

admitted he would never push for significant change because "they've done so much for me, my colleagues and my staff."

Nonetheless, Congress must get to work on the reform of Fannie Mae and Freddie Mac. A healthy housing market, a healthy financial system and even the bond rating of the federal government depend on it.

The ACTING PRESIDENT pro tempore. The Senator from Florida.

GULF COAST OILSPILL

Mr. LEMIEUX. Madam President, I come to the floor of the Senate to talk about not only the environmental but economic disaster that has happened in the Gulf of Mexico.

Yesterday, I had the opportunity to fly over the scene of the spill from the Deepwater Horizon rig along with my colleagues Senator SESSIONS, Senator SHELBY, and Congressman JEFF MILLER who represents Florida's First Congressional District.

What we saw was pretty startling. As we flew out over the ocean, we saw the beginning of a spill. At first, it looked like a sheen, something one might see with gasoline laying on a concrete floor at a gas station. But as we got closer to where the Deepwater Horizon oil platform was located before, where it fell into the water, we began to see these great bands of orange, rust-colored oil that streaked across the Gulf of Mexico. We began to see small clumps of what looked like tar.

As we got closer to the scene of the incident, those small clumps turned into what I would describe as large pads of tar that floated to the surface.

We saw the new rigs that are being set up to start the drilling to do escape drilling to allow for the pressure to be taken off the spill where it is located now. We saw some of the cleanup vessels. There were about 10 vessels out there. We understand there are close to 100 involved in the total containment of this spill.

What is concerning to me—and I know is concerning to many Members of Congress—is what could happen, what might happen next. There are a lot of folks working very hard in the Coast Guard and the government. We met with Captain Pullen at the Mobile training facility for the Coast Guard, who briefed us on what is going on so far.

If we do not get this wellhead to stop leaking oil into the ocean, estimated at 5,000 barrels a day—we don't know how much is leaking. It could be less than that; it could be a lot more. If we do not stop the wellhead from leaking, we are going to have a lot bigger problem. This area has grown every day since April 21 when we had this disaster. It is measured by the size of States. First, it was Rhode Island, then it was Delaware. It is growing bigger and bigger.

When the storms subside, as they are doing now, that sheen is going to spread out even further. It certainly is going to likely impact my State of

Florida and our beaches and our commercial fishermen and our recreational fishermen. There is cause for great concern.

The reason I come to the floor today is to make this point. There are those who are casting blame on British Petroleum. There are those who are casting blame on the government. There will be time for that. Whether the government has done a proper job of getting on this problem from day one, as we are hearing; whether British Petroleum properly worked along with the folks who ran this rig, the Transocean folks; whether they made mistakes—certainly, mistakes were made—there will be time for us to evaluate that. What we must do now is spend all of our energy and efforts stopping the leak from this well because if we don't, we may see an oilspill that is the entire expansion of the Gulf of Mexico. We may see oil that not only hurts the gulf coast of Florida, Mississippi, Alabama, Louisiana, and Texas, but we potentially could see this oil go around the southern part of Florida, into the Everglades, into Florida Bay, into the Thousand Islands area—not to mention the coast on the western side of Florida, come up on the Atlantic side and get in the Gulf of Mexico and come all the way up the coast.

I am here to urge that all my colleagues support the administration and BP and everyone else who is working on this to stop the leak we have now. To me, it is the most important thing.

There were obviously issues of negligence that caused this disaster to happen in the first place. The questions of whether the Federal Government did everything it should have done in the beginning days when this happened will have to be answered, and folks are going to have to come before our committees to answer those questions. But right now, we have to stop this leak and we have to have an increased sense of urgency of stopping that leak and containing the oil.

We are putting this dispersant in now at the site of the wellhead. That is apparently having some good effect. BP has also been able—as we learned yesterday from Captain Pullen at the Mobile station—to close one of the hydraulic fail-safe valves. We know it wasn't fail-safe, but at least some of that has been closed, which is stopping, we hope, in some way the amount of oil going into the Gulf of Mexico. There is a crisis now, but the crisis to come could be far worse if we do not stop the leak from the wellhead.

