MCCASKILL, COLEMAN, KLOBUCHAR, DURBIN, OBAMA, ROBERTS, BROWNBACK, LUGAR, and BAYH and called it the Midwestern Disaster Tax Relief Act of 2008. The same bill was introduced in the House by the Iowa congressional delegation in a bipartisan fashion.

Federal tax relief has proven to be very helpful to disaster recovery efforts in recent years. We modeled this legislation after the tax legislation that Congress passed to help victims of Hurricanes Katrina, Rita, and Wilma in 2005, and the tornadoes of Kiowa County, KS, in 2007. We took into account the lessons learned from the other disaster packages, so we have been able to slim down this package and tailor it to meet the needs of this major natural disaster and not repeat the mistakes we made for Katrina, where some people who weren't hurt by the disaster were able to take advantage of it.

So we are curtailing the cost considerably. But there is another inconsistency. I have been told by the chairman of the House Ways and Means Committee, Mr. RANGEL, that our disaster tax relief package needs to be offset. Well, he didn't hear CHUCK GRASSLEY say the tax package we passed for New York City after 9/11 had to be offset. It was an emergency. New York City needed help and New York City got help from this Senator, chairman of the committee at that time. I guess at that time I was ranking member, but still helping. And when Katrina came along, I was chairman of the committee once again, and we did not ask for offsets for Katrina. People in New Orleans were hurting and we passed the legislation and the President signed it 3 weeks after Katrina. We appropriated $60 billion within 5 days after reconvening after Labor Day in 2005.

So I don't want anybody telling me that we have to offset a disaster relief package for the Midwest where people are hurting, when we didn't do it for New Orleans. Why the double standard? Is it because people aren't on rooftops complaining for helicopters to rescue them, and you see it on television too much? We aren't doing that in Iowa. We are trying to help ourselves in Iowa. We have a can-do attitude. It doesn't show up on television like it did in New Orleans for 2 months.

So we are going to move ahead. We have targeted this assistance in this tax bill to those who have suffered damage and lost specifically from this severe weather event—individuals and businesses located in presidentially declared disaster areas due to floods, tornadoes, or severe storms, in just these States—Iowa, Arkansas, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, and Wisconsin—just where the harm has happened this spring.

Among other provisions, this legislation would let disaster victims with damages to their primary residence tap their assets and access cash by withdrawing money from retirement plans without penalties and suspend limits on tax incentives for charitable contributions, thus strengthening local and other fund-raising drives collecting money to help small businesses and families recover. We also create tax-credit bond authority to help local governments rebuild infrastructure with interest-free loans; increase the amount of tax-exempt bond authority to help businesses receive below-market interest rate financing; remove limitations on deducting casualty losses due to natural disasters; and reduce the 2008 tax burden for businesses by substantially increasing the 2008 deductions from depreciation and expensing the business property.

We tried to add a disaster tax relief package as an amendment to the housing bill—and I have to say Senators SHELBY, DODD, and BAUCUS were very helpful in that process—but we didn't get all these details ironed out in time to get it in the housing package.

Mr. President, I ask unanimous consent for 4 more minutes.

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

Mr. GRASSLEY. We have agreed to pursue Midwestern tax relief either as a separate bill, which would have to start in the House of Representatives, or on another tax bill that is over here under consideration in the Senate. I want to thank Senators SHELBY, DODD, and BAUCUS, though, for their consideration of putting that in the housing bill.

We have had further discussions since then with Chairman RANGEL and BAUCUS. It is our hope that we can swiftly reach a bicameral agreement with Ways and Means and the Senate Finance Committee on our proposals. I think we basically have it ironed out, except for this offset issue. And we should pass this tax bill in both the House and Senate by unanimous consent before we leave for the August recess. That would get it done in still a longer period of time than it took me to get tax relief for New Orleans.

Once again, assistance to Iowa and the Midwest should not be held hostage to politics and gamesmanship. We treated the victims of the gulf coast with quick and fair action, as I have indicated twice during my remarks. We passed $60 billion in appropriations bills within a week of returning to Washington after the August recess—Katrina happening just days before Labor Day, during our recess—and we passed that tax relief bill that I have mentioned that was signed by the President within 3 weeks. Those were clean bills. They weren't loaded down with controversial extraneous positions and didn't need offsets.

Efforts underway by Democratic leadership are letting down the people of the Midwest. They are trying to use this disaster assistance as a vehicle to promote an agenda and pet projects, and I will give you some examples. The majority would like to include a provision to give $1.2 billion in tax credits to New York City, even though New York City does not pay Federal taxes. This proposal is widely reported to fund the building of a train from Manhattan to John F. Kennedy Airport through the use of New York Liberty Zone tax credits. According to the Joint Committee on Taxation, Congress has never before provided a limited tax benefit such as this to a government unit.

This provision is very controversial, is nonemergency, and it would slow down getting assistance to the Midwest, and Iowans, where people are hurting and hurting right now. I reiterate that politics should not get in the way of helping the victims of the storms and tornadoes in the Midwest. To cut through this hogwash, we ought to pass the Midwestern disaster tax relief bill by unanimous consent even this week.

As Iowans and others in the central United States start recovering and rebuilding their lives and communities after these record deadly storms and floods, they need and deserve swift Federal action. The assistance should not be held up over politics.

I am often asked by constituents not to forget them. Therefore, I am asking my colleagues in Congress this very minute not to forget my constituents or other constituents of Midwestern States. We only ask that Congress give Iowans and those in the Midwest the same consideration we gave victims of other disasters—and most often I mention New York City and New Orleans—nothing more, nothing less.

If any of my colleagues doubt that this is an emergency and that Federal aid is needed, I am in Iowa every weekend—except this weekend, I am sorry to say, because we are in session on Saturday. But whenever they come, I will be happy to show them around. I have all kinds of pictures, which I think my staff has been putting up from time to time, to demonstrate this disaster that we have had in the Midwest.

Mr. President, I yield the floor, and 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. GRASSLEY. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. GRASSLEY. Mr. President, I ask the Senate stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 2 p.m., recessed until 2:03 p.m. and reassembled when called to order by the Presiding Officer (Mr. CASEY).

The PRESIDING OFFICER. The Senator from Ohio is recognized.

LIHEAP

Mr. VOINOVICH. Mr. President, I rise today to speak about the need to

harmonize our energy, environment, and economic policies.

In the midst of summer it is hard to think about our Nation's winter heating needs, but experts say we are at a pace for skyrocketing energy prices this winter that will place even further financial strain on the budgets of too many Americans. The chickens have come home to roost. For 27 years the Federal Government has helped disadvantaged Americans with their heating costs through the Low-Income Home Energy Assistance Program. It is one of the programs I supported while I was mayor and then as Governor of Ohio.

Last year in my State alone, LIHEAP assisted some 387,000 Ohio households earning less than 175 percent of poverty on about $37,500 for a family of four. Furthermore, over 188,000 Ohio households were served by the Emergency Winter Crisis Program. This program provides a one-time payment for eligible households whose home heating sources have been disconnected, threatened with disconnection, or have less than a 10-day supply of bulk fuel. The fact that so many Ohioans have utilized these programs demonstrates a need for help.

Congress has not sat idle. Since I came to the Senate in 1999, Congress has increased LIHEAP funding from $1.1 to $2 billion in 2008. That is an 80-percent increase. In 2006, Congress provided $2.5 billion for LIHEAP, a 32-percent increase above the previous year's appropriations.

I have consistently supported these increases, but I have become frustrated that despite the new money in the program, fewer families are getting real help on their heating bills. The nonpartisan Congressional Research Service reports that despite the increase in the number of households eligible for LIHEAP assistance, climbing energy prices have reduced the number of families actually receiving help.

From 1983 to 2005, the percentage of eligible families receiving aid decreased from 31 percent to 15 percent. The increased funding simply is not keeping up with the rising cost of heating fuel. Our dollars are not going so far. The Ohio Department of Development tells me they are expecting the same rapid increases in costs this coming winter. Natural gas is the best example of what has happened in my State and perhaps in the State of the Presiding Officer. The prices for consumers like me went from $3 an mcf in 2000 to $11 per mcf today. In fact, prices for this June-July are nearly double what they were during the same period last year. And it isn't getting any better. I understand that the Vectren Natural Gas Utility Company in the Dayton area, is so alarmed about the expected spike in the price of natural gas this winter it is warning customers now to prepare for rates to increase by as much as 50 percent. This would devastate a lot of Ohioans living on fixed incomes who already have tight budgets.

Unfortunately, Ohioans are not alone. There is a growing number of families across this country who will need help this coming winter. I understand the need for the safety net LIHEAP provides and support its funding at reasonable levels, but when I look at the numbers, it becomes clear that appropriating more and more money for LIHEAP is not the answer.

The real reason some folks will be having such a hard time this winter making ends meet is our Nation has no energy strategy. For example, large-scale fuel switching from coal to gas began with the implementation of the 1990 Clean Air Act. These requirements continue to be phased in and have become increasingly stringent. One can see a clear correlation between regulation and the increasing cost of natural gas. More utilities are turning from coal to gas.

A major contributor to these skyrocketing energy prices is environmental policies that discourage our use of abundant domestic energy supplies and a failure to harmonize our country's energy, environmental, economic, and national security policies. This has resulted in substantial unintended costs in the form of increased fuel, food, electricity prices and lost jobs, and has contributed to the almost doubling of the LIHEAP program.

Sadly, this is not a new problem. We have know for years that we need a comprehensive energy strategy, and I have been calling for one since I came to the Senate.

But it took us 5 years and 6 weeks of floor debate for Congress to Pass the 2005 Energy Policy Act—a bill that took only limited strides forward. And while the bill encouraged improved national energy efficiency, boosted research and development funding for advanced energy technologies and promoted increased use of biofuels. It didn't go far enough toward increasing our domestic energy supply, which has been hamstrung by moratoria on exploration that would have given us increased oil and natural gas.

We have to make real investments today that will help us achieve our goal tomorrow. If our goal is to help those who are less fortunate with their heating bills, then we should be treating the disease rather than the symptoms. We must increase our supply, reduce our demand through alternative energies, and conserve what we have. We must be also careful to avoid—I like to refer to them as smokescreens that cloud our paths to real solutions.

The debate here in Washington over oil speculation is something that is part of this what I call smokescreen. It is causing us to not face up to the situation where we have to increase the supply if we expect to deal with the problems in oil and in natural gas here in the United States. I firmly believe that we find ourselves in this situation today because of a tail wagging the dog environmental policy. This has paralyzed Congress and polarized us in such a way that we have been unable to find common ground on the most important issue currently facing our nation.

