer Information.—Accelerates from December 19, 2009 to March 19, 2009, the deadline for the Secretary of Transportation to publish rules establishing a consumer information program on the effect of tires on automobile fuel efficiency, safety, and durability.

Subtitle K—Sec. 376. Petroleum Use Reduction Technology Deployment.—Authorizes \$50 million for each of 5 years for grants to local Clean Cities participants to promote the adoption and use of reduction technologies and practices.

Subtitle L—Sec. 381. Energy Efficient Building Codes.—Directs the Secretary of Energy to update national model building energy codes and standards at least every 3 years to achieve overall energy savings for commercial and residential buildings of at least 30 percent by 2015 and 50 percent by 2022.

Subtitle M—Sec. 386. Renewable Energy Pilot Project Offices.—Directs the Secretary of the Interior to designate one Bureau of Land Management field office in Arizona, California, New Mexico, Nevada, and Montana to serve as a Renewable Energy Pilot Project Office.

TITLE IV—ROYALTY REFORMS

Subtitle A—Royalty Relief Repeal.

Sec. 401. Repeals mandatory deep water and deep gas royalty relief for Outer Continental Shelf leases in the Gulf of Mexico.

Subtitle B—Royalty Reforms.

Sec. 411. Definitions. Makes conforming amendments to definitions contained in FOGRMA.

Sec. 412. Liability for Royalty Payments. Makes both lessees and their payor/designees liable for royalty payments, amending existing provisions that have made it difficult for the Secretary to collect royalties from all responsible parties.

Sec. 413. Interest. Eliminates the requirement that the Federal government pay interest on royalty over-payments submitted by industry.

Sec. 414. Obligation Period. Amends existing law to start the seven-year statute of limitations at the time any adjustment to royalty payments is made by responsible parties rather than when the payor submits its initial royalty report.

Sec. 415. Tolling Agreements and Subpoenas. Makes changes related to FOGRMA's existing tolling and subpoena provisions, to conform with section 412.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BUNNING. Mr. President, I wish to speak on the bill.

We are in an energy crisis. Don't let a 10 percent drop in oil prices fool you. We are in for a long battle with energy costs and America will need to step up if we want to keep driving our cars, flying our jets, and fueling our economy.

But this bill before us today isn't about lowering prices. It is about finding someone to blame so Americans don't blame the Democrats for failing to act in Congress.

Democrats need a scapegoat because under their watch America has become more addicted to oil than ever and gas prices have more than doubled. They don't want to solve your problems. They don't want to face the environmental lobbyists who don't care how much Americans pay for energy as long as it doesn't come from oil and coal. They want to find someone to blame. They have blamed oil companies, Republicans, the Middle East, and the military. Today it is energy speculators.

I say the time for scapegoats and politics is over. Americans don't want excuses or even someone to blame—Americans want solutions.

They want to be able to afford to drive their truck to work every day. They don't want to worry about turning on the air conditioner or how much it is going to cost to heat their homes this winter.

Back home in my State of Kentucky I have seen how much these prices are hurting families. I know many people who moved farther out into the suburbs to get a bigger yard and more for their real estate investment. Now those same people are stuck using \$4.50 gasoline for their workday commute. Another community in eastern Kentucky is fighting to keep local bus service running to their senior center.

Many older Americans rely on bus and shuttle services to get out of their

homes and are being cut off from their community services because of high prices. There are even places that have gone to a four-day school week to cut back on the cost of busing students.

These people want solutions for energy prices, not more politics.

The best way to address high prices is to get more fuel on the market. America has domestic energy resources that we only need to open up.

I have supported bills and amendments that would expand offshore drilling, start coal-to-liquid fuel production, encourage alternative sources of jet fuel, expand cellulosic biomass fuels, and many other issues. Facing these issues is what Congress should be working on.

For example, I think one part of our solution should be more offshore drilling. More domestic oil means less we have to buy from the Middle East, lower transportation costs, a more stable supply, and therefore lower prices. So why have the Democrats in Congress stopped us from acting on this one issue?

If it is because of the environment, I say we will make sure any new drilling is the cleanest and safest in the world. If it is because we are not sure what to do with the Federal revenue, I am ready to discuss it and develop a compromise. What is the problem with letting individual States choose whether or not to drill offshore? Even if it takes a decade to get to full production, we have to start somewhere.

Congress should at least have the debate and vote on the issue. But every time we try to address even one energy production issue, we are stopped in our tracks and blocked from offering amendments.

I am tired of watching this Democrat-led Congress do nothing. The energy crisis has gone on long enough. We can talk all day about who to blame and make up excuses, but that won't bring down energy prices.

Instead, we find ourselves discussing another bill that tries to blame someone rather than address the problems of domestic production and supply.

The other side is selling you a bill of goods when they say this legislation would impact energy prices. I hear they have a great deal for you on a bridge in Brooklyn too.

This bill will undermine legitimate hedging activities and threatens the liquidity of the commodities marketplace. Futures markets make it possible to buy and sell things at a specific price and date in the future. These markets allow participants to offset risk of price changes to those willing to take risks.

This legislation would also make us citizens subject to foreign rules and regulations related to energy trading. Understanding U.S. laws will not be enough, as energy traders will be required to consult with foreign boards of trade and will be subject to the regulations made by foreign governments.

This bill would also encourage traders to use foreign markets that do not

have as many regulations and take American jobs and business activity with them. But my principal concern with this bill is that it asks a Federal regulator, the CFTC, to wade into the marketplace and make a determination of what is and what is not legitimate trading activity.

Let me explain how this works. How many Americans stock up on an item when they see a good sale at the grocery store? I know I do. Or maybe some people wait to buy in bulk with buy one get one free coupons.

While we don't resell our groceries to someone else, this simple act of timing our purchases or varying how much and when we buy is similar to what traders do in the commodities markets.

Now imagine the Government used this same legislation to regulate grocery shopping that has been proposed for the energy markets. It would mean the Government would keep track of all your purchases and determine whether you were a legitimate or non legitimate grocery shopper. Do you want the government penalizing you if they feel you are overbuying a certain product?

Buy too many hot dogs in 1 month and the Government could impose limits on your purchases or keep you out of grocery stores altogether.

While this legislation isn't going to regulate grocery stores, this bill is the beginning of more government regulations that will limit your options. Maybe next Congress will regulate the precious metals market and determine that buying gold jewelry is a non legitimate purchase, penalizing Americans who want to buy jewelry. Or will the government say that collecting shotguns is a non legitimate purchase that increases the cost of shotguns, allowing it to limit sales to gun collectors?

Allowing the Government to over regulate any market is a recipe for disaster that puts Americans' freedom at risk.

In America, we are proud of our open markets and lack of government interference. We need the already established rules to stop illegal activities such as price manipulation and cornering markets, but we do not need new regulations that prohibit normal market activities, such as buying and selling commodities as an investment or as a price hedge.

I will support efforts to make the markets as transparent as possible. Information allows traders to most efficiently allocate resources and make sure prices actually reflect supply and demand. But I find it unreasonable to on the one hand say the market needs to be more transparent so it can work efficiently, and then on the other mandate new requirements and regulations that will clog the market and prevent it from working normally.

The bottom line is that this legislation will not bring down energy prices.

However, there is something Congress and America can do about

prices—we can produce more of our own energy. I strongly believe that America should use every resource it has to produce energy. Our dependence on Middle Eastern oil is worse than simply paying too much at the pump; it is a threat to national security. Every gallon of fuel we make from biomass, domestic oil and gas, and coal is a gallon of fuel we don't have to buy from the Middle East. It is just that simple.

We need a Manhattan Project for energy in America.

The greatest minds we have should be working on ways to produce alternative fuel, capture and use carbon emissions, produce clean electricity, and improve oil and gas production.

We should agree to take politics out of clean energy and ensure that government programs are technology and feedstock neutral. Too often I see tax incentives and programs that pick and choose what technology or process America should use.

To support all these alternative technologies, we need to change the way government spends money.

I think we should pick performance-based goals—like zero emission alternatives to oil—and let the marketplace decide the most efficient way to achieve it. If you can produce an environmentally sound transportation fuel, we should not care whether it comes from coal or switch grass.

If you can produce a megawatt of clean energy, we should not care if it comes from waste heat on a paper mill or from underground geothermal. By opening up our options, we will get more for the Government dollar and America will see results faster.

I believe the most important alternative fuel technology is coal-to-liquids. We are sitting on a huge coal reserve that we can turn into diesel for our trucks and aviation fuel for our planes. And our military can no longer rely on imported oil from the Middle East. The Air Force has tested this fuel, and it burns cooler and cleaner than conventional fuel. It has less pollution as well. And I know that with the right government incentives and carbon capture technology, we can make coal-to-liquid fuel with less greenhouse gases than oil-based fuels.

Kentucky coal can help bring down the price of oil, provide a secure fuel for our military, reduce pollution, and create jobs.

While new domestic production will go a long way to bring down prices, we should also think about conservation efforts. There are the simple things like turning off lights we don't use and more important measures like the increased fuel economy standards Congress passed. But there are other ways to reduce fuel use using technology. For example, we have a company in Kentucky that produces retrofit kits to reduce diesel fuel use while trucks are idling.

The answer to America's energy problems is more domestic production, clean technologies, and conservation.

We have the resources and know-how to make clean energy, but for the last few decades our government regulations have held us back. We should not find more ways to over regulate our markets—we should vote now to open up domestic production and pursue promising alternative fuel technologies that will actually bring down the prices of oil and gas at the pump for the American people.

The PRESIDING OFFICER (Mrs. MCCASKILL). The Senator from Florida is recognized.

Mr. MARTINEZ. Madam President, no issue at the present time is hitting Americans any harder than the high price of gasoline at the pump. American families are hurting.

For a variety of reasons, we are paying more for a gallon of gas and more to heat and cool our homes than ever before. There are a number of factors contributing to rising energy costs, such as a weak dollar and an incredible surge in demand from the developing world.

It is not entirely clear what the magnitude of the role is that speculators might be playing in this situation. For certain, speculation is not the major contributing factor for \$4-a-gallon gas. Even so, we have a responsibility to ensure that speculators aren't doing something illegal or profiting at taxpayers' expense.

That is why I have joined 43 of my colleagues in introducing the Gas Price Reduction Act, which will put more cops on the beat at the CFTC to ensure there is no foul play occurring between those participating in the oil futures market and those investing in the oil market itself. This regulatory body needs more help so they can be more effective at their job and give the American people the kind of assurance and transparency they should have about the work of this trading environment.

This act also commissions a study to better examine and understand the influence these speculators have on the cost of oil.

We have heard much lately concerning speculators and what they may or may not be doing to influence the price of gas.

On July 21, Treasury Secretary Henry Paulson, Fed Chairman Ben Bernanke, SEC Chairman Chris Cox, and the Chairman of the CFTC stated in a signed letter:

To date, the President's Working Group has not found valid evidence to suggest that high crude prices over the long term are a direct result of the speculation or systemic manipulation by traders.

That is a pretty strong statement coming from the people we trust in overseeing major parts of our economy—the Secretary of the Treasury, Chairman of the Fed, Chairman of the Securities and Exchange Commission, and Chairman of the Commodities Futures Trading Commission.

While I believe speculators are an area of concern, the bigger problem

stems from simple economics and the law of supply and demand. Our efforts should be focused on getting right to the heart of the matter by working to increase our Nation's energy supplies and reducing our demand. It is not enough to do one or just the other; we must do both. According to the International Energy Agency, global demand is 86 million barrels of oil per day and global supply is about 85.5 million barrels per day.

While Congress's record in increasing energy supplies has been scant as of late, we have made progress in recent years.

In 2006, I helped negotiate, with Senator NELSON, the opening of 8.3 million acres in the eastern Gulf of Mexico. This area is estimated to contain 5.8 trillion cubic feet of natural gas and 1.25 billion barrels of oil, and it is currently open and available for exploration. This area was denied until 2006. It is now open and available for exploration.

The Gas Price Reduction Act honors the compromise that was reached in 2006, protecting Florida's gulf coast, while empowering other States to explore for oil and gas if it is supported by the Governors and State legislature.

I believe increasing our Nation's domestic energy supply is perhaps the most critical component to lowering gas prices, and to overlook it would be grossly unwise. In addition to increasing our Nation's domestic supplies, I also believe we should have access to affordable alternatives.

Currently, Americans are paying a premium on Brazilian ethanol because we have a 50-cent-a-gallon tariff on Brazilian ethanol. If we mean what we say about offering cleaner, renewable alternatives to gasoline, I propose we eliminate this tariff. I plan to introduce an amendment that does just that.

The amendment I am proposing would repeal the 54-cent-a-gallon tariff on foreign ethanol that was extended for 2 years—December 31, 2010—under the recently passed 2008 farm bill.

The 2008 farm bill also extended the blenders credit for ethanol producers for 45 cents a gallon, which creates a trade barrier of 9 cents per gallon. Ethanol producers can also receive a small blenders tax credit of 10 cents a gallon if they produce less than 60 million gallons of ethanol per year.

My amendment helps to stop these protectionist policies and offers alternatives to hard-working Americans who are paying too much for gas.

On the other side of the equation, more must be done to reduce demand and promote conservation.

This Congress took a significant step by mandating CAFE energy standards in the Energy bill we passed in 2007, which was the largest increase in fuel economy standards in nearly 30 years. According to the Department of Transportation, these new fuel standards will save over 55 billion gallons of fuel and save American motorists more than \$100 billion over time.

But that is not enough. These standards will go a long way in helping to increase fuel economy, but more must be done to foster the market for efficient energy alternatives and other breakthrough technologies.

One of the more promising technologies in this area is advanced batteries for plug-in hybrids. The Gas Price Reduction Act contains \$500 million in research and development for advancements in plug-in technology and \$250 million in direct loans for manufacturers who retool factories to produce plug-in batteries. It will help to make batteries in many of the current hybrids more affordable and longer lasting.

In the long term, I envision a market where renewable fuels are viable and available and drivers will have affordable alternatives to fossil fuels such as gasoline. My State of Florida has been a leader in helping to make this vision a reality. The State recently created the Florida Energy Systems Consortium, which brings together researchers and resources from State universities to develop renewable energies.

The University of Central Florida—a member of the consortium—recently announced it is receiving \$8.75 million in grants to focus on how technology can make new and existing construction projects more energy efficient. In addition, with the help of \$20 million from the State of Florida, the University of Florida is currently building the State's first biorefinery, which could produce clean cellulosic ethanol to power our cars.

As we continue to discuss the ongoing energy crisis, I urge my colleagues to consider the consequences of failing to offer viable solutions to the American people as they grow increasingly worried over dwindling energy supplies in America. Now is not the time for the politics of energy. It is not the time for us to look for one-upmanship in the political game. It is time for us to act on a problem that is hurting American families throughout the State of Florida and throughout the United States.

We need to address this problem. We need to put us on a track of finding more and using less—a track that, where possible, is environmentally safe, where we can produce more domestic energy, while at the same time turning loose the energies of this Nation, the technology, to look for future opportunities for different blends of fuels, different types of automobiles, and other ways we can improve the efficiency of our fleet so that we can increase the opportunity for the American people to live in a world that is cleaner and in which they can afford to drive their kids to school and go to work. When we have alternative fuels available, they may not have to be totally dependent upon fossil fuels or imported oil.

I believe this is imperative, and it is an issue of national security proportions. We cannot continue to transfer our wealth overseas. We are transfer-

ring, year after year, \$750 billion to countries that are not particularly our friends. Some of them, in fact, would be considered hostile to us. Nonetheless, we purchase oil from them because of our necessity; our need is too great.

The fact is, we know there is plenty of political opportunity on both sides of the aisle on this issue. The American people are focused on this, and the American people are saying: Please do something about this. Hear our cry for help.

I say that this is the time for bipartisan cooperation, for us to come together, Republicans and Democrats, put partisan interests aside, put American interests first, and look for ways to cooperate, work together, and do what is doable, do what can be done.

On five occasions, I have voted to open ANWR to oil exploration. Whether that is acceptable or not, let's come together and decide. I would be prepared to support that once again. If that is a deal-breaker, let's not go there. Let's look for those common-ground areas where we can agree and move forward with a comprehensive energy plan.

Let's not say we have done our job by simply looking at speculation as a scapegoat. We can deal with that and add transparency to it, but that is not an answer in and of itself.

We have to have a comprehensive approach that tackles the issue of supply, that tackles the issue of demand, where we have more oil available, where the supply is increased from domestic production, American production on America's lands and shores, and where we can also reduce our consumption, utilize less. That will make America a safer place. Then we can go home for this August break and face our citizens and let them know we did a job they sent us here to do; not to play politics but to get the job done for the American people.

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. BROWN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BROWN. Madam President, I was in the House of Representatives for 14 years and have been in the Senate for a year and a half, as has the Presiding Officer. During that time, all of us have noticed when there is a spike in oil prices, as there has been obviously intermittently for decades in this country, we can always ascribe a spike in oil prices to one of several factors: either a major fire in a refinery or there might have been an outage on a pipeline somewhere in our country. It might have come from something such as Hurricane Katrina, some major natural disaster in our country that

caused a disruption of oil supplies, or it may have come from an international incident where there would be, again, a disruption in oil getting to our country, some major international incident. So it has either been a refinery fire, pipeline outage, a Katrina-type disaster or some interruption in foreign oil supplies coming to this country.

That is what it used to be. The huge increase in oil prices, the fact that since George Bush and DICK CHENEY came to the White House, two oilmen in the White House, oil has gone from \$30 a barrel to quadruple that number, that gasoline prices have gone from roughly, I believe, no more than a couple dollars a gallon—less than that back then—to about double that now, that has been for different reasons. It is pretty clear, because there has not been a major outage of a pipeline, a refinery fire or a disruption because of a natural disaster or because of a foreign international incident, that something else has happened. That is why Senator REID's legislation is on the floor today because we know part of the reason for prices doing what they have done is certainly there has been more demand from China and India, but that does not account for the doubling and tripling of prices when, in fact, so much of this is about the issues of gaming the system by the oil industry, whether it is price fixing in some sort of way that the Justice Department should go after or mostly what this bill is about, speculation.

It is clear that kind of hanky-panky has gone on in the oil market. You don't have to look very far to figure that out, that it is not just a question of supply and demand.

The other factor compounding this—even though I hear my friends on the Republican side of the aisle talk about we need to do more drilling, and I am fine with that. But the fact is there are 68 million acres out there—2½ times the size of my State, the State of Ohio, 2½ times the number of acres of the State of Ohio—there are 68 million acres on which the oil companies have leases. Yet they are not drilling in most of those 68 million acres. If they are committed to producing more oil to bring prices down, they would begin drilling in far more of those acres than they talk about drilling in.

So why should we, again, in this institution, the Senate, and as I saw for years in the House, buckle to the oil industry? Why should big oil always have its way here? Why should Wall Street always have its way here? That is why Senator REID's bill on speculation is so important, empowering the Commodity Futures Trading Commission, empowering the Justice Department to go after the oil industry on price gouging.

It is clear we need a more aggressive Federal Government, a more aggressive administration. Again, we have had two oilmen in the White House. Look what happened in these 8 years to oil prices.

I beseech my colleagues to support Senator REID's speculation bill, and I beseech the President to be more aggressive with his Justice Department to go after the oil companies that are price gouging and to empower the Commodity Futures Trading Commission to go after Wall Street on some of this speculation. It is pretty clear that is the biggest reason for these price increases, and it is important the Federal Government get behind efforts to do all we can to rein in the cost of oil for truckers, for motorists, people who are getting squeezed and hurt so badly by these increasing oil prices.

I yield the floor. I 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. DODD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

HOUSING AND ECONOMIC RECOVERY ACT OF 2008

Mr. DODD. Madam President, I rise this afternoon to share with my colleagues the good news: that we are about to pass, I believe, after many weeks and months, numerous votes on countless amendments on the floor of this body, as well as efforts in the other Chamber, the Housing and Economic Recovery Act of 2008.

I am going to share some thoughts on where this is and what is included in this bill that passed the House yesterday and is pending as one of the matters that will be considered in the next 24 to 48 hours by this Chamber.

My first expression of gratitude goes to the majority leader, his staff, and others, along with the minority leader's staff, particularly those on the floor who have been very patient.

In the case of the majority leader, he has been far more patient but tremendously supportive of this effort. This has taken a long time and has gone through a lot of different processes over the last number of months to get to the point where we are today: on the brink of passing the most sweeping housing legislation in more than a generation, that will particularly focus on trying to keep people in their homes.