DANGEROUS TIES BETWEEN VENEZUELA AND IRAN

Mr. President, over the last 6 months, we have seen two more attempts that we know of against the United States from terrorist attacks—most recently at Times Square. Thanks to the vigilance of some New Yorkers and the fine work of the New York Police Department, a bombing was stopped. We also remember that on Christmas day, when Abdulmutallab

tried to blow up a plane over the skies of America, thankfully, that bomb did not explode. These are very dangerous times.

I continue to come to the floor to say that we not only need to pay attention to the east, where this danger is stemming from, but we also have to pay attention to the south. We have to continue to pay attention to Venezuela and the dangerous ties between Venezuela and Iran. I have come to the floor to speak about the fact that Hezbollah and Hamas are now in Iran. We know a Spanish judge has accused Venezuelan authorities of conspiring with the ETA, a radical group in Spain, to assassinate the President of Colombia. We know Venezuela is collaborating with the FARC, the narcoterrorist group, which is bringing in drugs and destabilizing all of Central America all the way up into Mexico. We know of this dangerous situation. We know there are flights now between Venezuela and Iran through Syria that don't go through the normal customs procedures, where folks get off the plane in Venezuela and who knows where they go. We also know now that Iran has sent shock troops to Venezuela. We have also heard of a foiled attempt from a company called VenIran—presumably Venezuela-Iran—to ship alleged tractor parts to Venezuela that turned out to be explosive materials.

I come to the floor today to update this continuing story and to begin to bring, hopefully, the focus of this Congress and this administration on the gathering storm that is Venezuela and its contacts with Iran. It is not only that there are now shock troops from Iran in Venezuela, but we see the Chinese Government giving \$20 billion to Venezuela for derivative—future—potential to purchase oil, apparently. So lots of questions need to be asked, and we need answers from this administration about a focus on Venezuela. Hugo Chavez is a dangerous man, and the continued attempts by the Venezuelan regime to work with Cuba to spread disharmony throughout the region, to try to bring other Latin American countries along with his strong-man tactics, are cause for concern.

I will conclude with this, Mr. President. Two weekends ago, I had the opportunity to go to the Joint Interagency Task Force in Key West, FL, where tremendous work is done by the Coast Guard, the Navy, the FBI, DEA, and all sorts of other agencies to interdict drug trafficking from South America, Central America, into the United States. We know Venezuela is allowing flights to go over its country from Colombia to bring those drugs into Central America. We know how violence comes from those drugs, and we are seeing the destabilization of Mexico because of it. We also know there are semisubmersible craft—minisubmarines, if you will—that ride just below the water that are being used by drug traffickers out of Colombia, with the

support of Venezuela, to bring large amounts of cocaine into the United States. Those same craft could be used to deliver a weapon of terror.

This administration and the world have to focus not just on Iran but on the dangerous ties between Iran and Venezuela.

Mr. President, with that, I yield the floor. I see my friend and colleague from Tennessee is here to speak.

The PRESIDING OFFICER (Mr. UDALL of New Mexico). The Senator from Tennessee is recognized.

FINANCIAL REGULATORY REFORM

Mr. CORKER. Mr. President, before my time to speak today, there were some comments made by the junior Senator from Delaware, but before getting to that, I did want to mention that I hope very soon the administration will work closely—and I am sure they will because I know they are very understanding of what has happened in Tennessee—with those who are dealing with the obvious disaster underway in our State. We have people who have lost their lives, people who have lost their homes, and people who have lost their life's work. I appreciate so much the work our Governor has underway, and the many mayors, especially the mayor of Nashville but also mayors across our State. I appreciate the response all of them have given in coming to the aid of our citizens there. Again, I know this administration will begin to work very closely with them in that same regard, and I thank them in advance.

But I came to speak specifically today about the comments of my friend from Delaware regarding the fact that because large institutions in this country have a funding advantage over some of the smaller institutions, we ought to break them up.

I certainly have concerns about some of the situations we get ourselves into when a large institution gets into trouble. I don't think that having 100 Senators here on the floor arbitrarily deciding what size a financial institution ought to be or when it should be broken up is necessarily the right approach. What I do think is a better approach—and I think this bill attempts to do this but doesn't quite get it right—is to ensure that if an institution fails, it actually fails; the shareholders of the company know they are going to be out of their entire investment; the creditors know what is going to happen. The bill attempts to do that, and my sense is that Senator SHELBY and Senator DODD are working together—and I think may actually have come to an agreement—on a way to close some of the loopholes that exist in this bill.