But let's keep in mind that our situation could be much worse. This June, amidst what at the time were record high gas and energy prices, a bill was brought to the floor to attempt to address climate change. While finding a solution to climate change is a goal I share, this bill was a bureaucratic and economic disaster, creating over forty new government agencies and spending programs—constituting a $6.7 trillion dollar tax increase on American families. This bill would have sent ripple effects through the economy.

Indeed, it was estimated that the State of Ohio would loose 139,000 jobs by 2020 as a result of the legislation. And with Ohio consumers paying as much as 29 percent more for gasoline, 50 percent more for natural gas and 80 percent more for electricity, disposable household income could be reduced $1,928 per year by 2020 and $3,522 per year by 2050.

Fortunately, this legislation was defeated. But if we continue to ignore the economic impacts of our country's environmental policies, we will further erode our competitive position in the world marketplace, all the while increasing costs for those among us who are least able to pay.

Few would argue that the economic consequences of those regressive policies fall hardest on the most vulnerable of our population—the poor and elderly. And that is what brings us to this LIHEAP debate.

I agree the program plays a key role in helping our neediest brothers and sisters with the high cost of heating their homes this winter. However, it is disconcerting to me that many of my colleagues who support the increase in LIHEAP, as I have, have also supported environmental policies that have encouraged the use of natural gas, and at the same time prevented the exploration for new natural gas deposits.

Most of us understand that when you drive up the demand for gas and limit the supply, prices will go up. Yet, unfortunately those that support these short-sighted environmental polices ignore the impact rising prices have on all of us, particularly the middle class, the elderly, and poor. Some of the people back in my State say: What do they think we all are, rich? What is worse, as the Band-Aid we use to temporarily treat the symptoms of rising energy prices gets bigger—in this case almost doubling the funding for LIHEAP, as I mentioned over what was appropriated this year—we are adding to our growing national debt. We cannot continue to live in the United States of Denial, borrowing money for programs and passing the cost, including interest, onto the backs of our children and grandchildren.

Instead, those demanding more LIHEAP should also be required to vote on increasing our energy supply or at least give the Senate an up-or-down

vote on lifting the ban on exploration of the Outer Continental Shelf. The Mineral Management Service estimates that the undiscovered technically recoverable resources contained in the OCS, Outer Continental Shelf, could equal 420 trillion cubic feet. This is 40 percent of the total natural gas estimated to be contained in the undiscovered fields in the total United States. So I think we owe it to our children, we owe to it our grandchildren to take care of our larger energy problem and get to its root. Moving forward, we must ensure our environmental policies are not considered in a vacuum. They should be complimentary to—not in opposition to—our country's energy and economic needs.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. SANDERS. I agree with the previous speaker, the distinguished Senator from Ohio, about the need for a national energy policy. He and I may disagree as to what that policy should look like, but at a time when we are spending $700 billion a year importing oil from abroad, at a time when we are contributing toward global warming, at a time when the oil companies are enjoying recordbreaking profits, at a time when some people will tell us, experts will tell us, that speculation is driving up the cost of a barrel of oil by 25 to 50 percent, I think we need a new energy policy.

But I sincerely hope my good friend from Ohio will not penalize the millions of low-income people who are not here on that debate. For them, it is a life-and-death issue, in some cases, about whether we double LIHEAP funding in order to provide the benefits they desperately need. There are many reasons that any of us can give for not voting for a piece of legislation, but I hope in terms of the very important LIHEAP vote, we do not have folks coming up, well, I believe in LIHEAP; I am not voting for A or B; this is why—if we do not double the amount of money for LIHEAP at a time when home heating oil costs will be double what they were a couple of years ago.

Natural gas prices, as the Senator from Ohio said, are rising very rapidly. People throughout the country, in the southern part, are unable to afford electricity and are trying to get by without air-conditioning at a great threat to their health. I hope those people will not be held hostage to the debate we are having.

Yes, of course, we need a national energy policy. Yes, of course, this current policy is a disaster. But, please, let's not create a situation where people die and people suffer. Who gets LIHEAP? My friend from Ohio knows who gets LIHEAP. Those are the elderly people who get LIHEAP. Those are lower income families with children. Those are people with disabilities. Please, let's not hold those people hostage tomorrow while we continue the debate.

So, I say to my good friend from Ohio, count me in as someone who will continue to fight for a national energy policy. I happen to disagree with the Senator on some of the particulars, but we need a national energy policy. Of course, we need to lower the cost of energy.

But, right now, when we are seeing in the northern tier of the country, in the Northeast, a doubling of the price of home heating oil, people will go cold, people will freeze if we do not provide them with the help they need. I hope I can count on my friend's support tomorrow for that legislation.

I am very happy to say, in terms of LIHEAP, we are getting very significant bipartisan support for this legislation. This bill which, as I mentioned, would double the amount of money we are spending on LIHEAP—it is S. 3186, the Warm in Winter and Cool in Summer Act. It now has 52 cosponsors, 35 Democrats, 13 Republicans, and 2 Independents. I want to thank all of them. I want to thank Majority Leader REID, Senators OBAMA, DURBIN, MURRAY, LANDRIEU, LEAHY, CANTWELL, JACK REED, KERRY, KENNEDY, SCHUMER, LEVIN, CARDIN, BROWN, KLOBUCHAR, MENENDEZ, CASEY,—and I want to thank you, the Presiding Officer, for your strong support for this legislation—BINGAMAN, LAUTENBERG, STABENOW, BILL NELSON, BAUCUS, SALAZAR, WYDEN, WHITEHOUSE, ROCKEFELLER, DODD, TESTER, MIKULSKI, BIDEN, KOHL, DORGAN, MCCASKILL, and BOXER.

I also want to thank 13 Republican cosponsors of this legislation. It is no secret that we are in the midst of a lot of partisanship, a lot of bad feelings. But I am very glad that 13 Republicans have come on board this legislation. They are Senators GRASSLEY, SNOWE, STEVENS, COLEMAN, SMITH, SUNUNU, COLLINS, MURKOWSKI, GREGG, LUGAR, BOND, DOLE, and SPECTER.

I appreciate their support, as well as Senator LIEBERMAN, the other Independent, in addition to myself. I thank Senator REID, the majority leader, for trying to push this legislation.

Not only do we have a significant amount of support in the Senate, we are getting support from dozens and dozens and dozens of organizations from all over this country who understand the importance of LIHEAP and the need to substantially increase funding.

Now, one of the organizations that has been very active and actively involved in this issue is the AARP, which is the largest senior group in this country. I would like to, if I may, read briefly from a statement that the AARP made in support of the legislation that is coming up tomorrow.

And that is:

AARP fully supports the Warm in Winter and Cool in Summer Act. This legislation will provide needed relief for many older persons who may not receive assistance despite their eligibility due to a lack of funding. Older Americans who are more susceptible to hypothermia and heat stroke know the importance of heating and cooling their homes. They often skip on other necessities to pay their utility bills.

However, today's escalating energy prices and the Nation's unpredictable and extreme temperatures are adding to the growing economic hardship faced by seniors. LIHEAP is underfunded and unable to meet the energy assistance needs of the program's eligible households. Studies show that while LIHEAP serves more households than ever before, only 16 percent of eligible households received assistance in 2006.

Let me repeat that. Only 16 percent, in 2006. The need is now substantially greater because of the rising cost of fuel and because of the recession we are in currently.

AARP finishes by saying:

An estimated gap of almost $28 billion now exists between what LIHEAP pays and total energy costs facing the eligible LIHEAP population.

So we are very appreciative that AARP is supporting this legislation. Let me mention a letter that I received yesterday from the National Governors Association. The National Governors Association, representing all 50 Governors in this country, is also supporting this legislation. Let me read briefly from this letter.

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

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

(See Exhibit 1.)

Mr. SANDERS. The letter states:

Dear Senator REID and Senator MCCONNELL: On behalf of the Nation's governors, we write to express our support for increased funding for the Low-Income Home Energy Assistance Program for fiscal year 2008.

Bipartisan efforts, such as the ''Warm in Winter and Cool in Summer Act'' (S. 3186), which would add $2.53 billion in LIHEAP funding for FY 2008 and split this funding equitably between the LIHEAP base formula grant and the contingency fund, are a step in the right direction. This approach will help ensure that States receive an equitable share of the energy assistance.

I thank the National Governors Association. The letter was signed by Governor Granholm and Governor Rell of Connecticut. We appreciate their support.

I come from a State where the weather gets 20 below zero. In a moment, I will be talking about what some of my constituents experienced last winter and the fears they have for the coming winter and why it is absolutely imperative that we substantially increase LIHEAP funding.

What I want to do right now is read about what is going on in America today, in July and in June of 2008, in terms of the impact that high temperatures are having on some of our most vulnerable citizens, primarily the elderly.

We gathered some headlines and brief articles about events and tragedies that are occurring right now.

From the Mississippi Daily Journal:

An autopsy report confirmed a Monroe County, Mississippi, man died as a result of heat stroke Sunday.

Later on in the article it states:

When the temperatures hit the high 90s, North Mississippi Medical Center emergency department starts seeing more heat-related

illnesses, particularly heat exhaustion [hospital officials said.]

Then there is an article, which I am sure you are familiar with, which comes from the Philadelphia Inquirer. This was June 14, 2008. This was rather astounding because Philadelphia is not in the middle of the South. This is the way the article reads. It says:

The National Weather Service warned last week that the four-day hot spell that began June 7 could be deadly—and the projection proved all too true. As of yesterday——

This is the article on June 14—

As of yesterday, the deaths of 17 people in Philadelphia has been linked to the heat during those four days. Most lack air conditioning in their homes. In several cases fans and open windows proved insufficient.

That is from the Philadelphia Inquirer. I know that is one of the reasons you are such a strong supporter and why Senator SPECTER is also a strong supporter.

That was in Philadelphia. In Modesto, CA, ''Heat Claims Life of Elderly Modesto, California Woman.''

In Woodland, CA, ''4 Deaths Blamed on NorCal Heat Wave.''

Last week's Northern California heat wave is being blamed for killing at least four people.

June 12, 2008, The Capital, the newspaper in Annapolis. It reads:

An elderly man was found dead inside his stifling Orchard Beach, Maryland home early this week, marking the first heat-related fatality in Anne Arundel County, Maryland in three years.

The article goes on:

Maryland recorded 21 heat-related deaths in 2007, 43 in 2006 and 47 in 2005, according to the Maryland Emergency Management Agency. The county Health Department said Anne Arundel had three heat-related fatalities in 2005.