There are literally thousands every day who face the prospect of foreclosure. This legislation will not protect everyone, but it will make a difference in the case of thousands, as well as many of the provisions which I will address in a minute or so. But I begin by expressing my gratitude to those who made it possible for us to get to this point.

Again, the majority leader and his staff played a critical role. Senator SHELBY of Alabama, former chairman of the Banking Committee, today the ranking Republican of that committee—we would never have been able to succeed at what we achieved without him and his staff and the work he has done on the committee. We were

able to mark up this bill several weeks ago and bring it to the floor of the Senate on a vote of 19 to 2, and that was because of the work of Senator SHELBY and others, along with, of course, the wonderful staff I have as part of the Democratic majority of that committee and as chairman of the committee. They worked well together. They spent countless hours. Last week-end alone, they were up until 2 o'clock, 3:30 in the morning trying to iron out details with ourselves and with the leaders in the House of Representatives. There are a lot of people who can claim credit for helping us get to this point. I wish to recognize them and I will continuously over the coming days as we move beyond this legislation.

But it is very important to know that people who never get a chance to speak in this Chamber but who put in the countless hours, the staff who work on these bills, work in our respective offices, work for the committees, do tremendous work on behalf of the American people. I, for one, am very grateful to all who made such a difference in bringing us to the point of stepping up and doing something about this economic crisis, which at its heart, of course, is the housing crisis, and behind all that is the foreclosure crisis.

I wish to share some views on what the bill does and why this moment is important beyond the specifics of this bill.

In my view, we should have and could have acted months ago on this legislation. Regrettably, there are still one or two Senators who are doing everything and anything they can to block this bipartisan legislation from going forward, delaying the kind of relief American homeowners, and so many others, desperately need to get our economy moving in the right direction.

Yesterday, the President of the United States agreed to sign this legislation. That was a reversal. Only a few days earlier they announced they would veto the bill. But yesterday they made the announcement they are going to accept this legislation and they are going to sign it into law.

Let me say how grateful I am to the President of the United States. We are of different political parties. We have different views on many issues. But I thank him. It takes a big person to recognize a mistake, in this case announcing a veto and then changing your mind and saying, in fact, this legislation deserves passage. I appreciate President Bush's willingness to come to that point of view and to make that announcement and to virtually, I hope, guarantee the adoption of this legislation and to begin working to make a difference in people's lives.

As many of my colleagues know, we are in the midst of the most serious economic crisis to face our Nation in many years. Certainly, the American people live it every day. They don't need to read the data; they live the data, whether they are losing their

jobs, losing their homes, watching the value of their stocks, their pensions, their 401(k)s. All are worth less today than they were even a few weeks ago. So the American people do not need a tutorial on whether things are tough out there. They are living it and their families are and they want to know whether their Government is doing anything about it to make a difference.

Income is stagnant, and for many people it is falling at precisely the time Americans are experiencing increasing costs in their daily lives. The source of wealth creation in this country has been damaged badly. Housing, which is a source of great wealth creation for many people, is losing value. Stocks, we know, have lost value. Bonds are losing value. These are the items upon which many Americans, through mutual funds and other vehicles, are able to increase their wealth, increase their security, prepare for their retirement, assist their children to achieve a higher education and to lead decent lives with a degree of happiness and hope that Americans ought to expect, living in this great country of ours. But all these items have been badly damaged over the last number of weeks and compound that loss of wealth creation with the fact that gasoline prices are going up, food costs are going up, health care costs are going up, and the cost of an education is going up. At the very time the source of wealth creation is going down, the cost of living is rising.

Unemployment numbers are also worrisome. In the month of May, we saw a one-half of 1 percent increase in unemployment. That is the largest single monthly increase in unemployment in 22 years in our Nation.

The root cause of all this—again, you don't need to know all this because you have been feeling it—the root cause of all this is the virtual collapse of the housing market that, in my view, did not have to happen. This did not have to occur. This is not a natural disaster. It is not a hurricane or a cyclone or a snowstorm. This is a problem that was created because the people responsible for being the cops over these institutions were not doing their job. As a result, we are in the mess we are in today.

I do not want to oversimplify it, but virtually that is what happened. The collapse was caused by what the Secretary of the Treasury has described as "bad lending practices" that were at best ignored and, in crucial respects, knowingly tolerated, if not encouraged, by Government officials over the last number of years. As a result, every single day in this country, Madam President, 8,000 to 9,000 of our fellow countrymen are entering into foreclosure. Home prices nationwide have dropped by the largest and most precipitous amounts since the Great Depression back in the 1930s. Tens of millions of Americans have watched their retirement savings, their pension funds, and the value of their homes fall by alarming amounts.

Madam President, I want to remind my colleagues that this legislation has proven time and time again to enjoy strong bipartisan support. Again, without the work of my partner in all of this, Senator SHELBY, we wouldn't have arrived at that remarkable result. But my colleagues who have been with us on all of this, those who have added their ideas to this legislation, who have brought thoughtful proposals and added comments as well as specific ideas, deserve a great deal of credit for this as well.

Shortly before we left for our July recess, this piece of legislation passed this Chamber by a vote of 79 to 16. Yesterday, in the House, the bill received a bipartisan vote of 272 to 152. It is time to take up this bill one last time and send it to the President for his signature.

Let me review for my colleagues, if I may, exactly what it is we are working so hard to achieve. The bill we are about to adopt, and that we have worked on for weeks and months, has a number of key elements, all of which have been supported by the strong bipartisan votes in this body. First, we have the HOPE for Homeowners Act, which we are told will help somewhere between 400,000 to in excess of 500,000 Americans keep their homes and avoid going into foreclosure.

My hope, Madam President, is that number will actually be larger than that. That is a low estimate but certainly an important one. These families were simply seeking the American dream of home ownership. Sadly, in case after case after case, they were led astray. They were steered into mortgages they couldn't afford, and the people who steered them into those mortgages knew it because they were going to make their money quickly, and then they were going to sell the mortgage, move on, and never be accountable. In my view, these people should be going to prison for what they did.

I know people say that is a harsh conclusion, but to knowingly lure someone into a financial arrangement you know they could never afford, and to know full well they would end up defaulting on or falling behind, to me, that behavior is reprehensible and people ought to be held accountable. I am speaking of those who knowingly engaged in a practice that caused so much harm in our country. These are cases where often the mortgage brokers and loan officers pretended to be trusted financial advisers but were exactly the opposite. They had no intention and were doing nothing when it came to advising and providing help to these borrowers at all.

In fact, we now know, according to the Wall Street Journal, over 60 percent of the people who were talked into subprime loans actually could have qualified for a conventional mortgage at far lower cost to them than what a subprime mortgage cost. Sixty percent of these people were lured into that category by people who knew they had

an opportunity to qualify for something that would have cost them far less than they ended up paying.

Anyway, this part of our HOPE for Homeowners Act is a voluntary program that will help save these homes by forcing the lenders who chose to participate to take some losses. These are not bailouts. The borrowers will have to pledge at least 50 percent of all new equity and future appreciation in order to get the benefit of a new reduced mortgage at a fixed rate that they can afford to pay. So the lender takes a haircut. They are not going to get what they thought they were going to get, but they are not going to get zero; and the borrower gets to stay in his or her home. They are going to end up paying that insurance and also contributing a part of the equity that will increase over the years to compensate for this program.

There are many protections built into this program. Only homeowners will qualify; no speculators, only homeowners. No investors or speculators will be allowed to participate. Borrowers will have to show they cannot afford their current mortgages, and all loans will be underwritten at a level the borrower can afford to pay. New loans will be at 30-year fixed rate mortgages.

All of this is done at no cost to the taxpayer. In fact, over the next 10 years, the Congressional Budget Office tells us that the program will actually raise some \$250 million for the Treasury of the United States. This provision, combined with the government-sponsored enterprises—Fannie Mae, Freddie Mac, the home loan banks—regulatory reform of this bill, passed the Banking Committee 19 to 2, as I mentioned earlier.

Now, let me put to rest, if I can, an issue that has been raised. I have just described what this will do for that borrower who is with that very distressed mortgage. I can hear someone out there listening to these remarks and saying: Well, Senator, I live next door, and I have a mortgage I would like to get reduced as well. Now, I am not at risk of losing my home because I have my job and, frankly, I got a mortgage at a time when my broker and my banker worked out an arrangement that I could afford to pay. But why is that neighbor of mine getting this deal and I am not? Is that fair?

That is a good question. Let me say to you, as a borrower, first of all, I want to keep that borrower, if I can, in a home. If you are in a similar problem, we want to do what we can to help you. But you don't want that neighbor of yours to go into foreclosure. If your neighbor goes into foreclosure, then the value of your home that day begins to decline dramatically. The last thing any neighbors want on a block is foreclosed properties. So for every 8,000 or 9,000 people who go into foreclosure today, as they will, there are 16,000 people who live next door to that foreclosed property. And when the value of

properties go down in a neighborhood, crime rates go up, and it just spirals further and further down.

So I hear what you are saying. But if you think carefully about how this actually helps you as well, by keeping that homeowner in that house, keeping up the value of your property, then everyone benefits. So to those out there who wonder why everyone is not going to get a new mortgage at a rate they can afford, the value of this program is to try to put a tourniquet, if you will, on the hemorrhaging that is going on. There are 1.5 million people who have lost their homes in the last year. It is predicted by some—Credit Suisse being one—that one out of every eight homes, if we don't act, will end up in foreclosure in the next 5 years. Obviously, that is an intolerable situation in our country.

So this legislation is designed to provide hope not only for the homeowners but hope for the neighborhoods and communities being so adversely affected by this present problem. We desperately need this legislation. And as I have said repeatedly, every day we wait, some 8,000 to 9,000 foreclosures are filed. In fact, the delays we have suffered over the last number of days have caused an awful lot of people whom we might have been able to help to find themselves without a home.

Remember, these aren't just numbers. I have been citing numbers to you—a million and a half, 8,000 to 9,000, and how this program would work. But for every one of these numbers there is a family. Just imagine tonight that you had to go home and tell your husband or your wife or your children: We are no longer going to live here. We can't afford to stay here. This has been our home, but we have to find some other place to live. I don't know of anyone who would like to come home carrying that message because someone lured them into a mortgage knowing full well they could never afford to pay the fully indexed price.

These numbers don't speak about the human tragedy and the cost beyond the financial implications. So the importance of this legislation goes to the heart of who we are as a people, that sense of optimism and confidence. That fulfillment of a dream—of owning a home and raising a family, living in a quiet, safe neighborhood—for many people is no longer going to be there because these foreclosures are occurring at such a rapid rate around our country.

In late June of this year, Census reported that the home ownership rate, after reaching an all-time high in 2005, has fallen to a little over 67 percent, the sharpest annual decline in 20 years. According to the New York Times, minorities, who are disproportionately likely to get subprime loans, are suffering especially badly. That is why this legislation is widely supported by community and civil rights groups, financial institutions, and others. They see a generation of wealth being lost as a result of this foreclosure crisis.

The Senate expressed its strong bipartisan support of the HOPE for Homeowners Act when it defeated an amendment that was offered to strip out this program entirely. To the credit of my colleagues, Democrats and Republicans, we voted 69 to 21 to keep this program a part of this bill.

I want to make people understand something. There is no miracle here. I am not suggesting to you that this is going to work perfectly. It is our best judgment that this voluntary program could make a difference, and my hope is it will.

The second part of the bill, Madam President, includes the FHA Modernization Act. This passed early in April of this year as part of the Foreclosure Prevention Act by a vote of 84 to 12. The provisions in the current bill are identical to that legislation that I authored earlier this year, with the exception that the loan limits have been increased in high-cost areas to a maximum of \$625,000.

As the administration has repeatedly said, the modernization of the Federal Housing Administration will put it in a better position to keep future borrowers away from abusive subprime loans.

Thirdly, this legislation creates a strong, effective, world-class regulator for the housing government-sponsored enterprises—Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. These entities have kept the housing and conforming mortgage markets going while other capital markets have literally frozen. We need to make sure these crucial market players are appropriately capitalized, well regulated, and properly supervised so the American people can continue to depend on them to ensure that affordable mortgages will always be available. Recent losses at Fannie Mae and Freddie Mac speak to the urgency of this need, and the legislation before us accomplishes that goal.

In addition to the government-sponsored enterprise portion of this bill, we have created a new permanent affordable housing fund that will help finance the construction and preservation of affordable homes and apartments across this Nation. Again, the need for this is growing, especially as the foreclosure crisis is pushing more and more families into rental housing. Again, the Senate spoke forcefully in support of this program when an amendment was offered by a Senator in this body to strike that entire program. My colleagues, again Democrats and Republicans, voted 77 to 11 to keep this permanent affordable housing program.

The bill also includes \$3.9 billion for community development block grant funds to help communities across the Nation revitalize neighborhoods that have been devastated by foreclosures. This provision has strong support from the Nation's mayors, community groups, religious organizations, housing groups, and civil rights organiza-

tions as well. Unfortunately, we can't stop every foreclosure, but these funds will help our communities deal with the fallout of this terrible problem and help stabilize and renew our hardest hit communities.

There are important sections of the legislation that help our Nation's veterans find and keep housing and provide them with housing counseling. We increase housing counseling money in this bill so we can help people avoid the scourge and trauma of losing their homes to foreclosure.

There are a number of important tax provisions, and I want to commend my friend and colleague from Montana, MAX BAUCUS, and Senator GRASSLEY of Iowa. The Finance Committee did a terrific job with this bill. They got rid of some onerous, and I think wrong, tax provisions that had been adopted earlier and included some wonderful provisions to help first-time home buyers, as well as to provide some assistance in the area of encouraging additional investments in our housing areas.

So I want to commend MAX BAUCUS and CHUCK GRASSLEY and members of the Finance Committee for the additions they have added to this bill that are going to make a significant difference.

Finally, the legislation includes important standby authority, which was requested by the Secretary of the Treasury, Hank Paulson. He worked all weekend, two weekends ago, with various other people to do what they could to figure out how not to lose the major investments in our government-sponsored enterprises, and he came up with this idea of standby authority. Now, it is unprecedented the authority he is asking for, but Hank Paulson impresses me as someone who has thought about this. He has spent a lifetime in the private sector and knows and understands these issues pretty well. And I know for a fact that he reached out to a lot of other people in the country as well, not of his own political persuasion but people he respects, and listened to them as they crafted this standby authority.

My colleagues have raised some very good questions about it. We had a long, almost 5-hour hearing on the Banking Committee last week where Hank Paulson and Ben Bernanke, the chairman of the Federal Reserve, and Christopher Cox of the SEC, sat there for 4½ hours and answered questions from 22 members of the Banking Committee about this proposal. And there are legitimate issues about it.

I see my friend from New Mexico here, the former chairman of the Budget Committee, and we asked questions that he would have asked in that committee, and I think we answered them as well as we could.

But I think Hank Paulson has it about right. This authority is going to be critical if we are going to encourage people to stay involved in this critically important area of liquidity to the

housing market. So I know my colleagues are concerned about this 18-month proposal, and that is how long it will last, but we will watch it carefully. Any authority that he would seek would be subject, of course, to the debt ceiling limit, which the Congress can impose at any point to slow this down. But the idea that the authority is there will give us, I think, the needed security that many global investors—and I want to point out they are global investors these institutions need in order to stabilize them at a critical time when there are significant jitters about whether these institutions can survive.

So, Madam President, this provision is one that was added by the Secretary of the Treasury, added by the administration, but Senator SHELBY and I believed it was worthy of inclusion in this bill, and that is why we included it.

In short, this is a good, balanced bill. In many ways it is almost landmark legislation. It has taken a long time to get here and unfortunately it took some bad news for us to build the support this bill needed. But we are where we are.

This bill is going to make a difference almost immediately. In fact, we are seeing a difference already in the markets around the country—and around the world, for that matter. This bill has very broad support, including from the Conference of Mayors, the League of Cities, the Mortgage Insurance Companies of America, the Leadership Conference on Civil Rights, the Mortgage Bankers Association of America, the Consumer Federation of America, the National Association of Homebuilders, NAACP, ACORN, the Financial Services Roundtable, and numerous other business, consumer, and civil rights organizations. In fact, I ask unanimous consent that a long list of these organizations be printed in the RECORD for my colleagues.

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

American Financial Services Association; National Governors Association; U.S. Conference of Mayors; Mayors Newsom (San Fran), Menino (Boston), Daley (Chicago); National Assoc of Counties; National Assoc of Local Housing Finance Agencies; National Assoc for County Community and Economic Development; National Community Development Association; National Council of State Housing Agencies; Manufactured Housing Institute; National Housing Trust Fund; Mortgage Insurance Companies of America and National Assoc of Mortgage Brokers.

National Association of Realtors; AARP; FM Policy Focus; NAACP; Mortgage Bankers Association; Conference of State Bank Supervisors; ACORN; Homeownership Preservation Foundation; Mission of Peace National Corp; Mon Valley Initiative; National Council of La Raza; National NeighborWorks Association and Council of State Community Development Agencies.

Mr. DODD. Madam President, I point this out because, as my colleagues will tell you, oftentimes we have one group of people for something and not an-

other. But when you get the Financial Services Roundtable, the NAACP, the Consumer Federation of America, the League of Cities—you get some idea of what we have been able to put together, Senator SHELBY and I have, with this bill.

Is this a bill RICHARD SHELBY would write on his own? No. Is this one I would write on my own? Absolutely not. We do not do business like that here. There are 100 of us here, and we try to work together to fashion ideas that make sense, and that is what we have done with this critically important legislation.

I thank Senator SHELBY. I thank my colleagues, my Democratic colleagues on the Banking Committee—JACK REED, CHUCK SCHUMER, TIM JOHNSON, a long list of people who made a significant contribution to this bill. I thank my Republican colleagues on the committee as well; 8 out of 10 of my Republican colleagues on that committee have supported this effort and stayed with us through this long, arduous process, a process that did not have to last this long and should not have to last this long over the next several days. We could pass this bill in the next hour and send it to the President for his signature this afternoon. That is the kind of news I think the world is waiting for, both at home and around the globe—that the American Congress, Democrats and Republicans, contrary to the opinion people have of us, can actually sit down and work together and produce something for the American people.

That is what we have done with this bill. I thank my colleagues for it and I urge the adoption of this legislation when the moment occurs.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I ask unanimous consent that during the 30-minute block of time for our side 5 minutes be allocated to me, 12½ to Senator VITTER, and 12½ to Senator ENZI.

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

Mr. DOMENICI. Madam President, let me first ask that I be permitted to use 1 minute upfront that is not allocated to my 5 minutes.

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

Mr. DOMENICI. I say to my good friend before he leaves the floor how good it is to see you in action again. I think you probably feel you are back being a Senator. Remember the days when we, together, passed that one piece of legislation where we overrode the veto of President Clinton, when you were the chairman of the Democratic Party and we had a bill going here? It was the right bill; class action. Do you remember that one? It started us moving where that whole process was cleaned up. I regret to say, with the lawyers we were fighting with in our committees, one of them ended up

in jail, I noticed recently. That was the fate he had. I saw that coming as he was conducting his law practice in the days we were investigating class action litigation.

I wanted to say what a pleasure it was then. I know from what you are saying that you have had a lot of opportunity to debate, share ideas, work with other Senators, and I think that is what makes the Senate great. I compliment you for it.

Mr. DODD. I thank the Senator very much.

Mr. DOMENICI. Madam President, it is obvious I just finished telling the good Senator how we work together to make good laws when we have important issues. I also want to say, in the year 2005 we passed an Energy Policy Act. The Senate took 19 rollcall votes on amendments and agreed to 57 of them. Last year on the Energy Independence and Security Act we took 16 rollcall votes on amendments and agreed to 49.

We can look back further, if you would like to, to the successful legislation on the Clean Air Act of 1990. I was here. I was working on it. The Senate acted upon 131 amendments and took well over 3 weeks here on the floor of the Senate.

Let me say to my fellow Senators, that is not what is happening today. Today an issue just as important, as I view it, as important as any of the legislation I talked about—any legislation that my good friend from Connecticut talked about here on the floor, any legislation that we have considered in the field of energy—is before us today during a critical time, a time more critical than at any other time we were considering energy legislation that I have alluded to, and a couple of other times that are similar.

What did we do then? We had time for important legislation and we must have time for this, for the one who is saying: What are you going to do to the offshore inventories of American oil and gas that are locked up that we cannot use and have not used for 20 to 27 years and now they are there, ready to help the American people? The price of gasoline must come down and that is one way to do it. We have to open the reserves that belong to the people.

