

betting on future oil price increases by more than 38 percent.

Meanwhile, legitimate hedgers for oil futures contracts, legitimate hedgers such as airlines and shipping companies and oil companies have actually reduced their holdings in oil futures contracts.

All you need to do to see what is happening is as represented on this chart. You see closely how the rise of oil prices, the red line, tracks the increases in speculative activity, the white line. A long position in a futures contract means you are betting that the price of oil will go up and, therefore, you buy a contract to buy oil at a determined amount in the future. That is what this chart is about.

As you go over here, on January 25 of this year, the day the protests began in Egypt, the speculative money was on long held positions in just over 217,000 West Texas Intermediate crude oil futures contracts. West Texas Intermediate crude is the standard by which they judge. When the protests began in Egypt, they were down at 217,000 futures contracts. That is the equivalent of about 217 million barrels of oil. On March 8, the last day for which we have the data, these same speculators held the equivalent of more than 301 million barrels of crude, which was an increase of 38 percent, from 217,000 to 301 million.

Look how closely the price of oil tracks those swings. This is the speculative buying or betting in futures contracts, the white line. Look how closely the price of oil follows the red line.

During the same period, from January 25 to March 8, the price of oil climbed from \$85 a barrel all the way up to \$105 a barrel. That is an increase of nearly 24 percent. Guess who is the loser in this game of profit gouging. It is the American consumer. Our gasoline prices mean less money for anything the American consumer has to buy. And, at the end of the day, guess who else is the big loser. It is the American economy.

These speculative bubbles in oil prices are becoming more and more common. We saw it in the summer of 2008 when oil spiked up to an unbelievable \$147 per barrel, only to plummet almost 80 percent a few months later. You cannot say that going from \$147 a barrel all of a sudden down to \$30 a barrel back in 2008 had anything to do with supply and demand. There had to be another influencing factor.

Because of this, last year when we passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, Congress empowered the CFTC to rein in excessive speculation to keep the commodities markets from flying off the rails. Just look. It is in the last 2 months. Yet, the Commission, the CFTC, has yet to finalize new rules to govern the speculative position limits.

Meantime, what happens is speculators continue to buy \$100 worth of oil futures with \$6 down, 6 percent down to buy oil contracts for futures. I believe

the law we passed last year has given the CFTC an extremely effective tool at its disposal that it could use to discourage excessive energy speculation and bring down gas prices our American consumers are now finding hurting their pocketbooks so much. That authority is the authority to impose higher margin requirements on oil futures contracts. So instead of \$6, they could require that there be more than 6 percent they would have to pay down on buying a futures oil contract.

In the current system some ordinary investors have to put down as much as 50 percent in order to buy things, while financial speculators have to post only 6 percent to buy a futures contract in oil. That does not seem to me to be fair and is leading to this kind of system which is now causing pain at the pump.

These kinds of margin requirements are not set by Federal regulators but, rather, by the exchanges themselves. For the same reason we do not let pharmaceutical companies approve of their own drugs, we should not let futures exchanges self-regulate by setting their own margin requirements. Fortunately, in a section of the Dodd-Frank bill, section 736, Congress removed the broad statutory restriction that prohibited the CFTC from setting those margin requirements. That section authorizes the CFTC to call for higher margin requirements in order to protect the financial integrity so this kind of event does not happen.

I am calling on the CFTC now to exercise the authority the Congress, signed into law by the President, gave them last July. I am asking them to get going.

There is a letter that has been circulated here among the Senators encouraging the CFTC to use the Commission's power to increase margin requirements on these oil speculators. I want to urge my colleagues who are listening to join in this letter as it is circulated among your offices. Under the Dodd-Frank Act, these new margin requirements would take effect as soon as July. But the CFTC must begin the rulemaking process now, because if we do not, and get into the summer driving season, you know what is going to happen here. This is March. It is going to keep going up and up.

I want to be clear, that where those who have a legitimate reason, such as airlines, shipping companies, oil companies, to buy future contracts, that margin level would not apply. It will only apply to the speculators. Imposing a higher margin level on speculators is consistent with existing exchange practices. For example, the New York Mercantile Exchange, the major trading platform on oil futures, imposes different margin rates on speculators as compared to bona fide hedgers. Anybody who has been at the gas pump recently knows this is a real issue, and they are asking us to do something about it.