What I would suggest to my friend from Delaware is just to support those efforts because I think if that occurs—and my sense is it will, based on the conversations I have had—what will happen very quickly is the credit rat-

ing agencies in this country—and they have already indicated this to be the case, not that they have been stellar, certainly in these last couple of years or the last 4 years—many of them are beginning to look at these large institutions in a different way because they believe we may pass legislation here on the floor that says that if they fail, they actually go out of business. That creates a situation where that moral hazard doesn't exist; where people, in essence, loan money or give credit or invest in these larger institutions at rates that are less than what might be the case for smaller institutions.

The best way we can sort of level the playing field is to ensure that if a big company fails, it fails. Again, I think we are on the verge of getting that solved. There will be many people on my side of the aisle—and by the way, I respect this position very much—who think the only way to do that is through bankruptcy, and they are talking about either an 11(f) section of the code or a section 14 of the Bankruptcy Code, where highly complex financial holding companies would go into bankruptcy if they fail. By the way, I think we should do everything we can to strengthen that.

At the same time, I think—certainly in the interim, anyway—we need a resolution mechanism so that we know that if a large company fails, we have a mechanism to liquidate it. It may be that you need both tools. Maybe you let the resolution provision sunset after the bankruptcy laws are completed and fixed in such a way that it works for a large, highly complex bank holding company.

But, again, what I would say to my friend, the Senator from Delaware, is—and I certainly love his passion on this issue—the best way we can get that level playing field is to ensure these large institutions fail when they fail, and that will change that funding level he is talking about. As a matter of fact, we are given regulators in this bill, if it passes in its form right now.

I sure hope we make lots of changes because I cannot support the bill as it is today. But the bill actually addresses capital levels. As institutions become larger and more risky, additional capital requirements are required, which automatically drives up the cost of funding. There is a section Senator WARNER and I worked on called contingent capital, where the regulators can actually cause these institutions to have contingent capital, where if a creditor has loaned money to an institution and this institution gets in trouble, that turns to equity, so it is a buffer. Again, I think the cost of that is going to be more expensive than most credit that would be given to an institution such as this.

So, again, I think the best way to deal with organizations that are large in this country is to deal with the many tools that exist in this bill that need to be improved, no doubt, and hopefully, over the course of the next 2

weeks, will be improved. But that is a much better solution than just arbitrarily having 100 Senators saying: Well, if you are X part of our GDP, you have to be taken down to size.

I wish to reiterate, as I did last week on the floor, that our country has by far the largest gross domestic product in the world. We dwarf everybody. Yet we have no banks in the top 5 in the world; we have 2 banks in the top 15. So I am not sure that as we work on globalization and as we hope to ship goods and deal with people around the world, that our best solution is to handicap the ability of our companies that work in that way and create great jobs in this country shipping goods across the world. I am not sure it is in our best interest to look at arbitrarily deciding what size a financial holding company should be.

Mr. President, I appreciate being able to speak to this issue. I do hope over the course of the next couple of weeks that we can make significant changes in the consumer title. I am hearing from people all across the State of Tennessee—ordinary citizens who wake up daily and who do things that are outside the financial sphere, at least they believe they are—who are very concerned about the reach of our consumer protection agency as it is outlined in this bill; the fact that it is unfettered, that there is no board in any way to control it, the fact that there is no Federal preemption, the fact that there will be 50 State attorneys general now dealing with our national banks, the fact that this consumer entity has the ability to be involved in underwriting loans. You can imagine some of the problems that have occurred through CRA recently. Think about this: It would be CRA on steroids.

So those are some issues I do think we need to address in this bill and I hope we will address in this bill. And I hope we will realize that this country has an overexpansive government that reaches out unnecessarily into their lives.

In closing, again, I applaud the efforts the Senator from Connecticut and the Senator from Alabama have underway to fix this resolution title in such a way that we all know that if a firm fails, it is going to go out of business. I think that will adequately address the concerns the junior Senator from Delaware brought up earlier about these big firms, in some cases, having funding advantages. I think once the public understands these firms can go out of business, just like any other entity, that will change. I think we are already seeing that through early indications with credit rating agencies and others that are looking at these entities.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.