It is interesting the distinguished Senator from Connecticut could talk about working together and how that has taken place in this important housing bill. It is important that we understand how we did the previous Energy bills. But here today, let it be known that bill which the American people have been wanting us to vote on, wanting us to do something about—that is to open up these reserves that belong to the people and see how much that might affect the price of gasoline—we cannot get a vote unless we do what the majority leader wants us to do. One person, the majority leader, decides whether we can have an amendment, what it will say, what it will be about.

It is completely different than the way we have discussed here for the last

5 minutes, the way legislation takes place here in the Senate. Remember what has happened in this bill. You can throw away all the words and look at where are we today.

There is a bill pending that the Democratic leader brought to the floor on the subject matter of whether there is speculation going on that affects the price of crude oil in a bad way, with bad conduct on the part of those who are participating. He brought a bill down to cure that. We have been told that is a small part of the problem. But the big part of the problem is supply and demand. We, the Republicans—joined by some Democrats, I am sure, if we ever had a chance to do it—are addressing the issue of supply and demand. That is the big issue. That is the issue that might indeed make some Americans smile instead of being so worried about their future because of the price of gasoline and what it is doing to them and to the American economy. We must have the right to freely amend that bill until we come to a consensus. That is how we get things done. But, remember, plain and simple, no matter what is said, we cannot do that.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMENICI. That is because the majority leader has precluded us procedurally from doing anything other than what he wants, what he will let us do. We cannot act the way the Senate should act on important issues.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. VITTER. Madam President, I too rise to talk about the single most important issue, bar none, facing American families—gasoline prices, energy. Again let me restate the obvious. This is the single most important issue facing all Louisiana families I represent, facing American families across the country. In that context, for families who struggle every week, particularly when they go to the gas station to fill up, particularly as they try to take family vacations in the summers or they struggle with their basic needs of commuting to work—those folks in ag, or transportation, doubly hit with diesel costs—we need to act, not talk but act in a meaningful way on this issue.

Let me first congratulate the majority leader. He has finally allowed a bill on the floor which at least touches on this issue. He has a bill before the Senate right now, the issue on the floor, that deals with speculation in energy, particularly oil and gas. That is an issue we should address head on and I applaud that.

But there is a big problem with how he has gone about running the Senate in this instance; that is, he has not allowed any meaningful amendment to that bill so that we can have an open debate and open amendment process about gasoline and energy.

Again, I am happy to look at the speculation issue and act on the specu-

lation issue. I support provisions that do that. But I do not know a single American who thinks that is nearly enough, that it addresses the bulk of the issue, that we should not move on to other crucial issues revolving around supply and demand.

Like virtually every Member of this body, I have introduced significant amendments that go to the heart of the matter, that impact supply and demand, that try to make us use less, bring down demand, conserve more, have greater fuel efficiency standards, new technology. But that would also have us find more right here at home. We have those resources here. Yet because of the ground rules laid down by the distinguished majority leader, we are not being allowed to call up any of those amendments, have that open debate, consider my ideas or the ideas of the 99 other Senators on both sides of the aisle. I urge the majority leader to abandon that approach and to get back to the best traditions of the Senate—open debate and an open amendment process. Specifically, in that vein:

I ask unanimous consent that the Senate consider S. 3268 in the following manner: that the bill be subject to energy-related amendments only and that amendments be considered in an alternating manner between the two sides of the aisle. I further ask unanimous consent that the bill remaining be the pending business to the exclusion of all other business other than privileged matters or items agreed to jointly by the two leaders.

I ask unanimous consent that the first seven amendments to be offered on the Republican side of the aisle by either the Republican leader or his designee be the following: an Outer Continental Shelf amendment, including a conservation provision; an oil shale amendment, including a conservation provision; an Alaska energy production amendment, including a conservation provision; the Gas Price Reduction Act, which has 44 cosponsors, myself included; a clean nuclear energy amendment; a coal-to-liquid fuel amendment, including a conservation provision; and a LIHEAP amendment.

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

Mr. VITTER. Madam President, I am obviously not surprised, but I continue to be disappointed. Gasoline prices—energy—are the single greatest challenge facing every Louisiana family. I know they are the greatest challenge facing Missouri families and families all across this country. Yet we are not acting on what most concerns folks about our collective future, our economic future, the future for our families. We must act.

The American people have a lot of sound common sense and they know there is no single answer, there is no silver bullet, there is not one thing that does everything, there is not one thing that can stabilize and immediately lower gasoline prices.

They know we need to do a number of things. Most of the American people,

like me, are perfectly willing to look at speculation and act on that issue. I support provisions to do that. But the American people also want to look at supply and demand. They want to decrease demand through conservation, through greater efficiency, through new technology, but they also want to increase supply, including finding more energy right here at home.

That includes a lot of oil and gas resources we have right here at home that we need for the short term and medium term. We need to do a number of these different things.

As I mentioned, I have introduced seven specific amendments. My amendments do a number of different things, both on the demand side and on the supply side, because we need to act on both sides of the equation. But, again, the ground rules the majority leader has established shut all that out so far. I certainly hope he reconsiders and changes those ground rules.

Those ground rules are offensive, quite frankly, to the traditions of the Senate. I came from the House. When I did, I heard the Senate was fundamentally different from the House; that the Senate was about open debate and open amendments and not controlled with limited debate and limited amendments such as the House.

Well, I found out the Senate, under this leadership, is different from the House. In the House we had a handful of amendments on every bill. In the Senate, we are even denied that. That is not the tradition of the Senate, and it is not how we have acted in the Senate on energy legislation in the recent past.

The last two times we considered energy legislation were in 2007 and in 2005. In 2007, when the price at the pump, by the way, was about \$3 a gallon, we spent 3 whole weeks on the bill, on the issue on the floor of the Senate, 3 weeks, nothing but that.

We had rollcall votes on 16 amendments. We had 22 rollcall votes total. We adopted a total of 49 amendments because several of those amendments were accepted without a vote. There were a total of 331 amendments proposed. That is when gas was \$3 a gallon.

A little further back, 2005, we also considered energy. By the way, at that time, gas was \$2.26 a gallon. We spent 2 whole weeks on the Senate floor, 2 entire weeks focused on nothing other than that, even though the price was almost \$2 per gallon less than it is now.

We had 19 rollcall votes on amendments; 23 total rollcall votes on the bill. We adopted 57 amendments and 235 were proposed. That is serious legislating on a serious issue.

Yet has energy gotten less serious since then or more? Well, you can track that with the price at the pump. It has gone from \$2.26 during that first debate, to \$3.06 during the second debate, to \$4, at least, now. The issue is more important than ever and merits our attention more than ever and merits a serious response more than ever.

That means real time on the floor and—more than time obviously—the ability to have an open amendment process and to consider serious, substantive legislative proposals.

Again, I have seven amendments offered. They attack both the demand side, to lower demand, and also the supply side, to increase supply, including in the short and medium term.

We need to attack both sides of the equation. We need to do both those things. But, fundamentally, we need to act. The American people are sick and tired of our never acting on issues that are important to their lives, never taking up what hits them in the pocketbook, what their families are concerned about, what threatens their future.

UNANIMOUS-CONSENT REQUEST S. 3248

So we need to act. So in that vein, I again urge us to act. I ask unanimous consent that the Senate consider S. 3248, in the following manner: that the bill be subject to energy-related amendments only; that amendments be considered in an alternating fair manner between the two sides of the aisle.

I ask further unanimous consent that the bill remain the pending business, to the exclusion of all other business other than privileged matters or items agreed to jointly by the two leaders.

I ask further unanimous consent that the first seven amendments to be offered on the Republican side of the aisle by either the Republican leader or his designee be the following:

An Outer Continental Shelf amendment, including a conservation provision; an oil shale amendment, including a conservation provision; an Alaska energy production amendment, including a conservation provision; the Gas Price Reduction Act, which has 44 cosponsors, including myself; a clean nuclear energy amendment; a coal-to-liquid fuel amendment, including a conservation provision; and a LIHEAP amendment.

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

The Senator's time has expired.

Mr. VITTER. I ask unanimous consent for an additional 30 seconds.

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

Mr. VITTER. Again, I am very disappointed—not surprised, very disappointed. The American people want action. The American people deserve action on what is the single greatest threat and issue in their lives right now.

I urge all of us to come together, not as Democrats or Republicans but as Americans, to act.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Madam President, I am disappointed to be here and to have to give this speech today. I am disappointed because I am, once again, on the Senate floor discussing the fact that the majority leader has decided to use the Senate parliamentary tactic to

stop members from offering amendments and to close off debate.

We are going to spend until tomorrow morning or whatever time tomorrow we decide to have another vote on another cloture motion doing nothing. While we can raise issues, we cannot get any votes on any issues. This is all valuable time that we could be voting on issues for the American people, issues that would actually solve some of the gas price problems I hear about all over Wyoming and all over the country. It is the No. 1 concern in this country right now.

The majority leader has a rain delay that has put a halt to this match, but this game will get played. We will debate alternative energy, finding more oil on American soil, deep sea exploration, nuclear energy, oil shale. You cannot stop us forever because the American people have told us the most important issue on their mind is the issue of energy.

The majority leader has told the world's most deliberative body we cannot have a real debate about this issue. But the American people are telling him something else. Hopefully, soon he will listen. It is no wonder Congress has an approval rating that is less than 10 percent.

Rather than working on the issues that are important to our constituents, we continue to play "gotcha" politics. It is not getting us anywhere. It is certainly not improving our Nation's energy situation. This brand of nonlegislating that the majority continues to peddle is not making a gallon of gas cheaper.

When will the leaders let us put real proposals on the table? This body will take some and this body will leave some, but we should be taking action. What we have now is not action, it is acting, acting in the dramatic sense. We evidently think that if we can place blame on speculators and get a vote on that and be done, we can check that box off and say that we took care of energy for America. Americans are smarter than that.

The majority leader is preventing a vote on an amendment that would increase production on the Outer Continental Shelf. We cannot vote on an amendment that will allow for more production of diesel fuel from our Nation's most abundant energy source, coal. We cannot vote on extending the wind production tax credit. We cannot vote on extending tax credits for solar energy.

The majority leader has said we need to get an agreement on amendments. Our side has agreed we need to work on energy amendments because this is an energy debate. We have been willing to put aside all the other kinds of amendments. But, no, that is not enough. We want to be able to read each of them and decide whether they are meritorious before they are put on the table.

I am not sure why that is the case. It does not match up with our historical

energy debates or, for that matter, any of our debates.

The Senate considered the Energy Independence and Security Act last year. At that time, gas was \$3.06 a gallon. I talked a little bit about that bill because I called it the anti-energy bill and said there was not anything in that that was going to bring down the price of gas. Obviously, I was right. The price is up another dollar from that. But even on that one, there were 331 amendments that were filed. Of those, 49 amendments were agreed to, and 16 amendments received rollcall votes.

The Senate considered the Energy Policy Act of 2005, that is the previous bill to the anti-energy bill. Gas was \$2.26 a gallon then. There were 235 amendments that were filed and, of those, 57 amendments were agreed to and 19 amendments received rollcall votes.

The crisis is even greater now. So there ought to be amendments being debated, considered. We should not have the parliamentary tactic that keeps us from doing amendments.

Anytime a bill comes in here, and it is a take-it-or-leave-it proposition, this body leaves it. So if you want to get something done, want to be able to check off the box, we need to be able to do some amendments.

Now, not only were both those bills fully amendable but both received significant floor consideration. We spent 15 days on the floor on one of them and 10 days on the other. Why? Because they are serious issues that deserve serious debate. We wanted to make sure ideas from both sides were considered.

As I recall, both sides lost some. But that is how it works. I have an amendment that relates to State mineral royalties. That amendment would encourage States to allow for energy production on their land by giving them their fair share of mineral royalties. We are not going to get to consider that. There are a number of other amendments that I would support relating to energy development on the Outer Continental Shelf in the States that want energy production and only those States that want it.

I would support an amendment to improve our Nation's energy situation by accelerating the development of coal-to-liquid fuels. That could be coal to diesel and coal to jet fuel. Those are the most expensive fuels in the United States right now. Those are the ones that have some great potential for decreased costs using our most abundant energy source.

We have more Btu's in coal—in fact, we have more Btu's in the clean coal in northeastern Wyoming than Saudi Arabia has in oil. It is an old technique from World War II, from converting that to, say, diesel, and also to convert it to jet fuel. Our military needs jet fuel. It can be done from coal.

Unfortunately, the majority leader has stopped me from doing so by using parliamentary tactics to cut off the debate. He has also stopped me from

voting against a number of bad ideas I am sure we would see. I will not have a chance to vote against lowering the speed limit to 55 miles an hour. Why is that a bad idea? It actually led to higher traffic fatalities.

When we were talking about eliminating the 55-mile-speed limit, the argument was, if we do that, the number of fatalities in the United States would go up. Well, we raised the speed limit. We went back to where it was before.

Do you know what. Traffic fatalities went down. In Wyoming, the reason they went down is we eliminated a lot of those single-car accidents from driving the huge distances across our State at very slow speeds.

My dad traveled on the road. He said: At 55 miles an hour, you could watch a flower come up, grow, bloom, and wither before you got by it. So he started reading while he drove. But it kept him awake. So he did not have one of those single-car accidents where you roll your car.

Now, believe it or not, I agree with the majority party on some steps we could make to help this country be more energy independent. Wind tax credits are one example. By restricting Senators' participation, stopping them from representing those who put them in office is not going to get us any further than an empty gas tank, and that is what this bill in its current form is.

The bill before us blames speculators for our energy situation. It might be worth taking a moment to discuss exactly what speculators do. We have turned that into a cuss word. Oil speculation is two people or companies or organizations guessing what the price will be in the months to come. One of those entities thinks the price will be higher in the months to come, and so they buy the commodity now. Another entity thinks the price will be lower, so they sell the commodity now. The one who is right will make money; the one who is wrong will not. You can't have this kind of a transaction without two people who believe the exact opposite. Both are speculators. Both think they can make money based on their knowledge of the world and the gas supply at the current time.

What kind of entities do this? An airline might think the price of oil will be higher in the months to come, and, to stabilize their fuel costs, they will purchase oil futures for the next couple of months. If the prices go up, they will have stabilized their fuel costs and saved money. If they go down, of course, it will cost them what they bid it at, and they will lose money compared to what they could have gotten it for. But in order for them to have that market, there has to be somebody willing to bet against them, willing to say: Yes, I think the price is going to go down, and I am going to make that differential. Those are speculators. Without the speculator part of the deal, the airline doesn't have a deal. The airline cannot lock in a price for what they are willing to pay to make

sure they will know in the future what their costs are going to be. That is speculation.

The market is a place where you anticipate what the cost will be in the months to come so that you can have certainty for what you are going to pay. Sometimes you guess right and you are paying below market value. Sometimes your guess is wrong, and you end up paying more than market value. What is commonly ignored in the debate about oil speculators is that for every dollar made, a dollar is lost by someone who would be called a speculator but without whom the market doesn't work.

Oil is not the only commodity that is traded. We speculate on the price of wheat, pork bellies, gold and silver, cattle—a number of other things. Speculation allows producers and consumers of these products the opportunity to manage the risk they have on buying and selling products that don't have a set price. This helps prevent wild fluctuations of price each and every day. That keeps major market failures from happening.

Earlier this week, I spoke about how the majority leader's energy speculation bill could have significant unintended consequences for institutional investors accessing commodities, futures, and capital markets. Today, America's largest pension funds wrote to me stating their concern.

The American Benefits Council wrote:

The Council is very concerned that the serious implications of S. 3268 on retirement plan participants have not been sufficiently evaluated. We are concerned that legislation relating to energy policy could unintentionally harm the long-term security of American workers and families.

I ask unanimous consent to have the letter printed in the RECORD.

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

AMERICAN BENEFITS COUNCIL,
July 24, 2008.

Re: Adverse Retirement Plan Implications of Energy Speculation Legislation (S. 3268)

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Health, Education, Labor and Pensions, U.S. Senate, Washington, DC.

Hon. MICHAEL B. ENZI,
Ranking Minority Member, Committee on Health, Education, Labor and Pensions, U.S. Senate, Washington, DC.

Hon. MAX BAUCUS,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

Hon. CHARLES E. GRASSLEY,
Ranking Minority Member, Committee on Finance, U.S. Senate, Washington, DC.

DEAR CHAIRMEN KENNEDY AND BAUCUS AND RANKING MEMBERS ENZI AND GRASSLEY: I am writing today on behalf of the American Benefits Council to express concerns about the implications of S. 3268, the Stop Excessive Energy Speculation Act of 2008, on employer-sponsored retirement plans and the tens of millions of American workers and retirees who rely on these plans for their retirement security. The American Benefits Council (the "Council") is a public policy organization representing principally Fortune

500 companies and other organizations that assist employers of all sizes in providing benefits to employees. Collectively, the Council's members either sponsor directly or provide services to retirement and health plans that cover more than 100 million Americans.

The Council is very concerned that the serious implications of S. 3268 on retirement plans and retirement plan participants have not been sufficiently evaluated. We are concerned that legislation relating to energy policy could unintentionally harm the long-term financial security of American workers and families.

Employer-sponsored retirement plans are long-term investors that invest in a wide range of asset classes in order to diversify plan investments and minimize the risk of large losses, both of which are central to employers' fiduciary obligations to act prudently and solely in the interest of plan participants. As you know, fiduciaries are subject to extremely demanding legal obligations under the Employee Retirement Income Security Act (ERISA) but have flexibility to select the investments that will allow them to carry out their mission of providing retirement benefits to employees. Commodities are one of the broad range of asset classes upon which fiduciaries rely. Specifically, commodities serve as a modest but important element of the investments held by employer-sponsored defined benefit pensions because commodity returns are uncorrelated with stocks and bonds and because they provide an important hedge against inflation. For the same reasons, commodities are used in many of the diversified "single fund" solutions (lifecycle funds, target retirement date funds) that have been developed to simplify investing for the tens of millions of Americans participating in defined contribution plans such as 401(k)s. These single fund solutions, which policy-makers have encouraged through legislation and regulation, make investing easier while giving workers access to professionally managed, diversified portfolios.

The restrictions imposed on commodities investing under S. 3268 would greatly restrict the ability of employer-sponsored defined benefit and defined contribution plans to use this important asset class. The result will be less ability to diversify investments, manage investment volatility and be a buffer against inflation. Unfortunately, it is the employees and retirees who depend on employer retirement plans for their income in retirement who will ultimately suffer. We hope, with this in mind, that the implications for retirement plans and plan participants will be examined more fully before S. 3268 is considered further.

We sincerely appreciate your consideration of our views on this important matter. Please let us know if we can provide additional information or address any questions you may have.

Sincerely,

JAMES A. KLEIN,
President.

Mr. ENZI. I also ask unanimous consent to have an article on statistics on the 55-mile-an-hour speed limit printed in the RECORD.

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

[From the Wall Street Journal, July 24, 2008]
THE INSANITY OF DRIVE-55 LAWS

(By Stephen Moore)

It didn't seem possible that politicians could think up a sillier energy proposal than Barack Obama's windfall profits tax on oil companies, but Republican Sen. John Warner of Virginia has done just that.

Earlier this month, Mr. Warner suggested a return to the federal 55-mile-per-hour speed limit on America's highways, as a way to save on national gasoline consumption. "I drive over 55 miles an hour, . . . sometimes 65," he said on the Senate floor. "But I am willing to give up whatever advantage to me to drive at those speeds with the fervent hope that modest sacrifice on my part will help those people across this land . . . dealing with this financial crisis."

Meanwhile, environmental groups across the country are also pushing a lower national speed limit to reduce greenhouse gas emissions. The notion here is that if people simply lift the pedal off the metal on the highways, they will help avert an environmental apocalypse.

Mr. Warner may be willing to drive slower to save gas. The vast majority of Americans surely are not. The original 55 mph speed-limit law, enacted in October 1974 after the OPEC oil embargo as a way to save energy, was probably the most despised and universally disobeyed law in America since Prohibition. In wide-open western states, driving at 70 mph or even 80 mph on miles upon miles of straight, flat, uncongested freeways is regarded as a God-given right. In the 1970s and '80s, the federal speed limit was a daily reminder of the intrusiveness of nanny-state regulation.

States were bullied into complying. If they didn't, they risked losing federal highway money—which came from the gas taxes paid in part by their own residents. The law—"double nickel," as it was called—was so hated in Montana that the state legislature passed a law capping speeding tickets at \$5. In Wyoming, the highway patrol told speeders to hold on to the tickets they issued because they were good for the whole day.