Then we hear in return it is supply and demand. I am trying to prick that

balloon, bust that bubble. Congress and the administration need to be out front doing everything we can to ensure that the price of oil reflects the real supply and demand, not the irrational speculative fervor. With the right policies, we can discourage the damage excessive speculation is doing.

I ask two things of my colleagues. I ask that they all take a look at the letter being circulated to Commissioner Gensler, Chairman of the CFTC. Don't fall for the notion that more drilling is going to put an end to the spiral. I am all for drilling in all those acres out there that are already leased. I am all for it, if it is done safely. But guess what we are hearing. We are starting to hear: Drill, baby, drill.

Facts are stubborn. Even if there was expanded drilling in the United States, it is not going to affect the price of gas in the short term or even over the next half a dozen years. That is largely because the United States holds 2 to 3 percent of the world's supply, which is not enough to affect prices globally. Further, the oil and gas companies have 30 million acres that are leased but not drilled offshore and another 30 million acres onshore and they are not even drilling yet. Simply put, attempts to link the recent increases in the price of oil to the need for increased drilling are off the mark. Frankly, we haven't changed the way we do business with oil companies. Unfortunately, it has been a little less than 1 year since the Deepwater Horizon oil rig exploded. We know what damage that did to the fisheries, the tourism, the economy of the entire gulf region. A lot of oil is still there. American citizens continue to fight to get their lost claims paid. We are not going to know for years to come what the long-term impacts will be, but certainly the economic damage is rising and rising.

Even worse, if another spill happened today, the responsible party would still have only a liability cap of \$75 million. We have to address that.

In the meantime, we have to confront high gas prices. We need a multi-pronged approach that includes getting the CFTC to do its job.

CLUSTER MUNITIONS CIVILIAN PROTECTION ACT

Mr. LEAHY. Mr. President, on March 10, my friend from California, Senator FEINSTEIN, and I introduced S. 558, the Cluster Munitions Civilian Protection Act of 2011. It is identical to the bill she and I introduced last year and similar to those in prior years.

Cluster munitions, like any weapon, have some military utility. But anyone who has seen the indiscriminate devastation cluster munitions cause over a wide area understands the unacceptable threat they pose to civilians. These are not the laser-guided weapons the Pentagon showed destroying their targets during the invasion of Baghdad.

There is the horrific problem of cluster munitions that fail to explode as

designed and remain as active duds, like landmines, until they are triggered by whoever comes into contact with them. Often it is an unsuspecting child or a farmer. In Laos today, people are still being killed and maimed by millions of U.S. cluster munitions left from the Vietnam war. That legacy, resulting from years of secret bombing of a peaceful, agrarian people who posed no threat to the United States, contaminated more than a third of Laos' agricultural land and cost countless innocent lives. It is shameful that we have contributed less money in the past 35 years to clean up these deadly remnants of war than we spent in a few days of bombing.

Current law prohibits U.S. sales, exports, and transfers of cluster munitions that have a failure rate exceeding 1 percent. The law also requires any sale, export, or transfer agreement to include a requirement that the cluster munitions will be used only against military targets.

The Pentagon continues to insist that the United States should retain the ability to use millions of cluster munitions in its arsenal which have estimated failure rates of 5 to 20 percent. It has pledged to meet the 1 percent failure rate for U.S. use of cluster munitions in 2018. But, like Senator FEINSTEIN, I do not believe we can justify using antiquated weapons that so often fail, so often kill and injure civilians, and which many of our allies have renounced. That is not the kind of leadership the world needs and expects from the United States.

Senator FEINSTEIN's and my bill would apply the 1-percent failure rate to U.S. use of cluster munitions beginning on the date of enactment. However, the bill permits the President to waive the 1-percent requirement if he certifies that it is vital to protect the security of the United States. I urge the Pentagon to work with us by supporting this reasonable step.

Since December 3, 2008, when the Convention on Cluster Munitions opened for signature in Dublin, 108 countries have signed the treaty, including Great Britain, Germany, Canada, Norway, Australia, and other allies of the United States. However, the Bush administration did not participate in the negotiations that culminated in the treaty, and the Obama administration has not signed it.

Some have dismissed the Cluster Munitions Convention as a pointless exercise since it does not yet have the support of the United States and other major powers such as Russia, China, Pakistan, India, and Israel. These are some of the same critics of the Ottawa treaty banning antipersonnel landmines, which the United States and the other countries I named have also refused to sign. But that treaty has dramatically reduced the number of landmines produced, used, sold, and stockpiled, and the number of mine victims has fallen sharply. Any government that contemplates using landmines

today does so knowing that it will be condemned by the international community. I suspect it is only a matter of time before the same is true for cluster munitions.