''Every summer, we see an increase in call volume related to heat-related emergencies,'' Chief Tobia said. And tragically, this death highlights the absolute importance of staying cool, staying hydrated and checking in on your neighbors.''

Arizona Republic, Phoenix, AZ, June 9, 2008. Headline: ''69 Valley Facilities Give Water, Aid to Homeless.''

Blue Swadener, a spokesman for St. Joseph the Worker, said there were 50 heat-related deaths in Maricopa County, AZ between May and September 2007.

On and on it goes. This is only a sampling of headlines dealing with heat-related deaths. Let me talk a little bit about what is going on in some of the northern States, especially in Vermont. A couple of months ago, I asked Vermonters to write to me telling me about their experience with high energy costs and a very tough economy. These are some of the letters I received from Vermont. A moment ago we talked about what is going on in warm weather States, when the weather becomes very hot. This is from Vermont. The first letter comes from a mother who lives in rural Vermont:

We have two small children (a baby and a toddler) and felt fortunate to own our own house and land but due to the increasing fuel prices we have at times had to choose between baby food [and] diapers and heating fuel. We've run out of heating fuel three times so far and the baby has ended up in the hospital with pneumonia two of the times. We try to keep the kids warm with an electric space heater on those nights, but that just doesn't do the trick . . . Please help.

That is what we are talking about. That is why we need to increase LIHEAP so that children do not get cold and end up in the hospital or that elderly people in the southern part of this country die or end up in the hospital because of heat exhaustion.

Another letter I received from a small city in Vermont:

I am a single mother with a 9 year old boy. We lived this past winter without any heat at all. . . . To stay warm at night my son and I would pull off all the pillows from the couch and pile them on the kitchen floor. I'd hang a blanket from the kitchen doorway and we'd sleep right there on the floor. By February we ran out of wood and I burned my mother's dining room furniture. I have no oil for hot water. We boil our water on the stove and pour it in the tub.

I know there are a lot of reasons to vote against anything. Please do not hold these people hostage to the ongoing energy debate we face in this country. Yes, of course, we need an energy policy. Yes, of course, what we are doing today is absurd. But there are people who will die. There are people who will end up in the hospital. There are people who get sick. There will be people who have to take money out of their medicine budget, out of their food budget to pay for heat in the winter or air-conditioning in the summer. Let us not punish those people. I know all the excuses, all of the reasons that people can give for voting no. Hold them. Don't use them tomorrow. Let the people back home know you are going to stand up for some of the most vulnerable people in this country while we work on a national energy policy.

At a time when home energy bills are soaring, what this legislation does is basically double the amount of LIHEAP funding. It fulfills what the authorization level was. That is what it does, not more than that. What it understands, as I mentioned earlier, is that while millions of people today are receiving LIHEAP funds, millions more who are eligible for the program simply are not getting into it because there is not enough funding available. What happens is, as home heating prices soar, either fewer people will be able to receive benefits or else the benefits people receive will be simply inadequate because States have to cut back. That is why the National Governors Association is supporting this legislation.

I made this point the other day, but it is worth repeating: When there is a flood, when there is a fire, and then there is a natural disaster, CNN and the other TV cameras are there. They cover it. All of us are concerned about the enormous problems facing the Midwest in terms of the flooding there. We are concerned about the terrible forest fires taking place in California. As a nation, we have to address those problems. But I ask my colleagues to understand that just because CNN is not in a house which has no heat when the weather gets 20 below zero, don't think that is not as important an issue. Do not think that suffering is not as real. In fact, according to the Centers for Disease Control, over 1,000 Americans from across the country died from hypothermia in their own homes, not out on the street, from 1999 to 2002, which are the latest figures we have available. They froze to death in the United States. That is why LIHEAP as a program was created, and that is why we have to expand the mission of LIHEAP to address the reality of today, that while our economy is declining, energy costs are soaring. More and more people are in need of LIHEAP.

As I mentioned earlier, this is not only a cold weather issue. Over the past decade more than 400 people died of heat exposure in Arizona, including 31 in July of 2005 alone.

Let me wrap up my remarks by thanking all of the Members of the Senate—I think there are 52 or 53 cosponsors, including 13 Republicans—for their support. I thank the AARP and the dozens and dozens of other organizations for their support. I thank the National Governors Association for their support. Every person in the Senate is a politician. We know how the system works. We know we can give any excuse under God's sky for voting no on an issue. We can vote no any time we want to. We can write a press release explaining why we are voting no. I hope tomorrow Members of the Senate will not exercise that option. I hope tomorrow Senators will not force millions of the most vulnerable people—LIHEAP is primarily for the elderly; it is for people with disabilities, for families with kids—please, do not punish those people, do not force those people to go cold or get sick or die because of heat exhaustion because of the debate we are having here right now. There is widespread support that this legislation should be passed, that funding should be substantially increased. That is what we are doing.

I hope tomorrow we can have a very significant and good vote on this important piece of legislation so the American people can see that in the midst of all of this partisanship, Members of the Senate have come together to say that no one in our country will freeze to death this winter or die of heat exhaustion.

This is an important issue. The vote is tomorrow. I look forward to widespread support from both sides of the aisle.

I yield the floor.

EXHIBIT 1

NATIONAL GOVERNORS ASSOCIATION,
Washington, DC, July 25, 2008.

Hon. HARRY M. REID,
Majority Leader, U.S. Senate, Washington, DC.
Hon. MITCH MCCONNELL,
Minority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR REID AND SENATOR MCCONNELL: On behalf of the nation's governors, we

write to express our support for increased funding for the Low Income Home Energy Assistance Program (LIHEAP) for fiscal year (FY) 2008. Bipartisan efforts, such as the ''Warm in Winter and Cool in Summer Act'' (S. 3186), which would add $2.53 billion in LIHEAP funding for FY 2008 and split this funding equitably between the LIHEAP base formula grant and the contingency fund, are a step in the right direction. This approach will help ensure that states receive an equitable share of the energy assistance provided, which is what Congress envisioned when it authorized the multi-tiered formula. This kind of equity is an important goal.

Additional funding will support critically needed heating and cooling assistance to millions of our most vulnerable citizens, including the elderly, individuals with disabilities and families that often have to choose between paying their heating or cooling bills and buying food, medicine and other essential needs. With greater financial support, states will be better able to maintain and potentially increase benefit levels, as well as potentially increase outreach to eligible families in need of rising energy cost assistance.

Governors applaud bipartisan efforts to increase funding for heating and cooling assistance and fully support adding $2.53 billion in LIHEAP funding for FY 2008 to help our nation respond to existing home energy needs.

Sincerely,

GOVERNOR JENNIFER GRANHOLM,
Chair, Health and Human Services Committee.

GOVERNOR M. JODI RELL,
Vice Chair, Health and Human Services Committee.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Florida.

Mr. NELSON of Florida. Mr. President, I echo the remarks of the distinguished Senator from Vermont. There is simply no sense for political games to be played with the lives of people, particularly the lives of the elderly—in his State having to do with the cold; in my State having to do with heat. It is extremely important. It is sad we have to be delayed on a piece of legislation that should have been passed long ago. Here again, it is another example, as I was saying earlier this morning, having to do with the energy legislation, talking about trying to do something about the supplies of energy as well as the cost of it, of all these games that are being played out here, these political games. Another example is right here with the program of assistance to the poor for the cost of heating and air-conditioning.

There is no sense in the world that we should be having to come back. I could care less about coming here on a Saturday, but the fact is, this should have been passed several days ago, not being strung out as it is. Then we have a test that we have to meet the 60-vote threshold to get through cutting off debate in order to even proceed to the bill. This is some of the monkey business that is going on around here, pure partisan political games. There is no sense for it.

I couldn't help but reflect on what the Senator from Vermont has said. I appreciate his leadership on it and certainly his coming from Vermont, those cold winters and those senior citizens who are going to be doing everything they can to stay alive. This is America in 2008. Senior citizens should not have to be making that decision. Senior citizens also should not have to be making the decision of whether they are going to eat or take their medicine, which is another battle we have had on this floor, as the Senator from Vermont has fought with us on that as well.

I thank the very distinguished Senator from Vermont.

(The remarks of Mr. NELSON of Florida pertaining to the introduction of S. Res. 627 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. ENZI. Mr. President, I rise in opposition to the pending legislation, S. 3186, The Warm in Winter Cool in Summer Act. This legislation would provide additional funding in fiscal year 2008 for the Low-Income Home Energy Assistance Program, known as LIHEAP. An additional $2.5 billion would be provided, and under this legislation, these new funds carry an emergency designation that means it will be added to our debt.

I would like to first commend Senator SANDERS, the sponsor of the legislation, on this well-intentioned bill. We all know that the price of oil has increased this year. We feel it at the gas pump every week when we fill up our tanks. And with winter just around the corner, Senator SANDERS is trying to provide additional funding for a home energy assistance program that is one component of our country's social safety net.

But while the intent of this legislation is admirable, I cannot support this additional funding because it is not paid for. It is simply another IOU dropped on top of the pile that our children and grandchildren will be responsible for. It may be them who will have to go without heat or air conditioning because of the debt these types of proposals make them responsible for.

If Congress wants to boost funding for LIHEAP, then we ought to pay for it by cutting spending in a different program. This bill does not do that. It passes the cost to future generations, by charging the expense to the government credit card.

The debate we are having today also invites a discussion on budget process reform. We ought to have contingencies for emergency spending. Last month the Congress approved a supplemental spending bill that provided funding for the war in Iraq and Afghanistan, as well as extend veterans' education benefits and unemployment insurance. This spending is in addition to the approximately $1 trillion in annual spending through the regular appropriations process. My understanding is that in September the Appropriations Committee will mark up another supplemental spending bill related to infrastructure and the economy. I haven't seen the details of that proposal, but expect that it will be large in size and scope. Much of this new spending has merit and ought to be funded. I don't take issue with that. However, working outside of the regular budget process allows for new spending that does not count against the regular budget caps.

So for these reasons, I oppose the LIHEAP funding bill we are debating today. While I commend the supporters for bringing their proposal forward we ought to tighten the fiscal belt and pay for this new spending. If this is a high priority then we need to eliminate some spending that is a lower priority to pay for it. Regretfully, this legislation does not do that, and I intend to vote no on final passage.

ENERGY

Mr. DODD. Mr. President, I rise today to speak on S. 3268, the Stop Excessive Energy Speculation Act. I thank the majority leader for his leadership on this issue, which addresses one of the most critical problems facing our Nation today—the problem of high oil and gas prices. I am deeply disappointed that our Republican colleagues chose to block the Senate from taking action on this bill, despite including provisions to address speculation in their own proposal.