In 1995, the newly ascendant Republican Congress repealed the 55 mph limit. Most states acted quickly to allow speeds of up to 65 mph or even 75 mph on their interstates, and for good reason. As an energy saving policy, the double nickel was a bust. The National Motorists Association reports that about 95% of American drivers regularly exceeded the federal speed limit. Does it make sense to resurrect a law that 19 out of every 20 Americans disobeyed?

In the first few years when the law was strictly enforced, according to the Congressional Research Service, gasoline consumption was reduced by about 167,000 barrels a day. But over time the law was increasingly ignored, and average speeds on the highway fell by only a few miles per hour. The National Research Council estimated in 1984 that Americans spent one billion additional hours a year in their cars because of the speed limit law.

Mr. Warner repeats the myth that a lower federal speed limit will increase traffic safety. Back in 1995, Naderite groups argued that repealing the 55 mph limit would lead to "6,400 more deaths and millions more injuries" each year. In reality, National Highway Traffic Safety Administration data reveal that in the decade after speed limits went up (1995-2005), traffic fatalities fell by 17%, injuries by 33%, and crashes by 38%. That's especially significant because in 1995 far fewer drivers were gabbing on their cell phones or text messaging while driving.

In a study for the Cato Institute in 1999, I compared the fatality rates in states that raised their speed limits to 70 mph or more (mostly in the South or West) with those that didn't (mostly in the Northeast). There was little difference in safety. Of the 31 states that raised their speed limits to 70 mph or more, only two (the Dakotas) experienced a slight increase in highway deaths. The evidence is overwhelming that traffic safety is based less on how fast the traffic is

going than on the variability in speeds that people are driving. The granny who drives 20 mph below the pace of traffic on the freeway is often as much a safety menace as the 20-year-old hot rod.

Retail gasoline stores report that Americans have already reduced their gas purchases by about 5% this year—presumably by driving less and buying more fuel-efficient cars. At \$4.59 a gallon, motorists don't need to be lectured by politicians on the financial savings from cutting back. Those who want to stretch their dollars can drive 55 mph on their own (though they are well advised to stay in the right lane).

But many liberal and green do-gooders want the double nickel precisely because they want to force everyone to share in the sacrifice required. As an egalitarian friend once told me, he loves traffic jams because they are the ultimate form of democracy.

To the left, fairness means we all suffer equally together. In light of this alleged moral imperative, it doesn't matter if a lower speed limit means Americans would spend two billion extra hours on the road, or that, according to the Labor Department, assuming a \$15 per hour average wage means the speed limit could cost the economy between \$20 billion and \$30 billion a year in lost output.

Calls for a 55 mph speed limit—and for that matter most other government energy conservation plans, such as urging people to ride a bus or a bicycle rather than driving a car—reflect a mindset that oil and gasoline are more valuable than human time.

But America is not running out of energy. We have potentially hundreds of years of oil and natural gas and coal supplies in America alone, if Congress would only let us drill for it. What is in short supply—the only truly finite resource, as the late economist Julian Simon taught us—is the time each of us spends on this earth. And most of us don't want to spend it sitting longer than we have to in traffic.

Mr. ENZI. I also have heard from other pension fund and institutional investor representatives that the provisions in the majority leader's bill have not been sufficiently vetted. Rather than pass a flawed bill on energy speculation, we should wait until we read the Commodity Futures Trading Commission's and the Interagency Task Force on Commodity Markets' report due out later this year. This issue is too important for us to act without all of the facts.

Few serious economists believe that this bill will do anything substantial to decrease energy prices. Warren Buffett, the Nation's wealthiest Democrat, doesn't think that it will make a difference. Neither does oilman T. Boone Pickens. Even the Federal Reserve Chairman, Ben Bernanke, believes that this bill will have little impact on the price of gasoline. And yet we are still prohibited from offering amendments. We are still prohibited from voting on amendments that will have a real impact on the price of gasoline.

It is unfortunate that the debate is turning out this way, because I agree that there should be more transparency in the market. That is why I am the cosponsor of a bill that allows for more oversight by the Commodities Futures Trading Commission. But in addition to that, the bill does something more. The Gas Price Reduction

Act includes a provision to open up coastal waters in States where they 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.

We should have the opportunity to vote on these proposals. We should have the opportunity to have a real debate on energy. Instead, we are going wrap up this debate and begin playing the blame game. It is disappointing that the Senate is working this way, and I hope we can stop playing politics and have a real debate in the near future. This issue is too important for the Senate to ignore.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. TESTER. Mr. President, I rise today to call on the Senate to pass commonsense legislation to lower gas prices. This week, possibly even today, the Senate will vote on legislation that would create more oversight on the financial markets that are helping to drive up the cost of oil. I hope my colleagues will join me in voting to pass it. It is the first step toward energy independence but certainly not the last.

In my State of Montana, folks are hurting. The average price of a gallon of gas is about \$4.20. Diesel now costs on average \$4.67 a gallon in the Big Sky State. My constituents need and deserve effective action from their national leaders to provide them with relief from this energy crisis.

Across Montana, desperate times are producing desperate measures. Driving to go to work or between cities is not a choice; it is a necessity. Snow is on the ground for a good part of the year. You need wheels to get around. Folks are paying with credit cards at the pump or getting second or third jobs to get by. They are canceling vacations, driving less, and buying smaller cars. But that is not enough.

The Senate must provide relief at the pump, and there is no silver bullet. It is going to take a few commonsense ideas and a lot of hard work to diversify our portfolio. I support a three-pronged plan: Crack down on energy speculators manipulating the marketplace for a quick buck; produce more fuel by drilling for oil where it makes sense and invest in renewable energy for the long term; also, encourage energy conservation—that is the low-hanging fruit—for long-term energy sustainability.

The Senate will soon vote on a commonsense plan to crack down on oil market speculators and hedgers who break the rules. We have seen these guys before with Enron and the housing bust, folks on Wall Street who manipulate the market and give themselves raises while gas prices are choking regular folks. It is time to put a stop to this unfair manipulation.

Let me be clear about two points. First, not all speculation is bad. Well-

regulated speculation can help markets set a fair price for a commodity. Unfortunately, under this administration, speculation and hedging have gotten way out of hand, driving up the price of oil to record heights and squeezing the American consumer as never before. When the price of oil skyrocketed this summer, it was not because of a sudden increase in demand, nor because OPEC suddenly decided to pump less. It was because of trading on Wall Street by folks who never intended to own a barrel of oil.

We owe to it every family struggling to meet rising gas bills, every farmer filling up his tractor, every trucker buying fuel to move product to make sure this trading is fair and on the level. Folks in Montana don't have a problem with anyone making a buck, but we do believe in the American dream. We will not put up with folks who game the system.

I call on my Senate colleagues, Democrats and Republicans alike, to join together and pass the Stop Excessive Energy Speculation Act. This bill will strengthen the Commodity Futures Trading Commission to crack down on Wall Street speculators in the oil market. More watchdogs, more transparency will stop people from gaming the system and artificially and unnecessarily driving up prices at the pump. We need this bill.

When it comes to getting control of high gas prices, this is only the beginning. Beyond speculation, we need to drill for oil in places that make sense right here in America, and production of renewable fuels must go hand in hand with drilling for more oil.

One of the places it makes sense to drill for oil is in the Bakken Formation in eastern Montana and North Dakota. The Bakken field is a place we will hear about again and again. New technology is allowing smaller producers to extract more oil. There is more than 4 billion barrels of oil in the Bakken field. It is hard work, but these are good jobs, and the salaries are good too. And they are right here at home. All you need is a strong back, a cattle stand, a good work ethic, and a clean record, and you can find jobs that start for as much as \$25 an hour.

The Bakken field isn't the only place where drilling makes sense. Last week, the Interior Department finally opened 2 million acres in the Alaska National Petroleum Reserve, and it is about time. It is all part of the puzzle to free America from the grip of foreign oil and lower the price of gas at the pump.

However, anybody who tells you we can drill our way out of this problem is not shooting straight. Congress has been debating whether to extend tax credits for wind, solar, and other renewable energy sources, and we ought to stop extending the production tax credit on an annual basis. A long-term extension of these tax credits will really make a difference.

Over the long haul, we know we cannot simply drill our way out of this

problem. We must invest in conservation and sustainable energy such as biofuels. It is all part of the puzzle to free America from the grip of foreign oil and lower prices of gas at the pump.

Earlier this summer, Congress passed the farm bill over the President's veto. That bill included hundreds of millions of dollars for advanced biofuels. The farm bill also contained a provision I was able to offer to encourage the production of camelina. Camelina is a crop that can be grown in Montana and other places and can be processed into biodiesel to run tractors, combines, farm equipment, and diesel engines. The byproduct of camelina makes a nutritious feed for livestock. Camelina truly is a win-win solution for renewable energy. We need to encourage more of these commonsense answers to our energy crisis.

Finally, conservation must play a significant role in solving our Nation's energy crisis. If we are ever going to free America from the grip of foreign oil, we must find real ways for consumers to use less fuel.

Last year, Congress increased auto fuel-efficiency standards for the first time in a generation. But it took 20 years of fighting, and eventually a Democratic Congress got it passed. Those new standards will save about 1.1 million barrels of oil a day by 2020, or about as much as produced by the State of Texas.

One hundred years ago, the Model T got 25 miles per gallon. Now a car gets 28 miles per gallon. Since that time, we have split the atom, sent a man to the Moon, developed computers, and mapped out the human genome. Yet we get the same fuel efficiency? Come on. That is not right. Conservation is the easiest and cheapest thing we can do to keep energy costs down.

Part of the energy tax package will help homeowners and businesses make those savings themselves. A partisan majority of the Senate supports this bill, but a small minority keeps us from getting it done.

The State of Montana recently announced an initiative to help citizens increase insulation in preparation for next winter's high heating bills.

These are all steps in the right direction, but we have more work to do to reduce energy consumption. The United States is the single largest consumer of energy in the world. We cannot continue on this unsustainable path. To do so would forfeit our national security to countries such as Russia, Venezuela, Nigeria, and Saudi Arabia. That would be a tragic legacy to leave to our children. We need a comprehensive approach to bring down the price of gas and address this energy crisis in the long term. We need to crack down on speculation and greedy hedging to manipulate the oil markets. We need to increase production of fossil fuels where it makes sense and develop renewables for the long haul, and we need innovative solutions to reduce our overall energy consumption.

Some people think the economic pressure on the middle class is all in their heads. We know better. Folks in Montana know this energy crisis is real and it is bad. The Senate must act now to pass constructive legislation to bring down the price of energy at the pump. It all starts with passage of the Stop Excessive Energy Speculation Act.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, as the Senate debates a bill that will stop out-of-control speculation in the energy commodity markets, I would like to make a brief statement on this legislation and why it is essential that we act on it.

For weeks now, the Senate has heard testimony from experts, even oil executives, who attribute the shocking increase in oil prices to the influence of oil speculators.

Here are a few examples:

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.

That was from Jeroen van der Veer, Chief Executive Officer, Royal Dutch Shell, Washington Post Apr. 11, 2008.

\$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.

That was from Clarence Cazalot Jr., Chief Executive Officer, Marathon Oil, October 2007.

The price of oil should be about \$50-\$55 per barrel.

That is from Stephen Simon, Exxon Mobil Senior Vice President, Senate Judiciary Committee April 1, 2008.

What has happened in our markets? Clearly, we are not suffering from a supply and demand problem. Something else is happening.

In 2000, about 37 percent of the oil futures market was comprised of speculators who include investment companies and investment banks as well as institutional investors, like pension funds. Eight years ago, 63 percent of the oil futures market was represented by companies that were hedging the price of oil because they need oil to function, for example, the airlines.

How has the market changed in the past 8 years? Seventy-one percent of the oil futures market is in the hands of speculators who rarely take control of the oil they are bidding on, and only 29 percent represent companies that use it for the purpose that most of us would agree it should be intended.

So we know speculation is growing when it comes to oil, and we know the transactions have gone up 600 percent in the last 8 or 10 years.

What allowed this to happen? The infamous "Enron Loophole," which was slipped into must-pass legislation in late December of 2000.

This loophole allowed energy futures to be traded without Federal oversight. Various investigations of the Enron collapse have pointed to this loophole

as crucial to Enron's manipulation of the California energy market which provoked an energy crisis in the State in 2000 and 2001.

Last month, with passage of the farm bill, the Congress finally succeeded in bringing a measure of oversight and transparency to this market, requiring the Commodities Future Trading Commission, CFTC, to review all contracts to determine which ones should be regulated as though traded on a major public exchange.

While this was a step in the right direction, and the result of much thoughtful discussion and debate, the farm bill provision can be improved upon and strengthened. That is why I introduced a bill to shut down the unregulated oil futures markets created by the now-infamous "Enron loophole." It also removes energy from the list of exempt commodities; requires energy to be traded on a regulated market; and creates a new definition of what constitutes an energy commodity.

Senator REID has introduced a leadership bill that reins in speculation by imposing position limits ensure that legitimate speculation doesn't get out of hand. It is a more complicated approach that leaves the door open for unregulated trading, but if it is done right, the approach taken by Senator REID can get us where we need to be. And I am interested in working with Senator REID to ensure that his bill gets at the problem.

I believe that some small but significant changes can significantly improve the bill. If our approach to dealing with excessive speculation is to impose speculation limits, then we must ensure that those limits actually operate as limits, not as loopholes.

U.S. speculators should not be able to circumvent speculation limits by trading on foreign exchanges, by setting up a subsidiary that would not be subject to the limits, or by trading both on and off regulated exchanges without aggregating the number of contracts so they count against the overall speculation limit set by the CFTC.

If we pass a bill that allows speculators to evade these limits, the bill's promise will remain unfulfilled, and we will have the worst of all worlds—a bill that purports to tamp down on speculation but fails to do so, and a bill that lets those who would dismiss the effect of excessive speculation on the price of oil say "I told you so."

My friends on the other side of the aisle, the editorial page of the Wall Street Journal and Wall Street financiers, call the effort to shut down excessive speculation misguided and say that the spiking price of the barrel of oil is just the market telling us that demand exceeds supply.

But ask yourself whether this makes sense. When the Saudis agreed to increase production, there was no drop in the price of oil. But the price of oil keeps spiraling, and while there is no evidence of dramatically increased de-

mand, there is plenty of evidence that speculative money is pouring into the energy futures market.

The airlines, which hedge against increases in the price of jet fuel by participating in the energy futures market, are suffering. They are the legitimate hedgers who actually use the futures, and they are calling on us to take action against excessive speculation.

Meantime, the oil companies loudly will be claiming they need to drill in new areas off the coasts of Florida and California. They have a well financed campaign that says: Drill here; drill now; pay less. This is cruelly misleading and deceitful. Drilling everything we have in the waters below our coasts will do nothing to lower the price of gas.

If we open all our shores and give away billions in tourism, fishing, and all the economies of all the coastal States to boost oil production, the first drop of oil wouldn't be seen until the year 2017, and oil production would peak in the year 2030.

What could we get in the year 2030? We would get 200,000 barrels a day.

To put that number another way, as expressed by my colleague, Senator MENENDEZ yesterday, "the amount of gas we could get from offshore drilling is equivalent to a few tablespoons per car per day."

It is simply wrong to think that opening offshore drilling will lower gas prices.

Yet the public relations machine of big oil continues to churn out falsehoods. They insist they are trying to find new oil that might help bring down gas prices, but the money they spend on exploration is nothing compared with what they spend on stock buybacks and dividends.

This is good news for shareholders but offers no help to drivers to offset the high cost of fuel.

Yesterday the Associated Press reported the 5 biggest international oil companies plowed about 55 percent of the cash they made from their businesses into stock buybacks and dividends last year, up from 30 percent in 2000 and just 1 percent in 1993, according to Rice University's James A. Baker III Institute for Public Policy.

The percentage they spend to find new deposits of fossil fuels has remained flat for years, in the mid-single digits.

In the first 3 months of this year, ExxonMobil Corp., the world's biggest publicly traded oil company, shelled out \$8.8 billion on stock buybacks alone, compared with \$5.5 billion on exploration and other capital projects.

ConocoPhillips has already told investors that its stock buybacks for April to June of this year will come to about \$2.5 billion, 9 times what it spent on exploration.

This leads me to the conclusion of one oil expert who said, "If you're not spending your money finding and developing new oil, then there's no new oil."

Senator REID has introduced a leadership bill that will rein in speculation. Over and over, the Congress has heard testimony that the question of supply and demand is not what is causing oil to be up at \$130 a barrel, as I referred to earlier, statements by oil company executives that the price of a barrel of oil would be much less, given the normal vagaries of the market of supply and demand, even though there is a lot of demand out there in the world market. But as Senator REID pointed out, in the underlying bill that is before the Senate, it is the speculators, unregulated after the law was changed to deregulate the markets, where there are no controls on how much oil they can buy on futures contracts or whether they have to use that oil, who continue to speculate and drive up the price. That is what this underlying bill is trying to address. They should not be able to circumvent speculation limits by trading, for example, on foreign exchanges if those oil contracts are for America.

I see my colleague from Pennsylvania is here, and I want him to have the time to which he is entitled.

What is confronting us is an effort to get us off focusing on the problem with this mindless statement that is out there, put out by the oil companies—look at who is sponsoring the advertisements on TV and in the newspapers; it is the only companies—and it is that statement: Drill here, drill now, pay less.

Now, if we are going to solve this problem, we have to do a bunch of things. But just drilling is not going to solve it because if you do just that, it is going to be years and years before the fruits of that effort come in. In fact, it has been said over and over, there are 68 million acres under lease that have not been drilled. There are plenty more acres out in the Gulf of Mexico, without getting close to Florida, without getting over the line into the military mission area, where the largest testing and training area of the U.S. military in the world is, off the coast of Florida in the Gulf of Mexico. There is plenty. So we ought to drill.

But at the same time, let's go after what is causing these prices to go through the roof. Speculation is a big part of it. If you want to get down to it, let's strengthen the U.S. dollar against the world's other currencies, by getting our fiscal house in order and starting to balance the Federal budget. That would help a lot too.

So it is an extremely complicated issue that a simple slogan is not going to solve. That is what this debate is trying to bring into focus. The American people can see through the simplified slogans of "drill here, drill now." We need to get to a real solution.

Mr. President, I see my colleague from Pennsylvania is in the Chamber, and I wish to yield the floor so we can hear from him.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. CASEY. Mr. President, I thank the Senator from Florida for making the important points he made on the question of energy and how difficult this challenge is for the country and that the sloganeering will not do it. He made a very compelling argument about that, which we need to hear in the Senate.

I wish to talk today for a few moments about the Low-Income Home Energy Assistance Program, known by the acronym LIHEAP—L-I-H-E-A-P.

For those who follow the Senate and watch or listen, you know we use a lot of acronyms. I know they can get a little tiresome. But this particular acronym stands for a program that works. There is no debate about that. There is no question about whether this program works. It has worked for years. It has support in both parties—not enough support, I don't think, on the other side of the aisle. I will get to that in a moment.

But when we talk about that acronym LIHEAP, the Low-Income Home Energy Assistance Program, we are talking about a program which this winter can literally mean—and will literally mean—life or death for some Americans. There is no drama and overstatement in that whatsoever because unless we do the right thing on LIHEAP this year, people are going to freeze to death. It is as simple as that.

I commend a lot of my colleagues: Senator SANDERS has been a stalwart on this issue, who has spoken on the floor and been a leading advocate; Senator JACK REED of Rhode Island, and so many other colleagues from the Northeast-Midwest coalition who have fought for increased energy assistance funding every year.

I am proud to be a cosponsor of the bill. It has a very simple title but very important: Warm in Winter and Cool in Summer Act. That is what the act is. The bill meets a critical and fundamental need by providing an additional \$2.53 billion in Low-Income Home Energy Assistance Program assistance for this fiscal year.

It raises the funding to the fully authorized level of \$5.1 billion. For Pennsylvania, that means that if this bill is passed, our State will get an additional—an additional—\$210 million. If there is ever a time the people of our State will need it, it will be this winter. Similar to a lot of States in the Northeast, we have long winters. We have a lot of vulnerable people: the second highest population over the age of 65, a very large rural population that will be adversely impacted if we do not get help and extra money for LIHEAP.

We have in our State home energy assistance grants that help vulnerable people, the needy. Almost 33.5 percent of the grants help older citizens. Almost 30 percent of the grants help disabled Pennsylvanians. And 18.5 percent of the grants help young children.