It is important to note that the United States today has the technological ability to produce cluster munitions that meet the requirements of our bill, as well as the treaty. What is lacking is the political will to expend the necessary resources. There is no excuse for continuing to use cluster munitions that cause unacceptable harm to civilians.

I urge the Obama Administration to review its policy on cluster munitions and put the United States on a path to join the treaty as soon as possible. In the meantime, our legislation would be an important step in the right direction.

I again commend Senator FEINSTEIN, who has shown such passion and persistence in raising this issue and seeking every opportunity to protect civilians from these indiscriminate weapons.

NATIONAL METRO SAFETY ACT

Ms. MIKULSKI. Mr. President, on Thursday I reintroduced the National Metro Safety Act with Senators CARDIN, MURRAY, WARNER and WEBB. I first introduced this bill on July 23, 2009, after the deadly crash on the Washington Metropolitan Area Transit Authority's Metro system that killed 9 people and injured more than 50.

This legislation does three things. First, it gives the U.S. Department of Transportation Secretary the authority to establish and enforce national safety standards for metro systems across America. Second, it requires the U.S. Department of Transportation to work with the National Transportation Safety Board to develop these standards. Third, it requires the U.S. Department of Transportation to implement NTSB's most wanted safety standards. These include: crash-worthiness, data event recorder, emergency entry and evacuation standards for rail cars; and hour of service regulations for train operators.

On Monday June, 22, 2009, the unthinkable happened right here in our Nation's Capital. A Metro train struck another train during evening rush hour. Eight passengers were killed including one Marylander from Hyattsville and one Metro employee. Over 50 passengers were injured by the crash. It was the worst accident in Metro's history.

Approximately, 1 year later, the NTSB released its report from its investigation of the crash. This was the saddest report with grim revelations. It found that the Metro crash could have been prevented and nine lives could have been saved. The NTSB's investigation found two probable causes: a faulty track circuit and the lack of a track circuit verification test. This test would have identified the malfunctioning circuit and could have prevented the crash.

The NTSB also found attributing causes to the crash. These included a lack of a safety culture at Metro; failure to monitor the train control system and replace its oldest railcars; lack of a maintenance plan from the circuit manufacturer; Metro Board and the Tri-State Oversight Committee's ineffective safety oversight; and the Federal Transit Administration's lack of authority to provide safety oversight.

In its report, the NTSB also made 23 recommendations to prevent future fatal crashes. Among these was the recommendation to the U.S. Department of Transportation to seek the authority to provide safety oversight to transit systems and to establish and enforce national safety standards. The NTSB did its job and now it is time for Congress to do ours. We must pass this bill to give the U.S. Department of Transportation the authority it needs to establish Federal safety standards.

We have Federal safety standards for airplanes, commuter rail, and buses, but none for metro systems. Rail transit is the only transportation mode without Federal safety standards, oversight and enforcement even though it has over 14 million daily riders. This is more than U.S. airlines with 2 million domestic flights daily or passenger railroads like Amtrak and MARC each with 74,430 and 30,000 daily riders respectfully. Up until now, safety has been left up to the states. Each State has its own safety and enforcement practices. States have oversight agencies with very little staff, small budgets and varying amount of expertise. These oversight agencies also aren't always independent of the transit systems they oversee.

I know the Obama administration has its bill to establish standards and the Banking Committee has its bill. I support both of these but let me tell you why I am crazy about my bill. It requires the U.S. Department of Transportation Secretary to implement the NTSB's most wanted. These are the recommendations the NTSB has consistently called for.

Congress must do two things. First, it must meet its Federal funding obligation for Metro. We must provide \$150 million for Metro in the year-long continuing resolution. I want to thank Senator MURRAY for including these vital funds in the Senate's bill. This is really \$300 million for Metro with the local matching funds.

Metro needs this money to implement the NTSB's recommendations and prevent future crashes. This money is essential to Metro's reform. It is American's subway. This isn't a local pork barrel. America needs it to go to work. Metro serves not only our civilian population, but also the many people working at the Pentagon every day that need to be at their duty station and their battle station. We need Metro to be safe and operational reliable.