Energy is an economic issue. As every American has been reminded over and over in recent weeks and months, virtually everything we do requires energy—whether it is driving to work, cooking dinner for our families—or cooling our homes in the hot summer months. And when the cost of that energy goes up, our quality of life goes down.

And feelings across the country are raw right now. Whether it is the crisis in our housing markets, skyrocketing health care costs, rising unemployment, or soaring energy costs, people are hurting—people are angry and frustrated, as circumstances completely beyond their control prevent them from taking care of their families—and they want their elected leaders to do something to get this economy moving again.

But, we simply cannot drill our way to lower gas prices. President Bush's Energy Information Administration has said that not a drop of oil from the Outer Continental Shelf would be produced until 2017, and we would not reach peak production until 2030. Even then, this increased production will never be enough to lower world oil prices—we only have 2-to-3 percent of the world's oil reserves.

President Bush and Republicans in Congress are demanding we open up more areas—yet oil companies are sitting on 68 million acres that they have already leased but refuse to explore. That is 3 out of every 4 acres these companies have under lease.

That is why Senators FEINGOLD, MENENDEZ, and I have introduced legislation that denies new leases to companies that leave the areas they lease unused. We have also introduced the Responsible Ownership of Public Lands Act that forces companies to pay a penalty on areas they have leased but not put into production. These fees

would be used to help bring clean, domestic, renewable sources of energy online. We had hoped to offer both of these proposals as amendments to the legislation before us; unfortunately, obstruction by the Republicans will prevent us from doing so.

The message is simple: instead of continuing to pad the coffers of oil executives while American families struggle, we are telling these companies they can either ''use it or lose it.'' I hope my colleagues will join us in pursuing this legislation as an amendment to the pending bill.

I also strongly support efforts to rein in excessive speculation in energy markets. Over the last several months there have been numerous congressional hearings and reports from experts across many fields—oil industry executives, airline industry leaders, financial analysts, and others. Jeroen van der Veer, the CEO of Royal Dutch Shell, was quoted in the Washington Post on April 11 saying that ''the . . . 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.'' Representatives of Exxon-Mobil, the Petroleum Marketers Association of America, and others have all expressed similar views. Yet the price of a barrel of oil has doubled in the last year.

Indeed, expert economists have estimated that speculators in energy markets are responsible for anywhere from 25 percent to 50 percent of the price of a barrel of oil. Even the Japanese government's Ministry of Economy, Trade, and Industry has concluded that speculation has played a significant role in driving up oil prices.

This bill is supported by a broad coalition of airlines, trucking associations, labor groups, and environmental groups because it takes important steps that will help eliminate the ''speculative premium'' on each barrel of oil. The dramatic increase in oil prices is hurting American families and threatens to cripple countless American businesses.

This important legislation closes the ''London loophole'' by treating oil traders using a foreign exchange as if they were trading in the U.S. for regulatory purposes, in order to stop traders from manipulating prices and speculating excessively by routing oil trades away from U.S.-based exchanges. In addition, the bill requires the CFTC to convene a working group of international regulators to develop uniform reporting requirements, require the CFTC to collect data on index traders to ensure they are not adversely impacting the price discovery process, and authorize the CFTC to hire at least 100 additional full-time employees.

At the same time, I feel that some areas of the bill can be improved. In particular, I am concerned that section 6 may cause unintended disruptions for financial institutions with over-the-counter hedging transactions and unnecessarily increase costs for operating companies that are trying to manage their energy costs through hedging. In addition, it appears that some aspects of section 7 and other sections may be unclear or have unintended consequences. I hope we have another opportunity to address the issue of speculation, and I look forward to working with the majority leader on ways to address some of these concerns.

Mr. President, I am disappointed that this bill will not have a chance to become law. I recognize that addressing the issue of speculation will not solve our energy crisis. This crisis is too big of an issue with too many root causes. But speculation is part of the problem, and curbing speculation must be part of the solution. This bill would have achieved that goal.

Ms. COLLINS. Mr. President, high energy prices are having a devastating impact on our economy and our people—particularly in large, rural States such as Maine. Eighty percent of Maine homes use oil as their primary heating source, so thousands of families are worried about how they can afford to stay warm next winter.

The high cost of energy is also taking a toll on businesses, both large and small. Truckers, paper mills, fishermen, farmers, and countless others are struggling with the high cost of oil, gasoline, and diesel.

Many factors affect energy prices, including the value of the dollar, global tensions, and demand in other countries, such as China and India. Supply concerns also enter the picture. Business Week has reported that data on Saudi production potential indicate that the kingdom may be unable to sustain their projected output of 12 million barrels a day past 2010, while International Oil Daily reports that Mexico's crude-oil exports are down 17 percent versus 2007, and ''could represent the start of a precipitous decline.'' Other supply concerns for places like Iran and Nigeria also affect expectations, and prices.

These and other considerations have led many of us to advocate a comprehensive energy policy that would promote more exploration and production, more conservation and efficiency, and more alternatives in the energy sector. We need more American production to meet America's needs, while protecting our environment. In short, we need to produce more, use less, and pursue alternatives.

It is imperative for both economic and national-security reasons that we reduce our dependence on imported oil and the supply shocks that our dependence entails, that we develop new resources here, and that we promote more efficient use. I have a 10-point energy plan that includes proposals to accomplish those objectives.

Those ideas deserve a full debate. I sincerely hope the current procedural obstacles to considering a variety of amendments will be removed. Holding a lengthy debate on our energy problems is a fruitless exercise if the ground rules choke off consideration of the many ways we can tackle those problems by reducing our reliance on imports, by promoting more development of American conventional and alternative fuels, and by advancing efficiency and conservation initiatives.

There is, of course, another critical factor in the energy-price crisis that demands careful attention and effective action. That is the role of excessive speculation in energy markets, especially by institutional investors and index funds.

Senator LIEBERMAN and I have heard persuasive and troubling evidence in three hearings of our Committee on Homeland Security and Governmental Affairs on this issue. We heard testimony from Federal officials, from exchange officials, from academics, from institutional investors, and from a bakery owner and a farm representative.

The evidence that we found of greatest concern involves the impact of noncommercial investors who do not produce or take delivery of oil or agricultural products—unlike commercial participants such as oil producers and heating oil dealers, farmers and cereal companies. Instead, these noncommercial investors use futures contracts and related transactions solely for financial gain.

Speculation in commodity markets by noncommercial investors has grown enormously. In just the last 5 years, the total value of their futures-contract and commodity index-fund investments has soared from $13 billion to $260 billion.

Many experts have concluded that these massive new holdings of oil-futures contracts by pension funds, university endowments, and other institutional investors have driven prices beyond levels that normal marketplace factors would produce.

These investors' intentions may be simply to provide good returns, a hedge against inflation, and asset diversification, but the effect of their activity appears to be driving up prices for traditional users of commodity markets, not to mention American families and businesses that are affected by the ultimate price increases.

I worked with Senator LIEBERMAN to produce a comprehensive and bipartisan bill, the Commodity Speculation Reform Act of 2008, which we and Senator CANTWELL introduced on July 10.

Our bill, S. 3248, takes some very strong steps toward countering excessive speculation.

First, it would remedy staffing shortfalls at the Commodity Futures Trading Commission by adding 100 staff to improve its market oversight and enforcement capabilities. This is a vital step. The CFTC tells us that more than three billion futures and options contracts were traded last year, up from 37 million in 1976. Yet the Commission is operating with fewer employees than it had 30 years ago.

Second, our bill closes the so-called ''swaps loophole,'' which currently allows financial institutions to evade position limits on commodity contracts that regulators use to prevent unwarranted price swings or attempts at manipulation.

Third, our bill directs the CFTC to establish position limits that will apply to an investor's total interest in a commodity, regardless of whether they originate on a regulated exchange, the over-the-counter market, or on foreign boards of trade that deal in U.S. commodities.

I would note that our bill instructs the CFTC to set and administer these position limits. That task is currently delegated to the exchanges, subject to Commission review. The regulated commodity exchanges have good reputations as self-policing operations, but we believe as a matter of principle that regulators should be setting speculative position limits.

Fourth, our bills instructs the CFTC to permit no foreign boards of trade to deal in U.S.-linked commodity contracts unless they agree to reporting and data-accessibility standards at least equivalent to that required of U.S.-regulated exchanges. This is not a matter of telling other countries what to do: foreign boards of trade request ''no-action'' letters from the CFTC so they can maintain trading terminals here while remaining regulated by their own authorities. The CFTC has recently taken positive steps to require comparable reporting, and our bill codifies those improvements.

These are powerful measures, but they are also carefully designed. We recognize that producers, handlers, and purchasers of commodities who use those markets to lock in prices, hedge risks, and see clues for price trends require some level of participation by non-commercial, financial investors.

Thus, our bill does not prevent financial investors from participating in commodity markets. It simply places some limits on their activity by directing the CFTC to set position limits across trading venues at a level no higher than that needed to ensure that commercial participants can always find counter-parties for their contract needs.

The bill pending before the Senate parallels key provisions of the bill that Senators LIEBERMAN and CANTWELL and I introduced.

The majority leader's bill has some additional features, such as the working groups to study the regulatory framework for commodity-market regulation and to consult on internationally agreed standards, that deserve support.

Two aspects of the majority leader's bill, however, raise some concerns, and I have filed two amendments to address them. Senator LIEBERMAN has joined me as an original cosponsor of the amendments.

The first simply extends the reach of S. 3268 to include agricultural as well as energy commodities, mirroring our bill's approach. We believe this is important because high energy prices affect the costs of fertilizing, producing, harvesting, transporting, processing, and distributing commodities. Consumers know this is a real problem, and price data prove it: the Bureau of Labor Statistics reports that the annualized rate of food-price inflation in the second quarter of 2008 was 8.5 percent. Meanwhile, the Bureau's energy price index for the second quarter was climbing at an amazing annualized rate of nearly 54 percent.

Energy and food commodities are linked, and both have been subject to large-scale, noncommercial speculation. When we note that the BLS rate of price increase for nonfood, nonenergy items was only 2.5 percent, it is clear that both agricultural and energy future markets need protection against excessive speculation.

My second amendment replaces the definition of commercially related hedging in the majority leader's bill with the language from our bill. This will not impair the CFTC's ability to monitor and police hedging activity across trading venues, but it will reduce an apparent potential for unintended consequences. We have heard concerns that the bill's restrictive language about hedge-trade proximity and equivalence to the initial commercial transaction could make bona fide hedging impossible or more difficult and expensive for the intermediaries who provide that service. My amendment is fully consistent with the intentions of the pending bill, but mitigates the risk that we might unintentionally impede hedging that has a genuine commercial basis.