These are people who need the help the most. They are vulnerable in the cold months that are just around the

corner for all of America and for Pennsylvania. These are the people who made up the 1,000 who died of hypothermia in their homes between 1999 and 2002—1,000 people dying of hypothermia in just about 3 to 4 years. All of those deaths—every one of them—was preventable. LIHEAP is the cornerstone to providing assistance that keeps people healthy and safe.

LIHEAP is widely recognized as effective and successful, which is why the bill we are considering, and that I am a cosponsor of, is cosponsored by 49 Senators in total from both sides of the aisle. We still have some problems, which we will talk about later.

The bill is necessary because LIHEAP has been chronically underfunded—historically, at a rate of less than half the amount authorized.

For people out there who watch our discussions, we know it is easy to authorize. It is harder to make sure you appropriate what you authorize. This is one of those examples where the authorization looked real good, but the appropriation does not meet the authorization part of our legislation.

So the need has never been greater. We have all talked a lot about the struggle of working families who are forced to choose between the need for heat and the need to eat. But the situation has gotten much worse. This is not news to people who are living through this and struggling in the nightmare of foreclosure, the difficulty with watching wages flatten out, even as you are working harder, and your food prices are going up, your gasoline prices are going up, college tuition is going up, health care payments are going up. I could add more to that. Families are being forced to choose between heating and air-conditioning, food, medicine, gasoline, and mortgage payments—all those difficult choices that our families are making.

Today, 15.6 million American families are at least 30 days behind on paying their utility bills. In Pennsylvania, terminations of home utility services are up over 51 percent.

According to a USA Today article, one of our energy companies in Pennsylvania has disconnected 168 percent more—168 percent more—homes than at this time last year.

So we have a major challenge in our State. The good news is that in Pennsylvania we have had over 400,000 families—households, I should say, in Pennsylvania—that have received assistance from LIHEAP this year. But that is less than half of the 800,000 that are eligible. There are 800,000 households in our State that are eligible. So we are happy LIHEAP has done such a good job of helping 400,000 households, but we have a doubling of that to 800,000 that are, in fact, eligible.

For those receiving assistance in Pennsylvania, the average grant was \$239, and it covered much less than a quarter of their need. So when people hear these big numbers, they will say: Oh, my goodness, the Federal Govern-

ment wants to increase the Low-Income Home Energy Assistance Program by \$2.5 billion. That sounds like a lot of money, doesn't it? Spread that out person by person. When it comes down to Pennsylvania, we are talking about assistance, at last count—this number is a few years old, but it is not much higher than this—of \$239. So if we increase it by several billion nationally, that means individual Pennsylvanians will get some help, but they are not going to be getting hundreds and hundreds of dollars more. They are going to be getting more than that \$239 or \$250 or \$260 in help. So it is not a lot when it comes to that person. But it means a lot to that individual person and their family.

Here is the scenario: In the dark of night, in the cold of winter, I do not want to have a Pennsylvanian or an American in their home freezing to death because a couple people in Washington did not think that \$2.53 billion was the right way to spend money—when we have an administration which sent a budget here for 2009 which had \$51 billion in tax cuts for people making over \$1 million and up. So for anyone listening, if you are a millionaire, a multimillionaire or a billionaire or beyond that, this administration sent us a budget this year that gave that tiny sliver of America a \$51 billion tax break.

Don't tell me we cannot afford a little bit of an increase for low-income home energy assistance, especially when older citizens are faced with the—"squeeze" does not even begin to describe it—vice grip on their head, the nightmare of trying to pay for gasoline and food and oil in their tank, literally, to heat their homes. So we can afford this. Ten times over we can afford it.

I wish to conclude. When we have the situation of an older citizen or a young child who is living in a home that is not heated, or living without adequate nutrition, that child, as well as that older citizen, is harmed. The rate of growth and development are jeopardized. A child is sicker, they miss more school, and they do not do as well in class. A large percentage of LIHEAP energy assistance goes to not only older citizens but those with a disability. This is important because someone who is frail is more likely to be impacted by exposure if they are unable to pay to heat or cool their home.

So I hope we pass this legislation before we leave in August. Why should we wait? No one needs to have a crystal ball to know that in the cold months ahead of us, a lot of vulnerable people are going to be put at risk. So this is our chance to do something—not just to talk about it but to do something—that will provide immediate assistance to the most vulnerable in our society.

So I ask my colleagues to support the Warm in Winter and Cool in Summer Act, which will help our families.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. INHOFE. Mr. President, might I inquire of the Chair: It is my understanding now that the Republicans will have 30 minutes; is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. INHOFE. All right, Mr. President, I am going to go ahead and take the first 15 minutes. Then, it is my understanding that the Senator from Georgia, Mr. CHAMBLISS, wants 5 minutes, and Senator CRAIG wants 10 minutes after that. I would like to lock that in with a UC.

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

ENERGY

Mr. INHOFE. Mr. President, I would like to draw the Senate's attention to an editorial in today's Wall Street Journal and particularly the first sentence. It says:

Nancy Pelosi, Harry Reid, and other liberal leaders on Capitol Hill are gripped by cold-sweat terror. If they permit a vote on offshore drilling, they know they will lose. . . .

The editorial goes on to point out what the Democrats' plan of action is for this problem: to cut off debate. We have been in session this week. We have held one vote. We are considering a bill relating to energy, but the Democrats are not allowing us to offer any amendments to find new sources of energy, when the editorial points out that at least 65 percent of America's recoverable oil and 40 percent of America's natural gas is under moratorium.

Mr. President, I ask unanimous consent that at the end of my remarks the editorial be printed in its entirety in the RECORD.

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

(See exhibit 1.)

Mr. INHOFE. What they are talking about are those areas where we have huge supplies that we can access, except we cannot do it because there are moratoria, such as exists right now in terms of the Rocky Mountain oil shale, with 2 trillion barrels; the Outer Continental Shelf, for which 85 percent of the Outer Continental Shelf is under an order that the Democrats have on there, so we are not able to explore, to produce, to drill in those areas. You hear the argument quite often that there are 68 million acres that could be explored right now and they are not doing it. They are not doing it for one reason, and that is because there is no oil there.

Throughout this week I have heard a number of my Democratic colleagues come to the floor and express their sup-

port for increased drilling. Apparently, this has all been some kind of misunderstanding. I have taken their consistent votes against increasing domestic production as being against new drilling. If we all agreed that new domestic production is part of what we need to do, then let's get on with some votes and get them underway.

My Web site is epw.senate.gov. EPW stands for Environment and Public Works. What I have done is gone back and gotten all of the votes we have had that would cause us—allow us to expand our supply in America in areas such as this. Right now on party lines they have been killed—killed by the Democratic Party. This is a problem. Somehow, the Democrats are trying to convince the American people that supply and demand is not alive and well in America. It is interesting that the other day in the newspaper, it was either an op-ed piece or it might have been on the editorial page of the Washington Post, they said even Congress is not going to be able to repeal the law of supply and demand.

The American people understand the need for new domestic production. Recent polling has shown 67 percent of the American people now support offshore drilling with only 18 percent opposed. Sixty-four percent believe that if offshore drilling is allowed, gas prices will go down. Well, that is a natural conclusion you can come to.

Another poll found that 81 percent of Americans support greater use of domestic energy sources. Both papers in my home State of Oklahoma have weighed in on this issue with recent editorials. The Tulsa World and the Oklahoman have weighed in, pointing to how new production can be done in an environmental manner. The Tulsa World wrote:

President George W. Bush made the correct decision when he lifted the White House's 18-year ban on offshore drilling . . . No one wants the environment damaged. This work could be done safely. It could be done over the long term only if Congress had the good sense to act.

The Oklahoman wrote—this is in Oklahoma City:

Democrats reacted to President Bush's lifting of an executive ban on offshore drilling by vowing to keep in place congressional prohibitions dating to the 1980s. The debate over energy policy just keeps getting better and better. For years the Democratic Party has blocked efforts to significantly increase production of America's sources of offshore oil and natural gas, citing potential dangers to beaches in California and Florida and dismissing any new oil finds as too far in the future to help U.S. energy needs. Both arguments have less persuasive steam with the current oil prices. Certainly, if drilling offshore had gotten underway a decade ago or more—instead of being stymied—Americans know it would be online now and helping to absorb some of the current price increase.

This is the interesting thing about it. We know what is happening in Prudhoe Bay. We know what the reserves are in ANWR. We know we have a pipeline. If we had a pipeline filled and if the President—at that time Bill Clinton—

had not vetoed the bill that would have allowed us to go into ANWR.

New domestic production should happen and can be done in an environmentally appropriate way. No country on Earth has exploration technology as advanced and environmentally sound as ours. I have to say also that we are the only country—I can't think of another country, and I hope if someone has the name of a country that would be an exception—there is not another country in the world that doesn't exploit their own resources. Certainly, these resources alone are enough to make us totally independent of any foreign importation of oil and the prices would come down.

I have highlighted some of the amounts of domestic reserves previously, but I think it is important to continue to point to the amount of reserves in the United States. There they are, right there, and we have actually enumerated them for the purposes of the RECORD.

The potential energy development from the Rocky Mountain oil shale is truly massive with reports estimating up to 2 trillion barrels, but once again, Democrats are blocking development. The Consolidated Appropriations Act last year established a 1-year moratorium on the necessary funding to complete the final regulations for commercial leasing of oil shale.

Look at the size of this. We are talking about not 10 billion barrels we would find in ANWR, not 14 billion barrels as we see on the Outer Continental Shelf, but 2 trillion barrels. Without congressional action, a 1-year delay could end up lasting much longer and, like the Outer Continental Shelf appropriations moratorium, continue year after year.

The RAND Corporation estimates that as many as 1.1 trillion barrels are recoverable and at prices as low as \$35 to \$48 a barrel within the first 12 years of commercial scale production. At current rates of consumption, 1.1 trillion barrels equals more than 145 years of domestic supply. This number would nearly double assuming the Department of Energy's estimate of nearly 2 trillion potentially recoverable barrels. Finally, development is ongoing in the Canadian oil sands where proven reserves are about 179 billion barrels. We need to continue to do that. Right now, they are in jeopardy. Congressman WAXMAN has put on a prohibition in the Department of Defense using oil from those oil sands. If anyone were tempted to try to expand that so that no one else in the country could use it, that would be devastating. So that effort could be underway as we speak.

In an effort to hide their true record of blocking access to America's own resources, the Democrats are engaged in a campaign of shifting blame, claiming there are 68 million acres in America where oil and gas companies have the right to drill but are not drilling. Some 44 percent of the leases that have been

issued are already producing oil and gas, and energy companies are in the process of exploring the remaining leases to determine the energy potential of those lands. Unfortunately, when you get out there and you explore and you try to determine how much potential production is there, there are some places in the United States and anywhere in the world where there simply isn't any oil. This is the problem they have. We need to open the other 85 percent that currently we are unable to access to allow us to go after it. Again, we are talking about some 14 billion barrels that are out there.

We are presently considering a bill to impose new rules on speculating, claiming that speculators have been driving the price of oil to record highs. Even if speculators are having a negative effect on the price of fuels, I am concerned that the wrong congressional action could actually exacerbate the problem. Rhetoric on the impact of speculators simply lays the groundwork to once again implement price controls. Looking back to the 1970s, we now know that price controls lead to shortages, rationing, and long lines at gas stations. Over the last few days, the name of Boone Pickens has been invoked many times. When asked what he thought about the speculation, he recently said that:

Speculation doesn't have anything to do with it. You have 85 million barrels of oil available in the world and the demand is at 86.4. I don't think that guy over in China paying \$140 for oil is blaming Wall Street speculators for what is happening to him. Everybody tries to place the blame. And the blame is our own lack of leadership over the last 40 years on energy.

Now, I have a list of quotes I am going to actually, if there is a little bit of time—I don't have time to read them, but a list of quotes from people who are the knowledgeable people in this country such as Walter Williams, the economist for George Mason University:

Congressional attacks on speculation do not alter the oil market's fundamental demand and supply conditions. What would lower the long-term price of oil is for Congress to permit exploration for the estimated billions upon billions of barrels.

The International Energy Agency says that:

Blaming speculation is an easy solution which avoids taking the necessary steps to improve supply-side access and investment.

So I ask unanimous consent that this list of economists be listed, along with their statements concerning speculation, at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. INHOFE. Republicans have consistently tried to do something about the high prices. One of the things that people don't think about is if we had all of the production, all of the crude oil, we would still have to refine it to use it. We have a real refinery crisis in this country. Right now we are looking

at a situation where we would not be able to refine it with the refining capability we have.

I introduced 3 years ago the Gas Price Act which is something that would work very well. It actually took these closed military installations that were BRAC closed—Base Realignment and Closing Commission-closed installations—and allowed the surrounding communities to apply for EDA grants so they would be able to attract refineries. This would be a good idea because for one thing, those closed bases, you would not have to actually have a cleanup to playground standards, so the Federal Government has saved a lot of money by doing this. I don't think there is any justification in the world for people to oppose such an effort.

I have also introduced my Drive America On Natural Gas Act. This is something that is very significant, because this is something that is part of T. Boone Pickens' ideas. Let's keep in mind Boone Pickens said we need to drill everywhere. We have to drill and we have to keep on drilling, but we also need to explore all kinds of renewables. His idea is to release some of the natural gas so we can use it for compressed natural gas. The price today in my State of Oklahoma for compressed natural gas is 90 cents a gallon. Ninety cents a gallon. In some places it is as high as \$2. Nonetheless, it does show that it is out there.

There are certain obstacles to being able to do what needs to be done in allowing the conversions. One is we have to effect the regulations of the EPA and the other one is we have to give the same benefit to natural gas as we do to other renewables. If we were able to do that, it would open it up very rapidly. In fact, yesterday, the Republican leader offered a unanimous consent request that seven Republican energy amendments be considered in order for consideration in this legislation, and this was one of those.

I don't want to take up more time right now because I want to yield 5 minutes to the Senator from Georgia, but I will only say this: You can stand on the floor and say over and over and over to the American people that supply and demand doesn't work; you can say that Democrats are not opposed to increasing the supply. Yet if you go to the Web site I suggested—epw.senate.gov—we have looked at every vote that has taken place since the middle 1990s, and in every case, every time we tried to increase the supply of petroleum products for America, whether it is drilling on the Outer Continental Shelf, ANWR, Rocky Mountain oil shales, or preserving Canadian oil sands, the Democrats, to the very last one, have voted against it.

We have to increase supply. We have to keep saying it. People understand it. Even some people with basic educations know that supply and demand is alive and well in America. It is just that we have too much demand and not enough supply. We have to open it.

I yield the floor.

EXHIBIT 1

[From the Wall Street Journal, July 24, 2008]

DEMOCRATS AGAINST DRILLING

Nancy Pelosi, Harry Reid and other liberal leaders on Capitol Hill are gripped by cold-sweat terror. If they permit a vote on offshore drilling, they know they will lose when Blue Dogs and oil-patch Democrats defect to the GOP position of increasing domestic energy production. So the last failsafe is to shut down Congress.

Majority Leader Reid has decided that deliberation is too taxing for "the world's greatest deliberative body." This week he cut off serious energy amendments to his antispeculation bill. Then Senate Appropriations baron Robert Byrd abruptly canceled a bill markup planned for today where Republicans intended to press the issue. Mr. Byrd's counterpart in the House, David Obey, is enforcing a similar lockdown. Speaker Pelosi says she won't allow even a debate before Congress's August recess begins in eight days.

She and Mr. Reid are cornered by substance. The upward pressure on oil prices is caused by rising world-wide consumption and limited growth in supplies. Yet at least 65% of America's undiscovered, recoverable oil, and 40% of its natural gas, is hostage to the Congressional drilling moratorium.

The Democratic leadership is trying to smother any awareness of their responsibility for high prices. They are also trying to quash a revolt among Democrats who realize that the country is still dependent on fossil fuels, no matter how loudly quasimystical environmentalists like Al Gore claim otherwise.

EXHIBIT 2

DEMS CITE SPECULATION STATS THAT DON'T MATCH THE FACTS

Sen. Harry Reid (D-NV): "Academics, economists say that the costs of oil is 20% to 50% speculation." (Sen. Harry Reid, Remarks on the Senate Floor, 07/22/08)

"ACADEMICS AND ECONOMISTS" ACTUALLY SAY "IT'S NOT SPECULATION, IT IS SUPPLY AND DEMAND"

Warren Buffett: "It's not speculation, it is supply and demand. . . . We don't have excess capacity in the world anymore, and that's what you're seeing in oil prices." (Warren Buffett, Chairman & CEO, Berkshire Hathaway, 6/25/08)

Walter Lukken, Chairman of the Commodity Futures Trading Commission: "We haven't evidence that speculators are broadly driving these prices." ("Hitting Rock: Dems Oblivious on Oil," Union Leader, 7/13/08)

Chairman Ben Bernanke: "If financial speculation were pushing all prices above the level 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 shows notable declines over the past year." (Ben Bernanke, Chairman of the Federal Reserve, 7/15/2008)

Craig Pirrong, Member of the CFTC Energy Markets Advisory Committee: "There's no evidence of speculative influence. Speculators are not contributing to the demand for physical oil as they almost always roll positions prior to delivery." (Craig Pirrong, Professor of Finance at the University of Houston, Member, CFTC Energy Markets Advisory Committee, 6/24/08)

Walter Williams, Economist George Mason University: "Congressional attacks on speculation do not alter the oil market's fundamental demand and supply conditions. What

would lower the long-term price of oil is for Congress to permit exploration for the estimated billions upon billions of barrels of oil domestically available, not to mention the estimated trillion-plus barrels of shale oil in Wyoming, Colorado and Utah." (Williams, Walter E. "Scapegoating Speculators." The Washington Times 9 July 2008.) <http://www.washingtontimes.com/news/2008/jul/10/scapegoating-speculators/>

Paul Krugman, New York Times Columnist: "On any given day, expectations determine the price; but the spot market also has to clear, and the way this happens is that excess supply must be added to physical stocks. Even with fairly inelastic supply and demand, any large speculative deviation from the "fundamental" price should show up in a noticeable increase in inventories." (Paul Krugman, New York Times columnist, 6/28/08)

International Energy Agency: "There is little evidence that large investment flows into the futures market are causing an imbalance between supply and demand, and are therefore contributing to high oil prices . . . Blaming speculation is an easy solution which avoids taking the necessary steps to improve supply-side access and investment or to implement measures to improve energy efficiency." (International Energy Agency, Medium-Term Oil Market Report, July 2008)

Daniel Yergin, Chairman of Cambridge Energy Research Associates: "When an issue is this hot, it would be so much easier if there was a single reason to blame . . . But calling it speculation is way too simplistic." (Daniel Yergin, Chairman, Cambridge Energy Research Associates)

John Chapman, American Enterprise Institute: "The truth is that increased speculation in oil futures is not a cause of rising oil prices, but rather an effect of those prices, which have skyrocketed due to growth in global demand, geopolitical instability, and constricted supply in several producing countries. (John Chapman, Researcher at the American Enterprise Institute, 7/16/08)

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

Mr. CHAMBLISS. Mr. President, I thank my colleague from Oklahoma for yielding me part of his time. He certainly makes a very convincing case.

I rise to discuss the actions taken today by the Commodity Futures Trading Commission to combat manipulation in the futures market specifically relating to energy activity. At 11 o'clock this morning, the Acting Chairman of the Commodity Futures Trading Commission at a news conference announced that it was bringing an action against a hedge fund for manipulating and attempting to manipulate the crude oil, heating oil, and gasoline markets.

This proves that the CFTC is policing the market for suspicious activity. They are not sitting back and allowing traders to run wild, as some in Congress have suggested.

While this particular case is specific to manipulation, it only makes sense that the surveillance efforts used to identify this activity are also providing much needed additional data to the Commissioners for ongoing monitoring efforts to detect excessive speculation—the subject of much debate on the Senate floor. Unfortunately, some have even confused these two terms. I

want to clarify this. Manipulation is illegal, while speculation is a normal occurrence in all of our futures markets. That said, the Commission has recognized that more information is necessary to ensure that speculation has not become excessive. I happen to agree with them. We do need more information in order to make an accurate assessment of the situation.

There have been many assertions made in the Senate not based on factual information. It is never a good idea to propose a solution for market conditions without carefully analyzing all of the facts. An uninformed solution, no matter how well-intentioned it is, can easily result in unintended counterproductive outcomes.

Many in this body have accused CFTC of timidly utilizing their regulatory enforcement authorities or only utilizing these authorities after extreme prompting from Congress. To the contrary, this particular civil enforcement action that was filed today in the U.S. District Court for the Southern District of New York was uncovered as part of an investigation initiated by the CFTC for offenses that took place in March 2007—long before some began blaming CFTC for the \$4 gasoline.

