I am informed he had stated in his earlier remarks that 20 percent of the problem we have with high oil prices now is the result of speculation. I was wondering if the distinguished majority leader would—that is the first time I had heard that figure. I wonder if he could provide a citation or some place——

Mr. REID. Mr. President, I would say to my friend, if it is the first time you have heard it, with all due respect, you have not been listening to what has been going on on the Senate floor. I am not the only one who has said it. Many people have said it. I would be happy to place in the RECORD—and the first person we will place in the RECORD is somebody who was a high-ranking official with the commodity futures trading organization, where he says it is 50 percent. Now, that is in the RECORD already. I will be happy to repeat his name, and we will spread this all through the RECORD. He says 50 percent. Many others say it is 20 percent. That is why we believe speculation is an important piece of this legislation.

I say to my friend from Texas, as I said earlier, if the man who says it is as much as 50 percent wrong, and it is only 20 percent, that is still a big chunk out of this, and it must mean it is worthwhile pursuing because in the Republicans' proposal you have in your proposal a speculation piece.

Mr. CORNYN. Mr. President, I would respond briefly and say to the distinguished majority leader, I have been listening. I have been on the floor literally every day talking about this issue. But I will say what surprised me about the 20-percent figure is that Warren Buffett, the CEO of Berkshire Hathaway, said it is not speculation that is driving up the price of oil, it is supply and demand.

So that is why I was asking for a citation because it is the first time I have heard it. I do not think I am the only one, and I have been listening.

Mr. REID. Before I leave the floor, Mr. President, I will simply say that Warren Buffett is a great guy. I like him very much. But keep in mind, he has not made his money in oil. He has made his money selling furniture and insurance and other things of that nature. Warren Buffett is a great person. I have great respect for his ability to make money. But he has not made it in oil. I think we need to look at some of the other experts in this regard.

I repeat, there must be some substance to it. The Republicans have it in their legislation.

RESERVATION OF LEADER TIME

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

STOP EXCESSIVE ENERGY SPECULATION ACT OF 2008—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 3268, which the clerk will report by title.

The assistant legislative clerk read as follows:

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

The ACTING PRESIDENT pro tempore. Under the previous order, there will be 1 hour of debate, equally divided and controlled between the two leaders or their designees prior to the vote on the motion to invoke cloture.

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, later this morning, we are scheduled to vote on the motion to proceed to the legislation that the majority leader was referring to. This legislation is entitled the Stop Excessive Energy Speculation Act of 2008. This is legislation that is designed to shed additional light on trading activities in global oil markets.

I hope very much the Senate will vote to invoke cloture this morning and that we can proceed, and do so in a bipartisan fashion, to debate the legislation. The topic of speculative investment in our energy markets has been the subject of many hearings throughout many committees of the Senate.

In our own committee, the Senate Energy and Natural Resources Committee that I chair, along with a handful of other committees, we have had something approaching 30 or 40 hearings during the 110th Congress on this subject. We have heard testimony from industry analysts, traditional producers and consumers of petroleum products, that the recent runup in crude prices can be attributed, at least in part—and there is debate about whether it is 20 percent or more or less, but this runup in prices can be attributed, at least in part, to what are referred to by some of the experts as the ''new fundamentals'' in our energy markets.

We had Dan Yergin, from Cambridge Energy Associates, who testified at a workshop we had in the Energy and Natural Resources Committee last week, and he talked about the new fundamentals, as he has now for some time. These new fundamental forces include nontraditional investment flows into energy commodity markets, as asset managers seek to hedge against inflationary risks and hedge against the decline in the value of the dollar.

This flight of investments into commodities is a symptom of our ailing economy in general. But it also poses a number of serious questions from an energy market perspective. Among those are whether and how the influx of billions of dollars in relatively passive investment is impacting the fundamental price-discovery functions these financial markets are intended to perform; that is to say, to some pension fund managers and index investors taking positions in the oil markets, the price of a barrel of oil on any given day may not be very important. Whether the price is $5 or $500 per barrel, their oil market positions are designed to balance the risk they have in other parts of their portfolio, and they have made a policy judgment to put 10 percent of their portfolio in commodity markets, the oil market being prime among those.

So the question for policymakers is whether this investment—this new fundamental: the demand for paper barrels, as it was referred to at our workshop last week—has begun to swamp the price signals that are generated by the more traditional hedgers, the large producers, and consumers of petroleum products in tune to the real-time dynamics of supply and demand. Supply and demand is still a significant factor in the price of oil. There is no question about that. But these new fundamentals are also a significant factor in the view of many experts who have testified to our committee.

During the course of the multiple hearings we have held in the Energy Committee, through a series of related correspondence we have had with the Commodity Futures Trading Commission, and in the ensuing debate in the Senate, I believe that a compelling case has been made that the Commodity Futures Trading Commission requires more authority, needs more authority, needs more resources, needs more explicit direction from Congress to examine these issues in detail.

That is what Senator REID's legislation tries to accomplish. Senator REID's legislation would provide the CFTC, the Commodity Futures Trading Commission, with the tools to do that. It does several things. Let me mention a few.

It codifies recent CFTC initiatives related to the conditions under which the United States will allow traders access to foreign boards of trade on which energy commodity contracts are listed. That is an important signal to the market that the United States will take a stronger stand on efforts to circumvent domestic trading rules.

The second thing it does is it provides much greater transparency in over-the-counter markets. This is another key building block to putting in place forward-leaning regulatory policies adapted to the increasingly global and electronic environment in which energy is bought and sold.

The third thing this legislation does is it includes a number of provisions designed to shine additional light on the nexus, or connection, between the physical commodity and the financial energy markets, and to ask some of the same questions about natural gas markets that we have been asking about petroleum over the last few months. I believe this is an important effort. Particularly it is an important effort in light of what may prove to be a very difficult winter heating season.

There are clearly ways in which this underlying legislation can be improved