Mr. President, I hope the Senate will consider a full range of amendments to the majority leader's bill. I urge my colleagues to support my amendments—and then to support the underlying bill. We can all agree that excessive speculation is not the only factor affecting energy and food prices. But it is one that we can influence, and action is already long overdue.

HOUSING

Mr. KYL. Mr. President, in a recent column for the Arizona Republic, ''Rescuing Fannie Mae or Freddie is Nonsense,'' Bob Robb exposed some of the flaws in H.R. 3221, the American Housing Rescue and Foreclosure Prevention Act of 2008, specifically, the bailout for Fannie Mae and Freddie Mac.

Mr. Robb argues, ''This plan isn't about mitigating today's housing difficulties. Nothing in the plan gets a mortgage paid that wouldn't otherwise be paid. Nor is the rescue really about today's credit crunch, except for the minor effect a doubt about the reliability of Fannie and Freddie guarantees might have on the capital of other financial institutions. Instead, it's about enabling Fannie and Freddie to continue to do even more of the same in the future, and that's a bad idea.'' Mr. Robb calls this plan for what it is—an overreaction to Fannie and Freddie's self-inflicted financial wounds.

I ask unanimous consent that his column be reprinted in the RECORD, and I urge my colleagues to consider his thoughtful views.

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

[From the Arizona Republic, July 23, 2008]

RESCUING FANNIE MAE OR FREDDIE IS NONSENSE

(By Bob Robb)

The proposed rescue of Fannie Mae and Freddie Mac makes no sense.

Both companies are mortgage bundlers and investors.

They buy mortgages from other lenders and securitize them. They hold some for investment and sell some to others. They guarantee payments on the mortgage-backed securities they sell to others. And they buy mortgage-backed securities from other bundlers for investment.

Recently, the stock prices for Fannie and Freddie fell precipitously, to roughly a quarter of their previous peak. That represents a sharply revised judgment by investors about the value of Fannie and Freddie's business model and activities.

That's too bad for holders of Fannie and Freddie stock. But in and of itself, it doesn't represent a systemic economic threat warranting the intervention of the federal government.

Other financial institutions do hold mortgage-backed securities guaranteed by Fannie and Freddie. If Fannie's and Freddie's financial conditions deteriorates to the point of raising questions about their ability to make good on their guarantees, that would reduce the value of securities they have sold to others. And that could reduce the capital of other financial institutions.

But the effect should be minor. The mortgage-backed securities guaranteed by Fannie and Freddie are the good stuff. The mortgagors are all credit-worthy and made healthy down payments. The securities are ultimately backed by the properties mortgaged. Even without Fannie or Freddie's guarantee, losses should be minimal.

After all, even including the bad stuff, 92 percent of all mortgages in the United States remain current. Losses in Fannie and Freddie securities are currently running at just a fraction of a percent.

Nevertheless, the Bush administration has proposed that Fannie and Freddie be given an unlimited line of credit from the federal government and that the federal government be permitted to contribute equity if Fannie and Freddie have capital problems. Congress appears likely to go along.

In the meantime, the Fed has agreed to lend to Fannie and Freddie as well.

Instead, Congress should phase out the existing $2.25 billion line of credit each enterprise has with the federal government over a period of, say, five years, and declare that Fannie and Freddie from that point on are on their own.

When Fannie Mae was formed in 1938, there was arguably a role for government to play in creating a secondary market for mortgages. Lending capital was scarce and fewer than half of all Americans lived in their own homes.

Fannie Mae was initially a government agency. It was sold to private investors in 1968, but retained a favored relationship with the federal government. Freddie Mac was formed in 1970, with the same favored relationship, to offer competition ahd choice.

Such government-sponsored entities are an anachronism today. Over two-thirds of Americans live in their own homes and, in a world of international finance, there is plenty of private-sector interest in providing a secondary market for mortgages.

This rescue plan isn't about mitigating today's housing difficulties. Nothing in the plan gets a mortgage paid that wouldn't otherwise be paid.

Nor is the rescue really about today's credit crunch, except for the minor effect a doubt about the reliability of Fannie and Freddie guarantees might have on the capital of other financial institutions.

Instead, it's about enabling Fannie and Freddie to continue to do even more of the same in the future, and that's a bad idea. The rescue plan makes an implicit federal guarantee for Fannie and Freddie explicit. This would give them an even greater competitive advantage, enlarging their already dangerously overlarge presence in the secondary-mortgage market.

The Bush administration and Congress are moving toward a much larger federal role in the housing market. Congressional Democrats propose that the federal government refinance some $300 billion in mortgages, while the Bush administration wants to open the federal checking account to Fannie and Freddie and perhaps invest in them.

Meanwhile, the Fed's balance sheet is getting corrupted with junk that others won't buy or lend against.

All this is to keep the housing market propped up at a time in which the market is screaming, about as loudly as it can: There's been an overinvestment in housing. What the politicians propose to do about our economic problems has been consistently more troubling than the problems themselves.

Mr. KYL. Mr. President, many homeowners in my State of Arizona and across the Nation are having a hard time making their mortgage payments, but the legislation Congress is considering is not aimed at helping them. Rather, it is designed to help mortgage lenders and the two big Government enterprises ''Freddie Mac'' and ''Fannie Mae.'' In fact, the bill we are considering will place an immense financial burden on every American taxpayer for a long time and waste billions of dollars in misguided efforts to help lenders deemed ''too big to fail.'' Therefore, I will vote against H.R. 3221, the American Housing Rescue and Foreclosure Prevention Act of 2008.

One of the few provisions in the bill that I support is the much needed reform of the government-sponsored enterprises, GSEs, that establishes an independent regulator to ensure that Fannie Mae and Freddie Mac are properly managed and financially sound. The reason they are in trouble is that they have taken too many risks, something I have been warning about for 3 years. These two GSEs hold more than $5 trillion in liabilities composed of mortgage-backed securities and other debt that enjoy an implicit guarantee by the Federal Government. This legislation makes that guarantee explicit for the first time.

Fannie Mae and Freddie Mac's role is to promote liquidity in the mortgage industry, but due to the downturn in the housing market, poor oversight, and reckless portfolios, Fannie and Freddie have incurred losses of more than $5 billion in the past year, the first loss for these two GSEs in 25 years. Fannie and Freddie have also seen their stocks sink more than 80 percent in value over the past year. Congress should have passed this much needed reform years ago to avert the erosion of Fannie and Freddie's portfolios, and it should be stronger now, given their resistance to reform.

Because Fannie and Freddie enjoy this Federal Government guarantee of its debts, both the Treasury Department and the Federal Reserve recently proposed various administrative and statutory actions to stabilize the GSEs. The actions included in this bill would allow the Federal Reserve to grant both Fannie and Freddie access to its discount window, temporarily remove the $2.25 billion cap on Fannie and Freddie's lines of credit at the Treasury Department, thereby allowing them to borrow an unlimited amount of taxpayer money if needed, temporarily permit Treasury to purchase equity in the institutions to ensure that the two GSEs have access to sufficient capital, and provide the Federal Reserve authority to gain access to information and perform a consultative role in the new GSE regulator's process for setting capital requirements and other prudential standards that this bill mandates. The Congressional Budget Office, CBO, estimates that the proposal could cost American taxpayers $25 billion over fiscal years 2009 and 2010; however, there is a chance that a further deterioration of Fannie and Freddie's finances could require an infusion of $100 billion or more. We simply do not know how much this proposal will cost—a gamble with taxpayers' money that I am not comfortable making.

In addition to the possible costs of the proposal to help Fannie and Freddie, the provisions of H.R. 3221 intended to deal with foreclosures would cost taxpayers billions and do little to help struggling homeowners. For instance, a key component of the bill is the HOPE for Homeowners Program, which would allow subprime mortgage holders to refinance their mortgages into Federal Housing Administration backed loans if the lender agrees to write down the value of the mortgage. This represents a huge risk to American taxpayers. The program would allow lenders to cherry pick up to $300 billion of their worst loans and refinance them into FHA guaranteed loans. The Congressional Budget Office estimates that a third of the mortgages refinanced under the HOPE for Homeowners Program will enter into default.

But even more troubling to me is the burden this program will place on the FHA considering its current financial woes. The New York Times reported in April that the FHA will face a deficit for the first time in its 74-year history; the deficit is largely blamed on the risky mortgages that the FHA already holds in its mortgage portfolio. I don't see the rationale for expanding FHA's liability with this $300 billion program when the agency cannot sustain its current portfolio and when American taxpayers will bear any losses that the FHA incurs because of the HOPE for Homeowners Program.

This bill also includes a new tax on the GSEs—estimates range up to $600 million a year—to pay for the HOPE for Homeowners Program for 3 years, and thereafter, for a new affordable housing trust fund. It simply does not make sense for Congress to impose a new tax on Fannie and Freddie at the same time that the Federal Government thinks it must bail them out by infusing cash and equity into the institutions. It is also likely that Fannie and Freddie will simply pass along the cost of this new tax to consumers, which obviously would not help lure buyers back into the housing market.

Not only do I oppose taxing the GSEs' profits, but I also question the efficacy of the affordable housing trust fund that would be funded by the GSEs. The bill would direct 65 percent of the money it taps from the GSEs to the Secretary of the Department of Housing and Urban Development, HUD. Under vague guidelines in the bill, the Secretary of HUD would then have the discretion to establish grant criteria that could favor certain States. Once the money is allocated by the Secretary, State and local politicians would be able to disburse the money to favored organizations and for-profit groups that share their political agendas. The remaining 35 percent of the money that the bill takes from the GSEs would be distributed to nonprofit groups selected by the Secretary of the Department of the Treasury. This, too, could allow the politicians in power to divert Federal dollars to their favorite housing causes. I cannot support a bill that essentially creates a slush fund for politicians.

I also oppose the nearly $4 billion in funding the bill allocates to the Community Development Block Grant, CDBG Program because the funding would go to local officials to buy foreclosed property from the lender that is holding the property. Not only does this create a scenario ripe for political favoritism, it would also bail out the very lenders who offered mortgages their customers couldn't afford. And, again, it does nothing to help the former homeowner. Moreover, the CDBG Program is fraught with inefficiencies and mismanagement. According to a February 2008 report from the White House budget office, the CDBG Program was labeled as ''ineffective,'' and only received a score of 27 out of 100-point scale of achieving results. I cannot vote for a bill that has such a poorly run program as one of its centerpieces.

Finally, I disagree with certain parts of the tax title contained in this bill.