Working proactively with the New York Mercantile Exchange, or NYMEX, the CFTC was able to uncover wrongdoing and ensure that violators of the Commodity Exchange Act are identified and brought to justice.

This particular case took place over an 11-day period. The New York Mercantile Exchange—as they have the authority to do and the information to carry out that authority—saw exactly what was happening in the early part of what was happening, and they followed it and immediately shut this hedge fund operator down. So this 11-day period in March 2007 occurred over a year ago. The ongoing investigation has taken a year to get it to where it is ready for prosecution.

Fortunately, the CFTC has been able to fulfill its regulatory oversight responsibilities in spite of being horribly underfunded. Today's announcement affirms the dedication and hard work exhibited by the CFTC.

Furthermore, we should not continue to hold up the confirmation of those—both Democrat and Republican—whom the President has nominated to carry out this very important regulatory task. The American people would be much better served with a fully seated Commission, a Senate-confirmed Chairman, and more regulatory oversight staff than by the baseless allegations made by some. If we are truly interested in a fully functioning regulatory body, let's provide the agency with these tools rather than wrongly condemning them for lack of enforcement.

I will close by simply saying that during the process of the passage of the recent farm bill, which passed overwhelmingly in this body, we took action relative to market regulation by

closing the so-called Enron loophole, which allowed for some sales on the market to take place without the ability on the part of the regulators to get all of the information relative to those particular trades. In addition to allowing the market regulators to get the information, we also increased the penalty for a manipulation—just like the CFTC has filed this suit on today—from \$100,000 per incident to \$1 million per incident.

So we are in the process of giving the CFTC the tools it needs. We need to continue down that road. Let's don't destroy the markets. Here we are seeing a good example of how the tools in the hands of the regulators are being used in the appropriate way. When someone tries to take advantage of a system, the CFTC, as well as NYMEX, CME—all of the boards of trade—has the ability to stop this type of manipulation and prosecute wrongdoing.

With that, I yield the floor.

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

Mr. CRAIG. Mr. President, for the last 36 hours now, we in the Senate have been attempting to move forward on substantive policy that would produce more oil and bring it into our systems to offset and, hopefully, lower the price our consumers are paying at the pump. But nothing has happened. It is interesting, the majority leader says we don't have time to do it, and yet we have been here 36 hours doing nothing but talking when amendments could have been offered that might have been substantive as it relates to taking down the Federal moratorium that exists over many of these properties where we know there are known oil reserves.

I find it fascinating that this morning in the Wall Street Journal, an editorial speaks about Speaker PELOSI of the House and HARRY REID, our majority leader, and other liberal leaders on Capitol Hill being "gripped by cold-sweat terror. If they permit a vote on offshore drilling, they know they will lose when Blue Dogs [Democrats that are more conservative over in the House] and oil-patch Democrats defect to the [Republican] position of increasing domestic energy production."

What would be wrong with that? It would be an admission on the part of Democratic leaders that their position of the last 20 years to deny increased production, all in the name of environment and conservation, hasn't worked. They simply cannot let that dirty little secret out. Except there is one real problem: The American people are beginning to figure out that it didn't work. Why have we gone from 30 percent dependency in 1980 to 70 percent dependency today on someone other than a U.S. producer, something other than a U.S. reserve? The reason is because we quit producing.

The debate today, while it is embodied in S. 3268, called a speculation bill, is really about production. Republicans have simply said: Allow us to

amend that. Allow us to bring to the floor amendments that would, by potential of opportunity, produce increased production.

I wish to talk about one of those amendments that deal with offshore drilling.

Several years ago, I introduced a term that is now being used by many, called the "no zone." By that, I simply meant that of these areas around the coast, shown on this map here of the United States, where we have geographical authority—meaning our territorial water—in which we are denied the right to go and explore because of a political decision, because of policy made out of politics, not substance, we believe that within those areas there are literally billions of barrels of oil. We don't know that for sure. We only know that, based on old geological surveys, there is a great potential. We do know that where we were allowed to drill down in the gulf, that is where a majority of our current oil supplies are coming from, even in the deep water. But on the coast of California, Oregon, and Washington, and off the coast of Florida, the Carolinas, Georgia, North Carolina, and Virginia, it is: No, heck no. The politics won't let us go there. So we would like to offer a few of those amendments. We would like to change the character of the "no zone."

Let me tell you about an amendment I would offer if I were given the chance to come to the floor on this bill and offer an amendment for full debate. We think it is a constructive amendment. It is an amendment we would call the Domestic Offshore Energy Security Act of 2008. It would take all of this yellow area on the map and allow it to go out to bid for the purpose of production.

Just a year and a half ago, the Congress—when gas was at \$2-plus a gallon—decided we would let this little piece go into exploration and development. It was called lease sale 181. We debated it for weeks, negotiated for weeks. Finally, we brought all of us together to agree. Well, we believe there is a substantial amount of product out there. We don't know for sure, but the leases are going forward. It is believed that there are 1.2 trillion cubic feet of gas and maybe between 185 million and 200 million barrels of oil. The advantage of this sale is that it is very close to all of the known refineries and the infrastructure that can bring it to the market very quickly.

My amendment would bring this whole area into play, where there literally could be billions of barrels of oil and multitrillions of cubic feet of gas. But the answer is no. The Democrat leader says: No, can't do that, won't do that; politically, we are not going to go there. The American consumer is asking: Why? In fact, I am told that the polls in Florida, by a majority, are saying: Drill it. Do it right, do it responsibly, do it cleanly, but drill it. We want the royalties that would come to the State of Florida that would pay for our education, but more importantly,

we want to bring down the price of gas because it is really breaking the family budget.

What happened when the President announced a few weeks ago he would lift an Executive order on a moratorium, when the market began to show that this year the American consumer was consuming less than last year because of prices? Oil prices began to fall, from the high of \$140 a barrel down to, today, about \$122 or \$123 a barrel—nearly a \$20 drop per barrel—on the reality that the marketplace was working, demand was going down.

If you keep allowing demand to slide but you work on bringing up production, you bring the price down. You save the American family's budget. But here on the floor of the Senate, it is: Oh, no, we can't go there. The leader of the majority party will not admit that his policy—their policy over the last 20 years of denying production has now brought this crisis on. That is exactly what the editorial of the Wall Street Journal basically said.

Why not let the debate go forward? Why not allow amendments to be offered by anyone, for that matter? Why not allow those debates to go forward?

There is another interesting article from this morning. I ask unanimous consent to have the Wall Street Journal editorial and this U.S. Geological Survey Report printed in the RECORD.

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

DEMOCRATS AGAINST DRILLING

Nancy Pelosi, Harry Reid and other liberal leaders on Capitol Hill are gripped by cold-sweat terror. If they permit a vote on offshore drilling, they know they will lose when Blue Dogs and oil-patch Democrats defect to the GOP position of increasing domestic energy production. So the last failsafe is to shut down Congress.

Majority Leader Reid has decided that deliberation is too taxing for "the world's greatest deliberative body." This week he cut off serious energy amendments to his anti-speculation bill. Then Senate Appropriations baron Robert Byrd abruptly canceled a bill markup planned for today where Republicans intended to press the issue. Mr. Byrd's counterpart in the House, David Obey, is enforcing a similar lockdown. Speaker Pelosi says she won't allow even a debate before Congress's August recess begins in eight days.

She and Mr. Reid are cornered by substance. The upward pressure on oil prices is caused by rising world-wide consumption and limited growth in supplies. Yet at least 65% of America's undiscovered, recoverable oil, and 40% of its natural gas, is hostage to the Congressional drilling moratorium.

The Democratic leadership is trying to smother any awareness of their responsibility for high prices. They are also trying to quash a revolt among Democrats who realize that the country is still dependent on fossil fuels, no matter how loudly quasi-mystical environmentalists like Al Gore claim otherwise.

90 BILLION BARRELS OF OIL AND 1,670 TRILLION CUBIC FEET OF NATURAL GAS ASSESSED IN THE ARCTIC

The area north of the Arctic Circle has an estimated 90 billion barrels of undiscovered,

technically recoverable oil, 1,670 trillion cubic feet of technically recoverable natural gas, and 44 billion barrels of technically recoverable natural gas liquids in 25 geologically defined areas thought to have potential for petroleum.

The U.S. Geological Survey assessment released today is the first publicly available petroleum resource estimate of the entire area north of the Arctic Circle.

These resources account for about 22 percent of the undiscovered, technically recoverable resources in the world. The Arctic accounts for about 13 percent of the undiscovered oil, 30 percent of the undiscovered natural gas, and 20 percent of the undiscovered natural gas liquids in the world. About 84 percent of the estimated resources are expected to occur offshore.

"Before we can make decisions about our future use of oil and gas and related decisions about protecting endangered species, native communities and the health of our planet, we need to know what's out there," said USGS Director Mark Myers. "With this assessment, we're providing the same information to everyone in the world so that the global community can make those difficult decisions."

Of the estimated totals, more than half of the undiscovered oil resources are estimated to occur in just three geologic provinces—Arctic Alaska, the Amerasia Basin, and the East Greenland Rift Basins. On an oil-equivalency basis, undiscovered natural gas is estimated to be three times more abundant than oil in the Arctic. More than 70 percent of the undiscovered natural gas is estimated to occur in three provinces—the West Siberian Basin, the East Barents Basins, and Arctic Alaska.

The USGS Circum-Arctic Resource Appraisal is part of a project to assess the global petroleum basins using standardized and consistent methodology and protocol. This approach allows for an area's petroleum potential to be compared to other petroleum basins in the world. The USGS worked with a number of international organizations to conduct the geologic analyses of these Arctic provinces.

Technically recoverable resources are those producible using currently available technology and industry practices. For the purposes of this study, the USGS did not consider economic factors such as the effects of permanent sea ice or oceanic water depth in its assessment of undiscovered oil and gas resources. The USGS is the only provider of publicly available estimates of undiscovered, technically recoverable oil and gas resources.

Exploration for petroleum has already resulted in the discovery of more than 400 oil and gas fields north of the Arctic Circle. These fields account for approximately 40 billion barrels of oil, more than 1,100 trillion cubic feet of gas, and 8.5 billion barrels of natural gas liquids. Nevertheless, the Arctic, especially offshore, is essentially unexplored with respect to petroleum.

Mr. CRAIG. Here is the headline: "90 Billion Barrels of Oil and 1,670 Trillion Cubic Feet of Natural Gas Accessed in the Arctic." That is called ANWR, folks, and other areas in the Arctic. Once again, it is politically off limits. The oil is there, but the law says you cannot go there.

It is really quite that simple. Who are lawmakers? We are. We are the policymakers. Why aren't we on the floor today debating the amendments? Why aren't we offering those amendments in a responsible fashion? Why don't we deal with what the American public

needs at this moment; that is, to see their Congress being responsive to their greatest problem, the single greatest problem at this time, which is the price of oil and the price of gas at the pump. It will create greater problems if we don't deal with it quickly. It is permeating the economy and shoving up the price of nearly everything we touch. Energy is the underlying force of this economy. If energy prices continue to go higher, the economy itself is weakened. Why isn't the Congress and the leadership of the Senate moving forward? Why are we stalled out and wringing our hands and saying there is no time? There is no time to fix the American family's budget. There is only time to divert our attention to terms like "speculation."

Let me tell you, here is the bill. Here is S. 1368. There is not one drop of oil in it. See that. Not one drop of oil is in this legislation. But in the amendment I would offer, there could be millions, if not billions, of barrels of oil and trillions of cubic feet of gas. That is the reality of what we are talking about.

Why, why, why, Mr. Leader, are you denying the Senate, the greatest deliberative body in the world, the right to offer these amendments and vote on them? We are stalled out because of the leadership. We are stalled out and told we cannot go there. I don't think the American public in any way understands the politics of this one.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. CRAIG. Politics is quite simple: If you for 20 years were wrong and the market now shows it, how can you admit you were wrong? That is the issue at hand.

Mr. Leader, it is time you admitted it and we got on with the business of becoming once again a great and productive nation.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have listened for the past 20 minutes or so to the narrative on the floor of the Senate. My colleague from Idaho and I have introduced legislation last year dealing with expanding production in the Eastern Gulf of Mexico and in Cuban waters. We do not disagree on the issue of whether we should expand production in this region. In fact, we agree on that issue. But I have heard several of my colleagues come to the floor to create false choices this afternoon, and I want to talk about those false choices.

We are witnessing a time when it is very hard for people to figure out how to scrape enough money together to put \$70 worth of gas in their tank when it is near "e" on the gauge. It is fascinating and very disappointing to me how it's possible to fill your farm tank in order to harvest your crop, how an airliner is going to be able to afford fuel, or how is a family going to be able to afford enough money to put gas in

their tank to go to work. These decisions are being made at a time when we face oil prices bouncing between \$120 and \$140 a barrel and gasoline at \$4, \$4.50 a gallon. When that ought to invoke and spark cooperation on the floor of the Senate, there is none.

My colleagues come to the floor of the Senate and say: Let's open up the entire Outer Continental Shelf. The Energy Information Administration carried out an assessment that shows what production would look like without lifting the moratorium and with lifting the moratorium. What it shows is that we get some extra production in the year 2020. I understand talking about next week, next decade. What is the impact going to be to families, to truckers, to farmers, to airlines, and others if someone comes out here and says: You know what, we have a real serious problem right now, but here is a solution for 2020.

Sign me up for the solution in the long term, although I might have a different approach to it. I hope by 2020 we are not quite as addicted to oil, particularly foreign oil from the Saudis, the Kuwaitis, Iraqis, or Venezuelans. Maybe we can shed the some of that addiction in 10 years. Maybe that ought to be our strategy. Maybe we ought to do game changing. The way to do away with our addiction is not to do more of the same so that we are still addicted. That makes precious little sense to me.

Mr. DURBIN. Mr. President, I ask the Senator from North Dakota to yield.

Mr. DORGAN. I will be happy to yield.

Mr. DURBIN. I wish to ask him a question because he has been a leader in the Senate on the question of speculation. I want to say that many of our Republican colleagues have come to the floor over the last several days saying virtually speculation is not the problem, not speculation. I know the Senator from North Dakota has ample evidence and many experts behind his position. He and I have joined with the leadership in coming up with an approach which will try to dampen the fires of speculation which may be driving up oil prices and creating volatility not reflected in the market.

I want to make sure the Senator from North Dakota is aware of what happened today with the Commodity Futures Trading Commission. They have charged an oil trading firm with manipulating oil prices, the first complaint to be announced since regulators began a new investigation into wrongdoing.

The CFTC accused Optiver Holding, two of its subsidiaries, and three employees with manipulation and attempted manipulation of crude oil, heating oil, and gasoline futures of the New York Mercantile Exchange, which is a regulated exchange, I might add.

"Optiver traders amassed large trading positions, then conducted trades in such a way to bully and hammer the markets," CFTC Acting Chairman Walter Lukken said at a

press conference. "These charges go to the heart of the CFTC's core mission of detecting and rooting out illegal manipulation of the markets."

I say to the Senator from North Dakota that his leadership on this issue and coming to the floor repeatedly to tell us about the possibility this was occurring I think has sparked this commission to come to life, at least today in terms of making these charges.

I am going to leave this story with the Senator because I want him to be able to put it in the RECORD every time our Republican colleagues come to the floor and say speculation is not an issue. It is enough of an issue that there was a civil action filed today against a company for hammering and bullying the market.

I know this is not in the nature of a question, but I wish to ask the Senator if he feels this action by the CFTC is an indication of what he has been saying over the last several months.

Mr. DORGAN. Mr. President, it appears a Federal agency has arisen from the dead. Good for the CFTC. I have been talking a long while about the CFTC being dead from the neck up. This is, after all, the regulatory agency that is supposed to wear the striped shirts, blow the whistle, and call the fouls.

This apparently is manipulation of the market. We are talking about manipulation. Good for them, if they have risen from the dead, if they are taking action against someone manipulating the marketplace.

The acting CFTC Chairman, whom the Senator from Illinois described, spent the last seven months saying there is no problem with the marketplace, it is working fine. The doubling of the price of oil and gas in the past 12 to 14 months has been because of supply and demand, he says. About a month ago, the acting Chairman had an epiphany. He must have had a good night's sleep, woke up from his dream saying: OK, I have been saying supply and demand justifies the doubling in price, but, in fact, we have been doing an investigation for seven months.

So which is it? Here is what it is. In the year 2000, 37 percent of the trades in the oil futures market were speculation trades, having nothing to do with hedging a physical product between consumers and producers; 37 percent of the trades by speculators. Today 71 percent of the trades are by speculators. They don't have any interest in buying oil, taking delivery of oil, carrying a 5-gallon can of oil, or putting a quart of oil in their car. They don't have the foggiest interest in oil. They have interest in buying and selling contracts and making big profits. They have taken over this marketplace and broken the market.

The proposition on the floor of the Senate is to try to wring out this excessive, relentless speculation in this market. My colleagues come to the floor of the Senate, and they have developed another narrative of more

drilling because they don't want to tackle this issue of speculation. I said before, 47 Members of the Senate in the minority have all indicated, in one form or another, that speculation is a problem. If you believe that, help us get this bill to the President. Yet, they come to the floor of the Senate and say we need more drilling.

As I described in the year 2020, we will have more to bring on more supply. I don't disagree with that point. Let's talk about it; offer some amendments. In fact, the majority leader has offered to the minority to bring your amendment to the floor. We will have a vote on it.

But what about next month? What about 6 months from now? How about let's do some things that are game changing in this country? How about the next decade? Between now and then, let's work to change the game.

I said two days ago that, in the 1960s, John F. Kennedy did not say: I would like to have us try to go to the Moon. I think we should think about going to the Moon. I think we should make an effort to go to the Moon. He didn't say that. He said by the end of the decade, we are going to put a man on the Moon, and we did just that.

The plan of all of those who have come to the floor of the Senate diminishing this legislation, degrading this legislation, saying we shouldn't deal with speculation and getting this market right. We shouldn't spend time on that. Let's instead focus on drilling. If that is the only thing they focus on, then that is what I call a yesterday forever strategy. If you want to wake up 10 years from now and keep the same position, good for you. I don't.

I think what we ought to do is this: Let's at least address something that has broken the marketplace and has doubled the price of oil and gas in the last year, something that experts have come to the Congress to testify about and some have said up to 40 percent of the current price of oil is not and cannot be justified by the fundamentals of supply and demand. It is because speculators have taken over this marketplace.

Don't take it from me. Take it from the CEO of Royal Dutch Shell. Here is what he said in April:

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

If that is the case, what is the problem? The problem is, as I described in the chart, this market has been taken over by the speculators.

My colleague comes and says: NYMEX and ICE, describes all that is going on, what an aggressive regulator we have. You know what, this regulator has been sending out no action letters. Isn't that a wonderful thing to perfectly describe a regulatory agency that wants to take no action for anything? It said: Let me be willfully blind and not see what is happening. By the way, because of these no action letters, I can't see what is happening in the

over-the-counter market, the intercontinental exchange, and all of the unregulated trades because I have decided I don't want to see it. Then let me go to the Congress and testify, and with a straight face—I am sure suppressing a grin—at least with a straight face say, I don't see anything that represents anything other than supply and demand.

My question to them was: I understand you don't see that. Is it the case you see very little because you have chosen, through no action letters and other limitations, to decide you don't want to see it all?

We brought a bill to the floor of the Senate that says we have a lot of problems. First and foremost, let's set this market straight, putting pressure downward and preserving the oil futures market for that which was intended in 1936. It was for the hedging of a physical product between consumers and producers. That is what it was for. It has now been taken over by the carnival of greed. Speculators control these markets, have driven up the price despite the fact there has been no change in the fundamentals.

My colleagues on the other side of the aisle say drill. I have had a bill in for a year and a half to say drill more in the eastern Gulf of Mexico and allow U.S. companies to produce in Cuban waters. I am also one of the four Senators who opened up lease 181 in the Gulf of Mexico for drilling. I support that. I am fine with drilling. But if drilling is your only answer, boy, that, in my judgment, is a pretty pathetic future. Here is what Boone Pickens says. Boone Pickens and I have disagreed on a lot of things, but he came to Congress this week:

I've been an oil man all my life, but this is one emergency we can't drill our way out of. But if we can create a new renewable energy network, we can break our addiction to foreign oil.

Think of this. What if between now and 2020, if we start now we can actually have a new barrel of oil by 2020, and you say to somebody down the block: Cheer up, things are going to be better in 12 years—that is one position to take, I guess.

What if the other position is as Mr. Pickens suggests? What if we did this: We are going to produce oil. We want to be less dependent, however, on the Saudis, Kuwaitis, Venezuela, and so on, because if we didn't get their oil for some reason, we would be flat on our back as an economy. This makes our country vulnerable. We have to be less dependent on them. We are going to use oil we produce.

How about if we decide to do something dramatically different? How about in the wind belt from Texas to North Dakota where we produce a massive quantity of wind and have the capability of taking the energy from the wind and producing electricity? And how about in the Sun Belt where we move dramatically to solar energy and create a superhighway of transmission

lines to be able to move that energy all around this country? How about if we do that for a decade and then say: You know what, all that natural gas we are using for coal-fired generating plants, we can displace a fair amount of that with wind and solar and a superhighway of transmission lines, and we can dramatically change America's energy future.

We need more conservation and energy efficiency and dramatic increases in renewables. There are so many exciting things we can do to change America's future. Yet, my colleagues come to the floor of the Senate for a different pursue. They plant their flag, and say: We want our future to be the same as our past, and every 10 or 15 years, they will be content to come here and say: Yes, we have an urgent problem and what we ought to do is more of the same. That is not a future that makes much sense to us.

Again, coming back to this issue, we are saying with this legislation on the floor of the Senate requires that we do first things first. We should do a lot of things, we agree with that. Senator BINGAMAN is introducing a bill I fully support as a cosponsor. It deals with a whole range of other issues with which we have to deal. First things first. At least let's address this issue of excess speculation that has broken the commodity futures market for oil.

To my colleagues who say, you know what, this is all about drilling, I say to them: Come to the floor of the Senate and tell me what has happened in the last year, what has happened in supply and demand that justifies a doubling of the price of oil. They will not come and cannot come because they don't have an answer to that.

I can give them a partial answer. If anything would have been expected to happen to the price of oil and gas, it should have gone down because we have driven nearly 6 billion fewer miles in America than we did in the previous 6 months. So we are using less energy and less gasoline. So one would expect, if you are using less, you would put some downward pressure on prices. But that is not the case. Prices go up like a Roman candle, double in a year.

The only conceivable reason given us is by the experts who don't have a vested interest in this issue of the oil futures markets, and they say that the market is now broken. Fidel Gheit has been an Oppenheimer analyst for 30, 35 years—the top energy analyst for Oppenheimer—and he says: Look, this is like a casino, open 24/7, like a highway with no speed limit, he said, and no cops, and everybody is going 120 miles an hour.

Is that really what we are willing to allow an oil futures market to be, if it drives up the cost of oil and gas, doubles it in a year, and imposes this kind of burden and financial penalty on every American family and every American business; imposes this kind of burden on some of our major industries, such as airlines and trucking

companies and farmers and others? That is a back breaker. Are we really willing to stand on the floor of the Senate and say: Yeah, that is OK. It is OK. Let's do something that will increase the production of a barrel of oil in 2020.

That seems to me to be a false choice that we are being offered. I think it was Will Rogers who once said:

It is not what he knows that bothers me, it's what he says he knows for sure that just ain't so.

I think about that as I hear this debate on the floor of the Senate; all this assertiveness about one answer. Do something now so we have more oil in 2020. What about tomorrow, next week, or next month? What do you want to do about that? What about a market that is broken; do you ever care about fixing it? What about the fact that investment banks and hedge funds have marched right directly into the oil futures market?

The Wall Street Journal writes about investment banks that are actually purchasing oil storage so they can purchase oil and keep it off the market. Pension funds—CalPERS and others—are moving money into the oil futures market as if it is just another share of stock. That is just pure speculation. That massive quantity of money flooding into this market has dramatically changed the market.

Now, I have had a lot of people come and see me about these issues because some are very upset with what we are trying to do. They like the speculation in the marketplace because a lot of people made a lot of money by speculating in this marketplace. I think this marketplace needs to exist. You have to have a market that represents a place for legitimate hedging of a physical product. But when the market is broken, you also have to have a regulator with the strength, the capability, and the willingness to stand up and do what is necessary to fix it.

The current regulator at the Commodity Futures Trading Commission has not done that, has not demonstrated a willingness to do that, and it seems to me Congress must. Our legislation does a couple of things. It says to the Commodity Futures Trading Commission: You determine who is trading out there and distinguish between them. Those who are engaged in legitimate hedging of a physical product between consumers and producers, that is fine. That is what the market was created for. All others are pure speculators, and we establish strong position limits on those speculators to try to shut down that speculation, that excess speculation in the marketplace. Relatively simple. But it does cause a firestorm of protest by those who are making a lot of money having broken this marketplace.

I suppose there is room—I shouldn't say I suppose. There is room for disagreement. I respect those who disagree. But it seems to me that this country will pay a very high price if we don't understand the need to cooper-

ate. There is no Republican or Democrat label on the fuel gauge on a car. There is just "full" and "empty." And all too often these days it is empty because of what has happened to prices. I think the American people expect and demand we do something that addresses these issues.

The first step—the first step and most important step, in my judgment—is to set this market straight and to distinguish between excess speculation and legitimate hedging and establish position limits in order to put downward pressure on gas and oil prices. We are told by some very distinguished people who have testified before our committees that we could see as much as a 40-percent decrease in the price of oil and gas just by wringing the oil speculators out of the futures market.

If we did that, it would be a good thing, a good thing for our country. Then, yes, we have much yet to do. I don't disagree at all with that, and some of it is drilling. But as I said before, if our future is just to continue down that road, without understanding the need for a game-changing, moon-shot plan to make us less dependent on the Saudis, less dependent on foreign oil, this country will have missed an enormous opportunity and put its future in jeopardy.

I remain hopeful. It is now Thursday, and we have been largely at parade rest most of the week. The minority has required us, in effect, to spend 30 hours postcloture—30 hours postcloture—doing nothing, which makes precious little sense. I think the country senses some emergency here, but some of my colleagues in Congress sense no such emergency. So we spend 30 hours largely doing nothing, and then we will come to a cloture vote to shut off debate to see if we can perhaps get to a vote to end this relentless speculation.

My hope is we will have sufficient votes to do that.

Mr. President, how much time have I consumed?

THE PRESIDING OFFICER. The Senator has used 21 minutes.

Mr. DORGAN. Mr. President, I believe a couple of my colleagues are coming, so I will reserve the remainder of my time.

Mr. President, I ask unanimous consent to have printed in the RECORD for Senator DURBIN a story that he described on the floor titled "Traders Manipulated Oil Prices."

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

TRADERS MANIPULATED OIL PRICES—U.S.

(By Steve Hargreaves)

NEW YORK (CNNMoney.com)—The government charged an oil trading firm Thursday with manipulating oil prices in the first complaint to be announced since the regulators began a new investigation into wrongdoings in the energy markets.

The Commodity Futures Trading Commission accused Optiver Holding, two of its subsidiaries and three employees with manipulation and attempted manipulation of crude oil, heating oil and gasoline futures on the New York Mercantile Exchange.

"Optiver traders amassed large trading positions, then conducted trades in such a way to bully and hammer the markets," CFTC Acting Chairman Walt Lukken said at a press conference. "These charges go to the heart of the CFTC's core mission of detecting and rooting out illegal manipulation of the markets."

In May, under the backdrop of record oil prices and calls from legislators to crack down on speculative oil trading and market manipulation, the CFTC announced a wide-ranging probe into oil price manipulation. The agency says it has dozens of investigations ongoing.

The complaint filed Thursday names Bastiaan van Kempen, chief executive; Christopher Dowson, a head trader; and Randal Meijer, head of trading at an Optiver subsidiary.

The CFTC said the firm attempted to "bang the close" by amassing large positions just before markets closed—forcing prices up—then selling them quickly to drive prices down and pocketing the difference.

The alleged manipulation was attempted 19 times on 11 days in March 2007, the agency said. In at least five of those 19 times, traders succeeded in driving prices higher twice and lower three times, according to the CFTC.

Calls to Optiver seeking comment were not answered, and an email was not immediately returned.

CFTC stressed that the price changes were small and the manipulation was isolated, and that the investigation has nothing to do with the recent heat the agency has taken on Capitol Hill over rising oil prices.

TRADERS IN THE SPOTLIGHT

CFTC has repeatedly said that speculators are not to blame for rising oil prices, and any cases of price manipulation—such as the one brought Thursday—have only a small, if any, effect on oil prices.

The CFTC is the government's main regulator of commodity markets. Its officials have been hauled before Congress and asked repeatedly whether manipulation or excessive speculation is playing a role in record oil prices.

Repeatedly, CFTC experts have said they have found no evidence that speculators—investors who do not ultimately use crude oil—are to blame for the rising prices. They say trading information shows no correlation between investment activity and price swings.

Others, such as the International Energy Agency, have also said speculators are not to blame. They've pointed to other non-traded commodities that have risen in price even faster than oil, and to the fact that there is no evidence of a bubble, such as excess oil sitting around in storage.

Still, the correlation of a four-fold increase of investment money into oil futures and a four-fold increase in oil prices since 2004 has not gone unnoticed. Many lawmakers, consumer rights advocates and even some oil industry analysts say speculation is at least partly to blame.

Against that backdrop, the CFTC has been ordered to investigate the matter more thoroughly and dozens of investigations are underway. The agency may soon be given a bigger staff and wider powers under bills being debated in Congress.

Over the years, the CFTC has found isolated incidents of price manipulation—when an oil producer controls products to influence prices—or other cases of wrongdoing. Since 2002, the agency has charged 66 defendants with energy market violations.

In a recent case, BP settled a suit that alleged the company tried to corner the propane market to inflate prices in 2003 and 2004. BP agreed to pay a \$303 million settlement.

But overall, most experts say the incidents are so scattered, and the energy market so large, that it's unlikely a single trader or group of traders can have substantial sway over prices.

Correction: An earlier version of the story said indictments have been brought against the company and some of its employees. The charges are civil, not criminal.

Mr. DORGAN. Mr. President, I yield the floor, and I 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. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

U.S. TROOPS DYING OF ELECTROCUTION

Mr. DORGAN. Mr. President, I believe the majority leader is coming over, but I would like to speak until he arrives, at which point I will continue later.

Mr. President, we had a hearing yesterday before the Senate Appropriations Committee that I had requested. That followed a hearing that I had conducted on the Democratic policy committee, the 17th hearing I have conducted and chaired, looking into the issue of contractor irregularities and waste, fraud, and abuse involving contractors with respect to the war in Iraq.

I want to talk just for a moment about what is happening with respect to these contractors.

We are shoveling money out the door. Three-quarters of \$1 trillion has been spent, and much of it ends up in the pockets of contractors, and much of the work by contractors not only fleeces the American taxpayer, but it represents, I think, the greatest waste, fraud, and abuse in the history of this country. I think it is also the case that it endangers the lives of American soldiers.

So what I would like to do for a moment is to describe the hearing that I held recently and show a photograph of Cheryl Harris and her son, SSG Ryan Maseth.

Ryan Maseth was an Army Ranger and a Green Beret. He was killed in Iraq. He wasn't killed by an insurgent or killed by enemy fire. He was killed because he was electrocuted while he was taking a shower at the Army base. He was electrocuted while taking a shower.

It turns out the contractor that wired that particular area didn't know how to wire and didn't properly attach ground wires. So when this Army Ranger reached up and touched a pipe, he was electrocuted and died.

The Army initially told Cheryl they thought perhaps her son had taken an electrical appliance into the shower and, therefore, was electrocuted. Not true. It is not true. Halliburton—or Kellogg, Brown & Root, its former subsidiary—had been given the contract for wiring these facilities at Army

bases and were hiring, among others, third-country nationals who had very little electrical experience. Two people who were electricians and working there in Iraq and Afghanistan for Kellogg, Brown & Root came and testified and said the work done by KBR was the most shoddy, unbelievably sloppy work.

Thirteen people have been electrocuted in Iraq as a result of these kinds of things. So I don't understand the recent order by the Defense Contract Management Agency, and announced by General Petraeus, that the Pentagon is going to have the same contractor that caused some of these problems—the contractor that has in a number of instances failed to fix faulty wiring—do a comprehensive review of these problems throughout U.S. military installations in Iraq. It makes precious little sense to me that would be the case.

This is Lorraine McGee. Her son was killed as well. Lorraine McGee's son was killed while power washing a humvee. He was killed not by an enemy combatant but power washing a humvee vehicle. Again, improper wiring and grounding meant this soldier was electrocuted.

How do these things go unfixed? What kind of work is done by contractors, and who cares about all this? We had testimony from Debbie Crawford, who was an electrician who worked for the contractor in Iraq. She described work by people who were not qualified. She described KBR supervisors who said: Well, this is not the United States. There is no OSHA here.

Mr. Jeffrey Bliss, an electrician for KBR, said there was pervasive carelessness and disregard for quality electrical work at Kellogg, Brown & Root.

Again, I say to you that we are told, with the news of all of these problems, with 13 people, 11 of them soldiers, being electrocuted in Iraq because of shoddy wiring by contractors, the Pentagon has asked the same contractor to go out and review the work. It is nearly unbelievable to me.

Mr. President, there are so many problems in Iraq contracting that I am going to try to come tomorrow and talk about the 17 hearings I have held and how much money the American taxpayers have been charged for such shoddy work. It is not just fleecing the American taxpayers, it is also injuring American soldiers when we have contractors not doing the job for which they were contracted to do.

Again, this is a photograph of Lorraine McGee, who is Sergeant Everett's mother, and Sergeant Everett, as I indicated, was electrocuted as a result of improper grounding. Ms. McGee learned from a newspaper that 10 other soldiers were electrocuted in Iraq due to faulty electrical grounding and faulty wiring. So she came to Congress pleading for help, pleading that somebody do something. She said:

Anger has now taken over my grief. I plead with you to do something to bring an end to

this unnecessary cause of death to our soldiers. They should not have to worry about stepping into a shower or using a power washer in the safety of an established base.

As I indicated, the Pentagon ordered there be a comprehensive inspection of electrical installations at the Army bases in Iraq, but it hired the same company to do the inspections, the same company who had hired two electricians who came to this Congress to say the electrical work was unbelievably shoddy and done, in some cases, by people who didn't have the foggiest idea what they were doing.

I sent a letter to General Petraeus last Friday, signed by Senators CASEY, CANTWELL, KLOBUCHAR, and WHITEHOUSE, urging him to replace KBR in these inspections. The inspections should be done by objective, qualified electricians. KBR has shown itself to be incapable of fixing electrical hazards that had been known for years. It is an insult to the memory of these soldiers that KBR has now been assigned to conduct the inspections.

There is more to this story. I will, tomorrow, visit about a wider range of these issues.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 3333 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Ms. KLOBUCHAR). The Senator from Tennessee is recognized.

Mr. ALEXANDER. Madam President, I ask unanimous consent to enter into a colloquy with my Republican colleagues for the remaining 30 minutes of our time.

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

Mr. ALEXANDER. Madam President, if you have been watching television lately, you have seen Boone Pickens. In the Democratic caucus, you have seen Boone Pickens. In the Republican caucus, you have seen Boone Pickens. Boone Pickens has said a lot of things, but the thing he says that I think most of us agree with here is that we are in the midst of the greatest transfer of wealth in our country's history as we pay for foreign oil and that we do not need talk, we need action.

In these next few minutes, what we hope to do on the Republican side of the aisle is make absolutely clear what we are trying to achieve over the weekend and during this week.

What we see is that \$4 gasoline prices are the single biggest problem facing our country. What we know is that what the people of this country want us to do is to take up this issue, give it our best ideas, vote on it, and come up with a substantial result that increases the supply of new energy and reduces the demand for energy, which is the way you change the price of energy. That should be simple enough to do, but the fact is that the Democratic

leader has had us all tied up in parliamentary knots since last Friday. We could have been doing this every single day since last Friday.

Just to give an idea of what we have in mind, we have a real solution in mind: conservation; deep-sea exploration; removing the moratorium on oil shale so that, in an environmentally safe way, we can proceed with that; Alaskan energy production; clean nuclear power; military coal-to-liquid transportation fuels; home heating oil assistance. That is just the beginning of the kind of debate we ought to be having. We could have been having it since Friday.

I see my friend from Georgia in the Chamber. He has been a leader in nuclear power. I ask the Senator from Georgia, isn't clean nuclear power essential to any supply of new American energy?

Mr. ISAKSON. I thank the Senator from Tennessee. It absolutely is essential. The Senator and I share a common border between the States of Georgia and Tennessee, and along that border, Tennessee Valley operates. They are a big producer of efficient, inexpensive, reliable electric energy produced by nuclear power.

In the United States of America today, 19 percent of our electricity is generated by nuclear, 81 percent by coal, gas, and a sliver by hydro. That 19 percent that is nuclear does two things: No. 1, it is reliable, and No. 2, it emits zero carbon. Carbon reduction is in the best interests of our climate. It is also in the best interests geopolitically of the United States of America, by reducing our dependence on foreign imported oil.

I have offered an amendment to this bill, which has been filed, which is a new nuclear title, which reenergizes the nuclear energy business in the United States, which has basically been dormant since the mid-1970s while other countries around the world have embraced nuclear energy as the solution to their fossil fuel problem in terms of energy production and electric production. Look at the nation of France. Eighty-seven percent of their electricity is generated by nuclear. They have developed a reprocessing MOX facility that reduces their waste by 90 percent. So they have almost eliminated the waste problem, and they almost have total reliability on nuclear energy.

There is no silver bullet in this challenge of reducing gas prices and reducing our dependence on foreign oil, but there are a lot of bullets we have in our arsenal if we are only willing to put them in the chamber. Nuclear is one of them.

One of the great things Senator ALEXANDER advocated so much is the plug-in car that we know is coming. You can plug it in at night, recharge it, and the next day drive it and use it. At night, we are generating a lot of electric power that goes to waste because everybody is asleep and activity is

slow. If you plug your car in at night, you are making good, efficient use of the electricity you are generating and wasting, and you are reducing totally, because you use electricity, dependence on oil.

I say to the distinguished Senator from Tennessee, nuclear energy is a piece of the puzzle—and this is a puzzle. I happen to know the answer to the puzzle. It is all the resources the United States has at its disposal to reduce its importing of foreign oil, increase our conservation, and incentivize production of the energy we know we have within our own capacity and within our own boundaries. I thank the Senator for recognizing nuclear.

Mr. ALEXANDER. I thank the Senator from Georgia for his leadership on nuclear power. If we care about global warming in any respect, there is no way to deal with that in a generation without nuclear power, which is free of carbon, free of mercury, free of nitrogen, and free of sulfur. It is the best way we have to move ahead with that, and we should, in this debate, be thinking of ways to make it possible for this country to be building five or six new nuclear plants a year, producing more American energy.

The Senator from Georgia spoke about a plug-in electric car. I know when I first started speaking of that, some of my friends in Tennessee thought I had been out in the Sun too long. But I found out the Senator from Utah was way ahead of me. In fact, an important part of the Republican proposal—and I know on the Democratic side there are many who agree with this—is to make it commonplace in America for us to reduce the amount of oil we use by using electric cars and trucks that plug in.

As I move to the Senator from Utah, I hasten to add—I sat here last night listening to the Democratic leader characterize the Republican proposal as only drilling. I know the Democratic leader has a lot of responsibilities, and he may not have had time to read our proposal carefully. An important part of our proposal is to make it commonplace for Americans to drive plug-in cars and trucks, thereby reducing the amount of oil we use. That is the demand side of the equation. The difference between us and the Democratic leader is we understand that the law of supply and demand has both supply and demand.

I wonder if the Senator from Utah does not believe that plug-in electric cars and trucks are an important way to reduce our use of oil?

Mr. HATCH. I thank my colleague and thank him for his leadership in this matter.

Back to the nuclear thing, I drove a hydrogen vehicle not too long ago. If we had these nuclear powerplants, we would have enough hydrogen. We could do it. The problem is we only have 9 million tons and we need 150 million tons just to start it.

But having raised the hybrid and plug-in hybrid issue, let me say Ameri-

cans are looking to Congress to address our current energy crisis, and we should be pursuing every reasonable option to reducing our addiction to foreign oil.

The distinguished Senator from Tennessee may be aware that I was the sponsor of the CLEAR Act, which was signed into law as part of the Energy Policy Act of 2005 and as part of the transportation bill which passed the same year.

The CLEAR Act has been providing tax credits to consumers who purchase alternative fuel and advanced technology vehicles, including battery electric and hybrid cars. It has also been providing incentives for new alternative fuel stations and for the use of alternative fuels in vehicles.