When the tax title was initially drafted, I successfully added a provision designed to protect taxpayers from having property tax relief provided in the bill completely offset by rising taxes at the State and local levels of government. However, when the legislation reached the House of Representatives my language protecting taxpayers from tax increases was dropped. Homeowners and average Americans are struggling to pay their mortgages, higher gas prices, and more expensive grocery bills. State and local governments should not add to these burdens by raising their own taxes and certainly should not try to divert Federal tax reductions intended to help individuals contending with today's economic challenges into their own coffers.

One must understand that the Federal Government already provides a tremendous amount of financial assistance to State and local governments. According to the Office of Management and Budget, OMB, the Federal Government will provide $476.1 billion to State and local governments in 2009, an increase of roughly $10 billion from 2008 and 67 percent more than in 2000. Almost 50 percent of Federal financial assistance is spent on health care. Spending on income security, education, and transportation roughly accounts for the remainder.

In determining the total amount of assistance the Federal Government provides to State and local governments, one must also factor in the foregone revenue that results from tax expenditures which benefit State and local governments. The two largest tax expenditures are the deduction for State and local tax payments and the interest exclusion on public purpose State and local government debt. Combined, these provisions reduce Federal revenue by nearly $60 billion in 2009.

Interestingly, if the Federal Government did not provide State and local governments with assistance, the budget would run persistent surpluses. There would have only been 16 budget deficits over the last 50 years. U.S. debt would have been substantially lower.

I also oppose the $16.8 billion of tax increases included in the bill used to offset the cost of the new spending. In particular, one provision would require the payment card industry to design and build a new computer system so that it can collect merchants' transaction information and provide it to the IRS. It would also require payment card companies to withhold 28 percent of a merchant's reimbursement if it cannot verify the company's taxpayer identification number, TIN.

No hearings have been held on this proposal and now Congress is rushing through an incomplete payment card reporting proposal that has not been adequately vetted. Once implemented, the provision would require the industry to spend hundreds of millions of dollars to redesign their information systems to comply with the new information reporting regime. The payment card industry's current computer records do not contain merchant TINs and other information that the proposal would require to be reported.

If payment card companies do not currently have a system in place to ensure valid TIN information on all existing merchants, errors in TIN matching will subject merchants to withholding, even where merchants have provided TIN information. Withholding 28 percent of a merchant's gross reimbursements would severely disrupt a business's operations and impair its cash flows.

There are programs currently operating that provide responsible relief to struggling homeowners at no cost to American taxpayers. HUD has organized an assistance program, called HOPE NOW, for homeowners in distress to rework their mortgages if both the borrower and lender decide that renegotiation of their mortgages is in their mutual interest. This voluntary program has helped over a million Americans having trouble paying their mortgages, and I fully support these efforts. In less than a year, HOPE NOW has assisted nearly 17,000 Arizonans negotiate repayment plans with their lenders. Additionally, over 6,000 Arizonans have received loan modifications. The HOPE NOW Program was just recently expanded to help even more struggling homeowners in Arizona and nationwide.

I oppose H.R. 3221 because I do not think the benefits of the bill outweigh the numerous liabilities that could be passed to American taxpayers. Congress should not pass a bill just to show it is ''doing something'' to help homeowners who cannot make their mortgage payments or write a blank check to Fannie and Freddie. This bill passes more burden to American taxpayers.

PAYMENT CARD AND THIRD PARTY NETWORKING

Mr. KERRY. Mr. President, I would like to engage in a colloquy with Chairman BAUCUS and Senator SNOWE about the payment card and third party networking information reporting provision. I am concerned about the impact this proposal will have on small businesses. It is my understanding that the proposal included in the Housing and Economic Recovery Act of 2008 is a modified version of the administration's proposal that was included in administration's budget for fiscal year 2009. I ask the Chairman, can you explain who bears the reporting requirement and how the provision was modified?

Mr. BAUCUS. The provision requires the bank, third party network, or third party processor that settles credit card payments with the merchant to report annually to the IRS and to the merchant the gross amount paid to the merchant during the calendar year. These reports may be made electronically. The effective day of the proposal was modified to apply to information returns for calendar years beginning after December 31, 2010. Back-up withholding provisions apply to amounts paid after December 31, 2011. Back-up withholding is required only if the paying institution does not have a valid taxpayer identification number on file for the merchant. In addition, for third party networks, there is an exception for transactions of $20,000 or less or 200 transactions or less.

Ms. SNOWE. I am also concerned of the impact of this proposal on small businesses. Senator KERRY and I both want to make sure the additional tax compliance burden on small businesses will be minimal and the new information that will be collected will be protected. Can the chairman expand upon how this information will be used by the IRS?

Mr. BAUCUS. The IRS indicates that it intends to implement the information reports in a graduated way that will give the agency time to use the amounts on a 1099 in a manner to accurately and efficiently identify cases with higher likelihood of noncompliance, potentially sparing compliant businesses from unnecessary audits. Existing privacy rules will apply to the information reports required under this proposal.

Mr. KERRY. The provision requires reporting to be made on a calendar year basis. It my understanding that many retailers operate on a fiscal year basis and I want to make sure that this provision will not create an unnecessary burden on sm all retailers because they will be required to reconcile differences.

Mr. BAUCUS. The provision provides the Secretary of Treasury with the authority to prescribe regulations or other guidance to implement this provision and prevent the reporting of the same transaction more than once.

Ms. SNOWE. I want to make sure that the benefit of improved compliance from information reporting is outweighed by the cost of compliance. Can the Chairman expand on the benefits of the proposal versus the burden?

Mr. BAUCUS. The benefits of this proposal are substantial. IRS research shows that there is 46 percent compliance rate when there is no information reporting and over 90 percent compliance when there is information reporting. There will be upfront programming costs which will be spread over a number of merchants and a period of years, which should help to minimize the costs to individual merchants.

Mr. KERRY. I commend the Senator's efforts on trying to reduce the tax gap and improving the underreporting of income. I would like to continue to work with the Senator on this issue to ensure that the provision is implemented in a manner that is not burdensome to small businesses.

Ms. SNOWE. I concur with Senator KERRY, and appreciate the Senator's efforts on addressing the tax gap. While small businesses should not be excused from meeting their tax obligations, I also want to ensure that tax gap proposals such as this one meet a delicate balance of improving compliance in the

least burdensome manner possible for the majority of small businesses who are already in compliance. I look forward to working with the Senator on the implementation of this provision in a manner that does not negatively impact small businesses.

SECTION 2203

Mr. KERRY. Mr. President, I would like to engage in a colloquy with Chairman DODD to clarify the intent of section 2203 of the Housing and Economic Recovery Act of 2008. This provision amends section 207 of the Servicemembers Civil Relief Act, SCRA, 50 U.S.C. App. 527, to limit the maximum interest rate for mortgages that servicemembers obtain before their military service, during the period of their service and one year thereafter. It has come to my attention that there is a drafting error in this section that does not reflect the intent of the Congress.

In subsection (b), paragraph (1), the phrase, ''in excess of 6 percent'' should have included the words, ''per year.'' This would reflect the intent to limit the maximum rate of interest for servicemember obligations to 6 percent per year during the period of military service, and in the case of mortgages, for an additional year after service. Does the Chairman agree that the words ''per year'' were inadvertently omitted?

Mr. DODD. Yes. It is my intent that section 2203(b)(1) should read 'in excess of 6 percent per year '' before subparagraph (A). This would track the existing language in section 207(a)(1) of the SCRA that refers to preexisting obligations or liabilities bearing an interest rate in excess of 6 percent per year. It is not my intent to modify this aspect of section 207(a)(1).

Mr. KERRY. I thank the Chairman for addressing this issue. It is the longstanding understanding of both military servicemembers and lenders that the reduction in interest under this section would be to ''6 percent per year,'' which has been existing law for many years. The provision in section 2203 was not intended to change existing law, other than to extend the interest cap of 6 percent for servicemembers' mortgages for an additional year beyond military service.

Mr. NELSON of Florida. Mr. President, I thank you for the opportunity to share this issue with the Senate.

The PRESIDING OFFICER. The Senator from Pennsylvania.

FOOD SAFETY

Mr. CASEY. Mr. President, I rise to talk about an issue which has gotten some attention in our country, but with so many economic problems that face the American people and our families, it probably has not gotten enough attention in Washington. That is the issue of the outbreak of foodborne illnesses and other problems that have arisen in the last couple weeks and months with regard to our food supply.

As of July 21, 1,256 people in 43 States, the District of Columbia, and Canada have been affected since April with the very same strain of a rare foodborne bacteria, Salmonella Saintpaul.

At least 231 individuals have been hospitalized for treatment. Sadly, the deaths of two individuals in Texas have also been connected to the outbreak.

But many people who get sick from food do not even seek medical attention. So many illnesses linked to this outbreak have gone undiagnosed.

The Centers for Disease Control estimates that for every one illness diagnosed and attributed to Salmonella, 38 more cases actually occur. That means the number of illnesses caused by this outbreak could actually number in the tens of thousands.

According to the CDC, this is the largest ongoing outbreak of foodborne illness in the United States in at least a decade. It has now been more than 7 weeks since the FDA first warned consumers against eating certain types of tomatoes. But since June 2, the numbers of individuals sickened by this outbreak steadily have continued to rise.

Many of these subsequent illness reports were due to delays in testing and reporting by States. But a shocking 600-plus people have had illnesses that began after—after—the FDA announced that tomatoes were linked to the outbreak.

As a result of the FDA's warning, the U.S. tomato industry has likely sustained well over $100 million in collateral damages. Many tomato growers and wholesalers fear that, like spinach, demand for the products may be affected for years to come.

And now, more than 7 weeks and many tens of millions of dollars later in losses, FDA says it is ''highly unlikely'' tomatoes were even involved in the outbreak.

Instead, new test results have lead FDA to now conclude that jalapeño peppers are to blame for this multi-State outbreak. But even this linkage has not given us the answers needed to put an end to this outbreak.

FDA has issued a recall for jalapenos grown in Mexico and distributed through a company in Texas. But it is unlikely that jalapenos from this small company can account for more than 1,200 illnesses.

While FDA has continued to investigate other parts of the distribution chain, they still do not know where the contamination happened.

The FDA and the CDC have candidly stated that there is a very real possibility that we may never determine—never determine—the root cause of this outbreak. As unsettling as that is, what we have uncovered is equally unsettling.

Our Government has no way to trace food products from the farm to our dinner plates, no way to trace food products. In an era where we can instantly detect and report stolen credit identities, where we have the technology to instantly pinpoint a person's location, where we can track an online shopping order from the production process all the way through delivery to our doorstep, we have no way to trace and determine where our food came from.