Our transportation sector is 97 percent dependent on oil. I am all for oil. We certainly need more of it, but we also must find ways to diversify our transportation fuels.

I have heard some argue we must promote solar, wind, and geothermal as an answer to high gas prices. Well, obviously, cars and trucks don't run on electricity. It is going to take us a little while to get there.

But what if we changed that?

Why not use plug-ins to apply hydroelectric, solar, wind, geothermal, and nuclear to our transportation sector? Talk about adding diversity to our transportation fuels.

Immediately after the CLEAR Act was signed into law, I began working on legislation to promote plug-in hybrid vehicles. It was a bipartisan effort, and I received strong and early assistance from Senators MARIA CANTWELL and BARACK OBAMA, of all persons. We introduced S. 1617, the FREEDOM Act, which would provide four strong tax incentives promoting plug-in hybrid vehicle purchases, and also the U.S. manufacture of these vehicles and their technologies.

I am pleased that the plug-in hybrid idea has remained bipartisan. I know that portions of the FREEDOM Act have been included in both the Republican and Democrat energy extenders bills.

I believe we will see the day when the electric grid becomes a significant new alternative transportation fuel. We should keep in mind that our electric grid is a domestic resource. You won't see our President flying to the Middle East begging the Saudis to send us more electrons. We can do it right here.

Electrons are not only domestic, but they are much cheaper and much cleaner than gasoline.

Best of all, the United States is well positioned to be the world leader in the development of plug-in hybrid vehicles. We have already seen the California-based Tesla Motors plug-in electric vehicle. Raser Technologies based in Utah, has developed a very powerful and efficient AC induction motor, and A123 Systems, based in Massachusetts, has developed a very advanced lithium

ion battery that has been configured specifically for electric-drive vehicles.

Also, General Motors will soon offer a plug-in hybrid Saturn vehicle, and that will be followed by the plug-in hybrid Volt. The Volt will be one of the most exciting vehicle innovations of our lifetimes. It will allow the average commuter to drive to work and back without using one drop of oil. Our friends on the other side will be delighted. The problem is we cannot do it right now. We have to have something to power our trucks, planes, trains, and cars. The volt will run entirely on electricity for up to 40 miles. For longer trips that exceed the range of the battery, the vehicle will switch into a very efficient hybrid vehicle. The U.S. is truly on the cutting-edge of technology in developing commercial, electron powered vehicles.

Mr. President, I am aware that my good friend Senator ALEXANDER has also shown a great deal of leadership in promoting plug-in hybrids. And I would ask him if it isn't true that our Nation is in position to lead the world on the potential of shifting some of our transportation needs over to the electric grid? Perhaps we are not quite willing to lead it because it takes time to get that accomplished?

Mr. ALEXANDER. I thank the Senator from Utah for his leadership. Before I answer his question, I wish to emphasize our point here. What we are hoping to do is to show that, on the Republican side—and we believe there are many Democrats who feel this way too—we believe the solution to high gasoline prices is finding more American energy and using less. We are willing to do both. The Democratic leader is not willing to find more, for some reason.

But on Senator HATCH's point, the most promising opportunity I believe for using less oil in the near term is the plug-in hybrid car and truck by a confluence of two things: One is all the car companies you talked about who are about to produce the car. I can add to that Nissan, at the dedication of its new North American headquarters in Nashville this week, announced it intends to market a plug-in pure electric vehicle that will go 100 miles with a charge in 2010 for fleets and for individuals in 2012.

One may say: Well, where are you going to get all this electricity? We have plenty of electricity at night. In our region in Tennessee, the Tennessee Valley Authority has the equivalent of seven or eight nuclear powerplants of unused electricity at night, which could be used for plug-in cars and trucks.

So I think there will be a great many people in Tennessee and in Utah and across this country who very quickly will be plugging in at night in a wall socket and filling up, so to speak, for a dollar or two, instead of filing up for \$80 at the gasoline pump.

Mr. HATCH. Can I mention to my colleague this little company, Raser

Technologies in Utah, now has developed an electric motor, not very large, that has more thrust, more—I do not know what to call it, but more actual energy than the gas combustion engines.

They are about to put one of those motors on a pickup truck that will get, according to them, around 120 miles per gallon of gas. We can get there, but it is going to take us a number of years to get there.

In the immediate future, we have to find more oil so we quit sending \$700 billion or more every year—and that is going to go up every year—overseas that does not do us very much good. Because that is all gone once it is gone. We should keep that money here so we can do all the things we need to do for the American people.

I cannot, for the life of me, understand why the other side will not get together with us and help us to put all these elements together and recognize it is going to take oil to get us over the next few years to where these wonderful things can explode. They are doable. We can do them now, except we cannot manufacture them fast enough or get the manufacturing lines up in a short period of time.

But if we can, it will be amazing. I remember when I got into the hybrid car business in the CLEAR Act. We found that hybrid cars could be driven on HOV-2 lanes during the rush hour. Automatically, they sold out. We knew just on that one little incentive, so we put incentives in to develop hybrid cars in the CLEAR Act, we have them in the Freedom Act as well, plus incentives for all kinds of other things. Frankly, they have worked amazingly well. But in the interim time, we are going to have to have oil. I hope we can find more and use less through these other mechanisms.

Mr. ALEXANDER. I see the majority leader, who I think has some remarks to make. We would be glad to suspend the colloquy if he would like to do that now.

CAPITOL POLICE OFFICERS JOHN GIBSON AND
JACOB CHESTNUT

Mr. REID. Madam President, some may know that when I attended George Washington Law School many years ago, I worked full time on the swing—or night shift—as a Capitol police officer.

My service as a Capitol policeman was not one where I did anything courageous or notable.

But even then, before the heightened awareness to threat we have today, we police officers knew if the call came to sacrifice to protect this U.S. Capitol, our jobs meant answering the call.

Ten years ago, two officers did just that.

Special Agent John Gibson and Officer Jacob Chestnut were stationed near the east entrance on the House side, mere steps from where we stand.

When a gunman attempted to bypass metal detectors, Officer Chestnut answered the call of duty and blocked his path.

The gunman shot Officer Chestnut point blank.

Hearing shots, Special Agent Gibson also answered the call of duty.

He warned nearby staffers to seek cover and confronted the attacker. They exchanged fire.

Despite valiant efforts to keep both heroes alive, including efforts by my predecessor, Senator Frist, Special Agent Gibson and Officer Chestnut died from their wounds.

I knew Agent Gibson. During a congressional retreat to Virginia, he came to care for my wife when she became ill during the night. I remember how he ran to her side. I will never forget how kind and gentle he was with her.

I knew Officer Chestnut only by face and in shared greetings whenever we passed each other.

But I do know he was a veteran of the Vietnam war, had given 18 years of service to the Capitol Police, and heartbreakingly, was just months away from a hard-earned retirement.

We are honored to have Agent Gibson's wife Lyn and their children, Kristen, Jack, and Danny; Officer Chestnut's wife Wen-Ling and their children, Will and Karen; and their many cherished friends and family.

We hope that it has been some comfort to you—the ones they loved most—to know that in the 10 years since that terrible day, some measure of you burden has come to rest upon all of our shoulders.

So today we plant a tree in the name and memory of John Gibson and Jacob Chestnut.

The tree is small now, but every day it will grow taller, stronger, and broader. Its roots will grasp ever deeper for the American soil that lies below, the American soil that both men defended so heroically.

As this tree takes root and grows and flourishes, it will remind us always of these two brave men.

And though it will shed its leaves in the fall, it will always bloom when spring arrives again.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Madam President, I thank the majority leader for his comments. The Republican Leader would want me to say, he speaks for all of us in expressing the respect for the families of the two fallen men and our appreciation to the service of all the Capitol police officers today. We will have an opportunity, within a few minutes, to honor the fallen men.

Mr. HATCH was saying, the Senator from Utah, we have impressive ways to use less oil. But we also have important ways to find more oil. One of those ways would be to use technology to turn coal into aviation fuel; a proven technology which is available, which in the past has had some challenges, but there are some new techniques. One of the Senators who is a leading advocate of coal-to-liquid technology understands it well, the Senator from Wyoming. I ask the Senator from

Wyoming: Would it not be important for our national security to at least take steps toward turning coal into liquid aviation fuel?

Mr. BARRASSO. Most certainly it would be very important to turn that coal into liquid fuel for aviation. If you take a look at this morning's Politico, an issue of the Pentagon, the Department of Defense is the Nation's biggest oil consumer, burning 395,000 barrels per day, about as much as the country of Greece.

The Air Force's thirsty planes burn more than half the fuel supplied for the entire U.S. military. It did receive \$1.5 billion in new relief from Congress for fuel and still has \$400 million left to go.

When you look at that and say: What else could we do to help lower that cost, not just for the consumer who fills their tank at home but also for your military, it is converting coal to liquid. The technology is there. People ask: Is there enough coal and how would you do it?

There is an incredibly abundant supply of coal in this Nation. To me, coal is the most available, affordable, reliable, and secure source of energy we have in this Nation. Wyoming is the No. 1 coal producer in the United States. There is enough coal in Wyoming alone to help our Nation for centuries, for hundreds of years. Coal is there and the technology is there.

Right now under the law, the military is not allowed to make a contract long term to put that coal into liquid. But the technology is there. We have an exciting company in Wyoming, near Medicine Bow, building a plant to do this, to convert the coal to liquid. But it is not only Wyoming

As the Presiding Officer knows, and the Senator from Tennessee knows, there is coal all around the United States—coal in West Virginia, coal in Kentucky, coal in Pennsylvania, coal in Illinois, coal in Wyoming, coal in Montana. Everywhere we need energy we have coal.

Some folks are saying: What about the carbon dioxide? But the technology is there to get the carbon dioxide, to sequester it, and actually to use it for more oil development.

You take an old burned-out oil well where there is not a lot of oil coming out. There is a way to inject the carbon dioxide and get out more oil. So it is not only good because you can use the coal for the liquids, you can also use this carbon dioxide to get even more oil. By that, you are certainly finding more, with something we have here.

To me, this is so much about becoming, as a nation, energy self-sufficient. The only way we can do that is to rely on American sources of energy. We are sending hundreds of millions of dollars overseas to people who are not our friends—hundreds of billions of dollars.

This is America's treasure going overseas. Why? Because we are not energy self-sufficient. But with all the coal resources we have all across this country, and the technology, we can

today start converting the coal to liquids to be used for aviation, to be used for our military. The No. 1 user is our military in terms of the largest user of our energy.

It seems to me, to the Senator from Tennessee, that when we have this discussion—and I hear Senator ISAKSON talking about nuclear, finding more energy that way, I hear Senator HATCH talking about the cars and using less energy that way—this is one more way in this whole portfolio of different ways to use energy as we find more and use less.

Because the American people are going to continue to use all the energy, we need all the sources of energy. That is the way we can keep down the price at the pump for people all across our country.

Mr. ALEXANDER. I thank the Senator from Wyoming for his leadership. As he speaks, it reminds me of how much I wish, instead of our being in a parliamentary position where all we can do is talk, the Democratic leader would put us in a parliamentary position where we can act. I mean, we are prepared to act. We have offered an amendment that has a series of suggestions about how to find more American energy and use less.

We may not be right in every case. But I believe the American people expect us, expect us to take up these issues and debate them and use them, whether it is plug-in electric cars, to use less oil, or, for example, I see the Senator from Alaska is here, whether it is using more of Alaskan energy.

Every time we talk about more American energy, we must think about Alaska because so much energy is there. I wonder if the Senator would not agree, that there is not one way, but a whole series of ways we might change the law to improve our country's security, improve our supply of oil and gas by using Alaskan energy?

Ms. MURKOWSKI. Madam President, I am pleased to respond to the question from the senior Senator from Tennessee.

Alaska is blessed in its abundance of resources, whether it be oil or natural gas, coal, to the timber, to the fisheries, we are absolutely blessed. When it comes to those fossilized fuels, the abundance is extraordinary.

Oftentimes people think we are making up the numbers because they are as substantial as they are. We have the potential in the State of Alaska right now, between our onshore assets and our known offshore reserves, when it comes to oil, of an additional 65 billion barrels of oil coming from the State of Alaska.

There is 390 trillion cubic feet of natural gas from the onshore reserves and, from what we know, from the offshore. Yesterday there were new numbers released from the USGS on the potential for oil and gas in the Arctic region. This was a survey of the entire Arctic, not only Alaska's resources. Of those resources, they indicated, in terms of

oil, it is about 90 billion barrels coming out of the Arctic. Of that 90, a full third would be in the area in the waters off of the State of Alaska, so about 30 billion barrels of oil in terms of resource there. What we are talking about, in terms of the potential for Alaska to contribute in a meaningful manner with increased production, is nothing short of dramatic. When we talk about ANWR specifically—and there has been great debate about whether we should open ANWR—keep in mind, we are not allowed to explore.

Mr. ALEXANDER. If I may let the Senator know, we have about 3 minutes remaining and I need 1 of those to make a unanimous consent request.

Ms. MURKOWSKI. I could go on all day talking about Alaska's resources. What I wish to leave Members with is the knowledge that as a mean estimate, we are looking at 10.6 billion barrels of oil out of ANWR. This is not insignificant. We have been providing about close to 20 percent of the Nation's oil for the past 30 years from Prudhoe Bay. We would like the opportunity to continue. We know we have the resource. We have the opportunity. We have the technology, the smarts, the know-how to make it happen and do it right while protecting the environment.

I thank the Senator for his questions and recognizing that Alaska has a great deal to offer us as a nation when it comes to energy independence.

Mr. ALEXANDER. Madam President, our hope today is to show the Senate that we are ready for full debate on finding more American energy and using less. That is what we should be doing. We have our proposals and would welcome debate and amendment on others.

I now ask unanimous consent that the Senate consider the pending energy speculation measure in the following manner: that the bill be subject to energy-related amendments only; provided further, that the amendments be considered in an alternating manner between the two sides of the aisle; I further ask consent that the bill remain the pending business to the exclusion of all other business, other than privileged matters or items that are agreed to jointly by the two leaders; I further ask consent that the first seven amendments to be offered on this side of the aisle by the Republican leader or his designee be the following: Outer Continental Shelf exploration plus conservation; oil shale plus conservation; Alaska energy production plus conservation; the Gas Price Reduction Act, which includes plug-in electric cars and trucks; clean nuclear energy; coal-to-liquid fuel plus conservation; and an amendment involving LIHEAP.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ALEXANDER. Madam President, is there time remaining?

The PRESIDING OFFICER. There is no remaining time.

The Senator from Michigan.

Mr. LEVIN. Madam President, yesterday the minority leader suggested an analysis of the staff of my Permanent Subcommittee on Investigations ran counter to the legislation which has been offered by the majority leader, the Stop Excessive Energy Speculation Act. In particular, the minority leader cited a statement in the staff analysis that "there is no credible evidence that simply amending the [Commodity Exchange Act] to regulate energy commodities as if they were agricultural commodities will lead to lower energy prices."

The minority leader was in error. The energy speculation act offered by the majority leader does not "regulate energy commodities as if they were agricultural commodities." The proposal to do that was offered by a law professor at the University of Maryland but is not contained in the majority leader's bill. Rather, the energy speculation act, which the majority leader did introduce and which is before us, contains a number of other broader measures aimed at controlling and limiting excessive speculation in the energy markets.

First, the energy speculation act would close the London loophole so that traders in the United States would no longer be able to avoid limits on speculation that apply to trading on U.S. exchanges by routing their trades on to foreign exchanges through a U.S.-located trading terminal or computer. The energy speculation act would also close what is often called the "swaps loophole" so that traders in the United States would not be able to avoid oversight and Commodity Futures Trading Commission authority by trading in over-the-counter markets because it would require the CFTC to be provided with the information about large trades, and it authorizes the CFTC, if appropriate, to order traders to reduce their holdings in the over-the-counter market in order to prevent excessive speculation or price manipulation.

The bill would also give the CFTC more resources to oversee the energy markets in that it would require the CFTC to obtain and publish better data on speculative trading in the futures markets.

Finally, the findings and recommendations of the subcommittee staff reports on energy prices give strong support to the core premise of the energy speculation act, that speculation has played a significant role in high energy prices.

In June 2006, the PSI issued a report, "The Role of Market Speculation in Rising Oil and Gas Prices: A Need to Put a Cop on the Beat," finding that the traditional forces of supply and demand didn't account for sustained price increases and price volatility in the oil and gasoline markets. The report concluded that in 2006, a growing number of trades of contracts for fu-

ture delivery of oil occurred without regulatory oversight and found that market speculation had contributed to rising oil and gasoline prices, perhaps accounting for \$20 out of a then-priced \$70 barrel of oil, in other words; speculation contributed from 25 percent to 30 percent of the prices.

So the work and reports of the Permanent Subcommittee on Investigations provides solid support for the legislation offered by the majority leader. The subcommittee's work demonstrates the significant role played by speculation in high energy prices and the need to adopt measures to control that speculation.

MOMENT OF SILENCE TO HONOR OFFICER CHESTNUT AND DETECTIVE GIBSON

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Madam President, under a previous order, at 3:40, we will observe a moment of silence. At the conclusion of that moment of silence, Members are encouraged to exit the Chamber and proceed to the tree planting on the east front of the Capitol. Staff from the Sergeant at Arms office will be at the door exiting the Chamber near the Republican cloakroom to direct Members.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DURBIN. I ask unanimous consent that the order for the quorum call be rescinded.

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

Under the previous order, the Senate will now observe a moment of silence in memory of Detective John Gibson and Officer Jacob Chestnut who lost their lives on July 24, 1998.

(Moment of silence.)

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Madam President, July 24 always brings a sense of sadness to the Capitol and a sense of gratitude. We feel sadness over the loss of Officer J.J. Chestnut and Detective John Gibson who died 10 years ago today on their posts doing jobs they loved in this great American building. We also feel a deep sense of gratitude to Officer Chestnut and Detective Gibson for their service and sacrifice and to the men and women of the U.S. Capitol Police Department who continue to stand guard every day to protect this Capitol and all who work and visit here. Because of their dedication and professionalism, the doors of the people's House have remained open, as they should be, and our Nation owes them a debt of gratitude.

Officer Jacob Joseph Chestnut—"J.J." to all his friends—and Detective John Michael Gibson were good men, good police officers, husbands and fathers, who both gave 18 years of distin-

guished service to the U.S. Capitol Police department.

For J.J. Chestnut, this was a second career, after 20 years in the Air Force, including two tours in Vietnam.

He greeted everyone—Congress Members and visitors—with the same warm smile. He treated everyone with dignity. After he died, we learned that he used to take clothes to a political activist, whom many called "homeless," who kept a daily vigil near the door where Officer Chestnut was posted—just feet from where he died. He loved his work, his friends, his vegetable garden—and most of all, his family.

John Gibson was a transplanted New Englander who loved hockey, the Boston Bruins, the Red Sox and, most of all, his wife and their three teenage children.

They died at their posts in the Capitol, at the hands of a deranged man with a gun and a history of serious mental illness.

They lie today with other American heroes in Arlington National Cemetery.

Their deaths have left an indelible mark on those of us who work in this great symbol of our democracy.

Just now, as we observed a moment of silence in this chamber, the Speaker of the House and the majority and minority leaders of both the House and Senate—Democrats and Republicans—observed a moment of silence at the Memorial Door of the Capitol.

The leaders will lay a wreath at the bronze plaque that bears the names and likenesses of Officer Chestnut and Detective Gibson.

Then, together, they will walk outside and help plant a tree on the grounds of the U.S. Capitol to honor these two fallen heroes. It is a Valley Forge American Elm—a strong, sturdy, quintessentially American tree. In the years to come, it will grow tall and shelter visitors from the sun, just as J.J. Chestnut and John Gibson sheltered visitors from harm.

In addition to their plaque and their new tree, there are other, more personal reminders of Officer Chestnut and Detective Gibson in this Capitol.

When John Gibson died, a woman who had taught both of his son's in grade school wrote the boys a letter in which she said their father had died a brave man and his legacy would always be a part of them. Jack and Danny were teenagers then.

Today, Danny Gibson works for the Senate Sergeant at Arms.

Officer Jack Gibson is 2-year veteran of the U.S. Capitol Police Department.

Officer Chestnut's son-in-law, Officer Jason Culpepper, is also a U.S. Capitol Police officer.

That says a great deal about the dedication of these two families to public service and safety.

To these fine men—to Wendy Chestnut and Lyn Gibson, and all of the Chestnut and Gibson children and family members, and to their friends and colleagues—we offer our condolences