There are currently no laws or regulations requiring a national system for traceability of U.S. foods. While many in the food industry do employ voluntary record-keeping systems, there is no consistency from one system to the next.

Instead, members of the U.S. food industry—from the farmers to the processors to the distributors to the vendors—use differing systems to capture differing types of data regarding their products. Because this data lacks consistency, it becomes difficult to link or share this data among the various partners in the U.S. food industry.

Much of this data trail is not even computerized. Instead, it remains in antiquated paper files, and it makes FDA's and CDC's job of tracing the cause of this outbreak even more difficult and time-consuming.

Compounding these difficulties, many produce items are mixed with products from various other sources, and then they are repackaged. Some food products even leave the country before being returned for sale in this country, and along the way, these types of products lose any type of information that might help us identify their source.

This lack of traceability of information about our food is unacceptable in this day and age and in this country. Implementing a natural system of food traceability would allow us to more quickly identify the source of contamination in an outbreak of food-borne illnesses, and it would allow us to more quickly act in the interests of public health to notify consumers about unsafe products they may have in their kitchens. In a recent AP poll, 86 percent of the people in the United States said produce should be labeled so it can be better tracked to its origin. It is time for industry and the Government to take action to give consumers this information.

However, implementation of a national traceability system is only half the battle. There are still 76 million cases of food-borne illnesses in this country every year. Those illnesses send an estimated 300,000 Americans to the hospital each year, and they kill—they kill—an estimated 5,000 individuals yearly. Many of these deaths occur in young children, the elderly, and those with chronic illnesses.

I believe the Senate must begin looking at ways to modernize the U.S. system of food inspection. We must provide the agencies that regulate food safety with additional authority to ensure the safety of our Nation's food supply, and we must increase resources to the Federal Food and Drug Administration so they can hire more personnel and so they can invest in improvements to their systems of inspecting domestic and imported food products. We must mandate science-based

regulations to ensure the safety of food products that carry the most risk, and we must improve coordination between the USDA, the Department of Agriculture, the FDA, and the various other Federal and State agencies charged with regulating food safety.

Americans have every right to expect a safe food supply, and we in the Senate owe it to them to make needed improvements to this system before another outbreak sickens thousands more of our citizens.

Mr. President, I yield the floor.

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

Mr. MENENDEZ. Mr. President, I ask unanimous consent to speak in morning business.

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

HOUSING

Mr. MENENDEZ. Mr. President, I believe Democrats are committed to strengthening our weakening economy by addressing record-high home foreclosures and record-high energy prices. The good news is that we will pass—I certainly hope, tomorrow—the housing bill.

Even though President Bush originally opposed the essence of what we are trying to do in the housing foreclosure prevention bill, he has finally dropped his rather stubborn opposition to an important bill. He finally realizes, as Democrats have for quite some time, that we have to act immediately to address the housing crisis. We have to act immediately, not only for the 2 million American homes that could be lost and the American dream gets turned into the American nightmare but because of what that means to us collectively as a nation in terms of our economy and what it means to all of us.

We have seen our economy continue to go in all of the wrong directions, and we have seen rising inflation costs of essential goods that people and families need. We have seen rising costs of energy, which I will talk about in a moment, and we have seen decreasing values of homes as a result of foreclosed properties within neighborhoods. As this takes place, the value of everyone else's home in that community goes down $10,000 or $15,000. If there are multiple foreclosures, there are even greater amounts of home values that are lowered, and those values which are in their homes, which for the average American is the single biggest part of their savings and investment and opportunity to draw from, when that value goes down, the opportunity to educate their children, put them through college, to borrow against it, goes down. For having a medical emergency, the opportunity gets diminished. For having retirement savings, the opportunity gets diminished. So the housing package has so many dimensions to it that it is critical to the country.

We appreciate that the President has finally dropped his veto threat and will sign the bill. It will help Americans keep their homes and their home equity. We are restoring stability to the housing market and helping businesses and communities hurt by this crisis not only recover but also create new jobs. The bill will help prevent another crisis of this magnitude, stop foreclosures before they begin, and preserve for future generations the American dream of home ownership.

The nearly 8,500 new families filing for foreclosure each day can no longer wait for help. That is why it is my expectation, in a special session we will have tomorrow, Saturday, that we will get the votes necessary, this will pass, and it will go on to the President. It has already passed the House.

LIHEAP

As we talk about saving people's homes, there is another great challenge for many—not only those who face foreclosure but those who are working very hard every day to meet their obligations and, in fact, some who have worked a lifetime and find their home mortgages paid off but find themselves with the challenge, as we look forward in the next several months to the winter season, of the consequences of not being able to afford to heat their homes. Yes, there are many Americans in this country who face that challenge. So there will be another critical vote tomorrow, and I certainly hope it is a vote that a majority of this body will support; that is, the Warm in Winter and Cool in Summer Act that provides an additional $2.5 billion in LIHEAP funding.

There is no doubt that the pain at the pump has been devastating to millions of American families, but we cannot forget also that the skyrocketing price of home heating oil, propane, kerosene, natural gas, and electricity is also breaking family budgets right now. That pain will only get worse as the cold weather approaches.

I am particularly concerned about this winter when people will be faced with the prospect of paying $1,000 or more up front to pay for the heating oil they need in the winter. For seniors, for low-income families, for people on fixed incomes, and those struggling with a poor economy, these enormous upfront costs are simply out of reach.

High energy costs this winter will be severely compounded by our struggling economy. We lost 62,000 jobs in June—the sixth straight month of job losses. Real wages have fallen rapidly. Housing foreclosures are up while home values are plummeting, and we have also seen shrinking credit markets, troubled banks, and a volatile stock market.

However, despite all of these problems, it seems we have some difficulty getting some of our colleagues here to understand the necessity of now—the ability to legislate now and to get this resource available and ready to go so people will not go cold in the winter.

Despite apparent bipartisan agreement on a whole host of issues in an effort to clamp down on oil speculation, the minority party said no, even though they put that as part of their overall energy package. They just said no. We saw that in a vote earlier. Despite agreement on pursuing conservation, Republicans have said no to pursuing that. Despite the fact that the majority leader has even offered them a vote on the floor of the Senate on their singular issue that we have heard for a week and a half talking about drilling off the Outer Continental Shelf—even though it won't do anything about gas prices, which was recognized by the Bush administration as such; even though, in fact, it risks the coastal economies worth $200 billion on the east and west coasts; even though it doesn't do anything about breaking our addiction to foreign oil or even domestic oil; even though any production would take a decade before we saw a drop and 2030 before we would see full production; even though full production would be a fraction of what we have seen in reduced demand and increased supply by the Saudis—despite all of that, the majority leader said yes, you can have a vote on it, and they couldn't take yes for an answer.

So if we are going to avert a disaster this winter, it is time for our Republican colleagues to say yes. LIHEAP is a program we have to help the most vulnerable people in this country stay warm in the winter, and for far too long this essential program has been underfunded. Due to this insufficient funding, the average LIHEAP grant only pays for 18 percent of the total cost of heating a home with heating oil in the winter, 21 percent of residential propane costs, 41 percent of natural gas costs, and 43 percent of our electricity costs. It is only expected to get worse because this is what it covers in terms of what it has covered. As prices rise for oil and gas and other related products, the reality is that it will cover less and less of a percentage of the costs necessary to be able to keep families warm.

In this poor economy, with a crashing housing market, banks reporting record losses, joblessness creeping up, and the specter of inflation looming, too many people simply cannot make up the difference out of their own pockets. With home heating oil now at $4.50 a gallon, if we don't pass this bill, we can face potential tragedy of an unimaginable scale this winter.

These are individuals who work every day, work at some of the toughest jobs in America, important to us collectively in our economy and in our society, yet they struggle to make ends meet. They are not sitting at home depending upon the public largesse; they work hard every day. Many of them are working two jobs just to try to make ends meet. But they cannot heat their homes this winter without some help.

What does it say to us about our values as a nation? I know the Capitol will be warm. I know the leadership offices here have fireplaces that will be blazing away. No one is going to go cold in

the Senate. The question before the Senate tomorrow will be, Will we let Americans in this country go cold and have to choose between being able to heat their homes or put food on the table? Will those who have worked a lifetime to help build families and communities and now find themselves on fixed incomes be told: Oh, sorry, you can freeze. These are not dramatic spectacles of something that will not happen; these are the realities of the challenges if we do not act.

So we ask our colleagues, especially those on the other side, to join us in averting this looming disaster and to vote for the Warm in Winter and Cool in Summer Act. It is finally time to say yes to help those who are struggling the most in this economy.

ENERGY

Finally, I wish to turn to a third item. We talked about the housing bill so critical to our collective economy and to millions of families who need heat and who are in the process of losing their homes or who are on the verge of that challenge. We talked about the need to keep people in their homes, those who have struggled to not have to be in a foreclosure but still cannot meet the challenges of heating their homes for their families this winter, and what we need to do.

Finally, I wish to talk about, once again, the question of energy, the question of gas prices and what we can do.

We as Democrats have been working at this for some time. We want to increase domestic production of the oil supply now—not more than a decade from now, not in the year 2030 from now. That won't do anything to give anybody relief at the pump tomorrow.

It is time to put the American people ahead of the big oil companies; that is the bottom line. They have record profits. We saw that parade start this week with ConocoPhillips, with record profits in their quarter. I cannot wait to see the next set of record profits we are going to hear from the other oil companies.

Yet all we hear from many of our colleagues is that we need to give them more—more Federal money, more Federal land, and more of every break. They are responsible for nothing, and they are the only entity that can solve our energy future.

It is such a shame because that is what you overwhelmingly hear. We believe it is time to put the American people ahead of big oil. We can fast-track domestic production. We have 68 million acres that, in fact, are already on lease, doubling the lease sales in the Gulf of Mexico, accelerating leases in Alaska—where all of the infrastructure is, to a large degree, already. When we talk about drilling off the east and west coasts, there isn't any drilling infrastructure there. The president of the American Petroleum Institute said we don't have the infrastructure, the drilling rigs, the pipelines, the tanker ports that are all necessary to do that. So we are talking about a very long time, and people need relief in the short term.

That is why we have said a couple of things. One, let's end excessive speculation. People sometimes wonder, what does that mean? It means we have traders buying huge quantities of oil online, intentionally inflating prices. They turn it around and sell it to other traders at even higher prices. These traders never intend to use the oil. It is not that they are going to end up selling it to an entity that will actually disperse that oil. The purpose is to bid up the price and cash in. The problem with that deal is it might be good for the traders and speculators, but it is terrible news for families who have to pay at the pump.

What is it, in fact, that those who say speculation is not that important don't get about this issue? Yesterday we saw that the Commodity Futures Trading Commission—the regulatory agency responsible to make sure this area of the marketplace is appropriately regulated—accused a company of making a million dollars in illegal profits over the course of 11 days. How did they do it? Well, in audio tapes uncovered in the investigation, the regulators said one of the defendants described the scheme as an effort to ''bully the market'' by making a large number of trades at or near the end of the trading day to move closing prices. Moreover, unlike many other manipulation cases, this one accuses the defendant of actually succeeding in moving prices that were used as benchmarks for consumer markets—a remarkable claim. So, in essence, they are saying they did bully the market and they did manipulate the market. They made a million dollars in 11 days.

But the worst part of it is it resulted in higher prices during a period of time for gasoline and crude oil. Guess who paid for that. The consumers of this country. Notwithstanding even this latest evidence, our friends on the other side have said no to us on pursuing ending market speculation, having more transparency in the marketplace, and having the regulators pursue a course that will ensure what oil company executives testifying before Congress have said—that speculation can account for up to $50 per barrel of oil. Well, I would like to take that $50 out of the cost of oil and end the speculation and the type of manipulative trading that is going on that yesterday the CFTC accused a company of performing, and succeeding at increasing oil and gasoline prices. That is what we have before the Senate. But our Republican colleagues said no.

We also believe that releasing oil from the Strategic Petroleum Reserve is incredibly important. This is a huge reserve we have underground. We buy oil as a country collectively, for all of the taxpayers, and we put it underground. What is the problem? It is a good idea except that we have 97 percent of it filled. We have an excess of a certain type of oil. We are even told by the Congressional Budget Office if we swapped that out and sold a significant element of that, we could do various things. No. 1, taxpayers would make money on it. No. 2, we could bring that oil on the marketplace to help burst the speculative bubble and try to bring down gas prices. No. 3, we would change the type of oil we have for a different quantity that we need of a different type of oil. So on all counts it would be good. Yet we cannot seem to get that done.

Finally, we have tried to pursue several times on the Senate floor renewing the tax credits that are critical for us to get out of this dilemma, not just in the short term but in the long term. We consume 25 percent of all of the world's oil. So even if we opened all of our coasts and everything to drilling, we are not going to create more than 2 or 3 percent of the world's oil. Bottom line: We are always going to be, if we continue down this road, in a deficit. We are always going to be more of a consumer than a producer. That means to me that, for our economy, our security, and our environment we need to break this addiction to oil, whether it be foreign or domestic, and be able to seek renewable energy sources, such as wind, solar, biomass, and cellulosic ethanol.

Even T. Boone Pickens, the gentleman who made a fortune in oil, is on TV telling us all that we cannot drill our way into the type of energy independence we need. The bottom line is the renewable energy tax credits are what, in my mind, is the most critical element to get these different renewable energy sources into the commercialized aspect, with the tax credits necessary to bring them to scale, so we can break our addiction. Yet we continue to hear no.

It is past time to pursue a strategy of having legislative failure as a way toward political victory. It is fundamentally wrong to have a strategy of saying no so this body cannot move forward on the critical issues Americans face, so that then you can blame the majority party in this body, even though the rules permit the minority to stop the majority from moving forward, and most Americans have been taught there is the fundamental lesson of majority rule. In the Senate, because of its procedures, when a single minority Member, or a group of minority Members, don't want to allow us to move forward, they threaten filibusters and/or invoke them, and 60 votes are needed. Since the majority has only 51 votes here of Democrats, we need Republicans to join us. When they fail to do that, the Nation's business doesn't move forward. That is a great strategy for a political exercise, if you think that exercise is going to bring you victory in November, by saying this body in the Congress cannot proceed on the critical issues that face Americans, but it is a horrid exercise as it relates to the Nation's major challenges.

Fortunately, we have been able to break through this several times. We say we want to protect and honor the

men and women who serve the country in uniform. It was because of Democrats leading, with Senators WEBB, LAUTENBERG, and others to move that GI bill. Even though the President said: No way, too expensive, and it is a fraction of the cost of 1 month in Iraq, he said he was going to veto it. We said: No way, we are going to honor the men and women who honor the uniform and take care of them when they come back. That is how a grateful nation honors those who serve. Because of our persistence and communicating with the American people, today he signed into law the greatest GI bill investment since the first one—a major accomplishment.

Tomorrow we will pass this housing bill over the objections of the President, who said, ''I am not going to sign it''—a major commitment to our economy, to restoring the American dream in terms of home ownership, and making sure we move in a different direction. It is time to say yes to the American people, and stop filibustering. It is time to stop using the powers of the minority in an abusive way. I respect the powers of the minority, but not to be used in an abusive way that undermines the fundamental principle of majority rule.

The people of the United States elected a new majority a year and a half ago to move the country in a different direction. The fact that the minority wants to simply show that, in fact, the Congress cannot move in that direction as a tool of political expediency and a tool of political success is totally inappropriate and, most important, damaging to the Nation's interest. I hope that starting tomorrow, when we consider the critical issues on housing and LIHEAP, to keep people in their homes, and to warm those homes, we can move forward in a way that speaks to the true values of our Nation and the integrity of this institution.

With that, I yield the floor.

REMEMBERING JOHN Y. SIMON

Mr. DURBIN. Mr. President, in 1887, 2 years after the death of Ulysses S. Grant, William Tecumseh Sherman wrote in a letter to his old Army Chief of Staff, ''Grant's whole character was a mystery, even to himself.''

Today, more than 120 years later, the world has a far better understanding of Ulysses Grant than did General Sherman, or maybe even General Grant himself. And for that, we are indebted to one man more than any other.

John Y. Simon, a leading Civil War scholar and the preeminent authority on Ulysses Grant, died on July 8 in Carbondale, IL. Mr. Simon, an award-winning historian, spent more than four decades at Southern Illinois University, where he taught courses on the Civil War, Reconstruction and the history of Illinois. He also served as executive director of the Ulysses S. Grant Association, based at SIU, since 1962.

But his passion and his true vocation was the Ulysses Grant papers project. Mr. Simon collected, edited, and organized hundreds of thousands of documents connected with America's 18th President—then assembled them to form a vast and astounding collection, which he called the ''Papers of Ulysses S. Grant.''

He began the Grant papers project in 1962 and was close to completing it when he died. The 31st and final volume of the collection is in its final stages. The entire collection is published by Southern Illinois University Press.

Harriet Simon, Mr. Simon's wife of 51 years, told the New York Times that working on the Grant papers consumed her husband.

''It was daily,'' she said. ''It was weekends and it was most holidays. Some holidays, not all day.''

John Younker Simon was born in Highland Park, IL, in 1933. He graduated from Swarthmore College and received an M.A. and a Ph.D., both in history, from Harvard, where he met his future wife. He taught at Ohio State before finding his place at S.I.U. in 1964.

Just as President Grant's own autobiography raised the standard for Presidential memoirs, Mr. Simon's work raised the standard for Presidential papers collections.

Harold Holzer is senior vice president of the Metropolitan Museum of Art in New York. He is also a renowned Lincoln scholar and a cochairman, along with Representative RAY LAHOOD and me, of the Abraham Lincoln Bicentennial Committee. As he told the New York Times, Mr. Simon approached his work on the Grant papers as a biographer rather than simply a cataloger.

Mr. Holzer said:

> He changed the whole ethos of presidential papers. He matched incoming correspondence with outgoing, so researchers would have a complete episode. He included editorial commentary that was more substantial than footnotes. He wrote introductions to each volume. . . . He is the father of this whole discipline.

In 2004, Mr. Simon received a Lincoln Prize for outstanding achievement for the Grant papers. The awards jury wrote, ''It is inconceivable that any historian would write on the Civil War without having these volumes at hand.''

In 2005, John Simon was honored with a lifetime achievement award from the Lincoln Forum. Frank J. Williams, chairman of the Lincoln Forum and president of the Ulysses S. Grant Association, praised him as ''a brilliant scholar, a dazzling writer and an original, irreplaceable personality [who] has enriched the world of Civil War studies and enriched the lives of those who know him.''

Upon receiving the Lincoln Prize, Mr. Simon said of his life's work:

> I have enjoyed it. It has been an opportunity for me to spend time with a spectacular figure in American history. Grant was a complex character—an unmilitary soldier, an unpolitical president and an unliterary author.

And Ulysses Grant was often misunderstood.

Alexander Stephens, the Vice President of the Confederacy, met General Grant toward the end of the Civil War. Years later, he wrote of their meeting:

> We all form our preconceived ideas of men of whom we have heard a great deal . . . but I was never so completely surprised in all my life as when I met him and found him a different person, so entirely different from my idea of him. . . . He is one of the most remarkable men I have ever met.

He was an unlikely war hero. At the start of the Civil War, Grant was several years out of the Army and utterly broke. At one point, he had been reduced to selling firewood on the street in St. Louis.

But the cause of preserving the Union gave Grant a new purpose. He reentered the military in 1861, and rose quickly through the ranks, thanks to his fearlessness and brilliance as a military commander.

In 1864, he was promoted to the rank of Lieutenant General of the Armed Forces, a position only ever held by George Washington, and given overall command of all Union Forces.

The following year, he accepted the surrender of the Army of Northern Virginia from General Robert E. Lee at Appomattox Courthouse. His generous terms of surrender and his magnanimity stunned Lee and his men and helped a bloodied nation begin to heal.

As President during the Reconstruction era, Grant's policies moved America further toward reconciliation.

Near the end of his life, broke again after being swindled in a business venture and in constant pain from throat cancer, Grant agreed to write his memoirs to earn money for his family. He wrote feverishly, racing against death, and died 5 days after putting down his pen.

His friend, Mark Twain, called ''The Personal Memoirs of Ulysses S. Grant'' ''a great, unique and unapproachable literary masterpiece.'' It is widely regarded as the finest U.S. Presidential memoir ever written.

Understanding the real Grant and helping others to understand this pivotal figure in our history was John Simon's life's work, and he did it with uncommon distinction.

In addition to the Grant papers, he wrote and edited a number of other books dealing with Grant, Lincoln and the Civil War and produced hundreds of journal articles. Along with the Lincoln Prize and the Lincoln Forum award, he received an Award of Merit from the Illinois State Historical Society and many other honors.

After the Union victory at Vicksburg, President Lincoln wrote to General Grant:

> My Dear General: I write this now as a grateful acknowledgement for the almost inestimable service you have done the country.

By spending his entire career to give us a clearer picture of ''The Hero of Appomattox,'' John Y. Simon also performed a great service for our country.