

the 1990s, they cannot disregard these important fundamentals of transparency and strong Federal oversight authority.

I could go on and on for my colleagues on my own personal experience with the western energy crisis that happened in electricity markets in 2000 and 2001.

We saw that during the electricity deregulation experience which started in the mid 1990s, people argued that electricity was just another commodity. But it is really a very critical element to our economy.

Many experts cautioned that electricity was too vital a part of our economy and way of life to let these markets go without the transparency and oversight that is essential.

We all know the rest of the story. We saw that deregulation set the table for some of Enron's spectacular manipulation schemes of 2000 and 2001 among other bad actors, that caused more than \$35 billion in economic loss and cost our nation over 589,000 jobs.

Again, only after the crisis was over, did Congress step in. Only after the crisis did Congress give the Federal Energy Regulatory Commission, and now the FTC, more regulatory authority on energy markets. And once more, Congress illustrated that it prefers to act after the fact.

So I ask my colleagues: When are we going to learn?

When are we going to quit deregulating these critical markets without much thought to the transparency and oversight that is critical for markets to operate and function correctly?

When are we going to learn that when we take our eye off the ball, Wall Street raids the cabinet and, as the President say, Wall Street gets drunk?

I mentioned that later today we will be holding a hearing in the Energy Committee to examine the oil futures market. We will examine why we need meaningful legislation to close the loopholes that exist in those dark markets.

This deregulation has helped spark today's price super-bubble, as George Soros warned at a June 3 Commerce Committee hearing, that is driving our markets to no longer be based on supply-and-demand fundamentals.

In one fell swoop, this deregulation did a number of things that enabled today's perfect storm to brew.

No. 1, we let these newfangled financial instruments called credit default swaps go unregulated, and it made it easy to use bad debt to finance home mortgages.

As George Soros wrote in his book documenting the credit crisis:

At the end of World War II, the financial industry—banks, brokers, other financial institutions—played a very different role in the economy than they do today.

He went on to explain, as I said, that banks and markets are not as strictly regulated today as they were in the past.

In 2000 we deliberately chose not to learn this harsh lesson and allowed

these new, volatile financial derivatives that are the heart of today's markets to go unregulated by the Commodity Futures Trading Commission.

What we need to do is make sure we learned this lesson, to go back now and close the loopholes that exist and make sure the agencies that are in charge of oversight actually do their job. We do not want the American people to continue to have to pay for mismanagement and lack of oversight by not having transparency in these markets. We need to make sure these agencies are accountable.

The bottom line is we have a CFTC that is more lax in allowing traders to run amok than protecting families who live on Main Street in America. That is why I continue to hold up CFTC nominations. We need a more sophisticated regulatory regime oversight, including regulators who will be aggressive policemen on the beat. We need to collect more data to make sure that markets are not being manipulated. We need to make sure the market is driven by basic market fundamentals and not greed.

I yield the floor.

I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WARNER. Would the Presiding Officer advise the Senate of the procedure at this time?

The ACTING PRESIDENT pro tempore. The minority has 2 minutes remaining in morning business.

Mr. WARNER. I yield back the time.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. 3001, which the clerk will report.

The bill clerk read as follows:

A bill (S. 3001) to authorize appropriations for fiscal year 2009 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

Pending:

Reid amendment No. 5290, to change the enactment date.

Reid amendment No. 5291 (to amendment No. 5290), of a perfecting nature.

Motion to recommit the bill to the Committee on Armed Services with instructions to report back forthwith, with Reid amend-

ment No. 5292 (to the instructions of the motion to recommit), to change the enactment date.

Reid amendment No. 5293 (to the instructions of the motion to recommit to the bill), of a perfecting nature.

Reid amendment No. 5294 (to amendment No. 5293), of a perfecting nature.

Mr. WARNER. Mr. President, I would like now to address the Senate with regard to my interpretation of the many constructive efforts that have gone on with the chairman and myself and other colleagues to try to move this bill forward. As I speak for a few minutes, I urge my distinguished chairman to engage me in any questions or colloquy if he has views that could be at variance to what I express.

I have an amendment at the desk. It is No. 5569. I shall not call it up at this time. The history of that amendment is as follows:

As many of our Senate colleagues are aware, this past January 29, the President of the United States issued Executive Order No. 13457 instructing the executive branch that agency heads should not base funding decisions on language in a committee report or conference report or any other nonstatutory statement of the views of Congress. The President took this unprecedented step because he believes—and to some extent I share his concern—that it is necessary to reduce the number and cost of what we refer to as earmarks substantially; that is, to reduce them substantially and to make the origin and purpose of the earmark more transparent. To accomplish these objectives, the Executive order requires that henceforth earmarks, as well as any other funding direction from Congress in its exercise of the power of the purse, must be included in the text of the bill voted on by Congress and presented to the President.

In response to the Executive order, I offered an amendment during committee markup, on behalf of Senator MCCAIN and myself and others, which would have put the committee's funding tables in the text of the bill. This was the most simple and direct way to comply with the Executive order. My amendment, after deliberation in committee, was defeated on a 12-to-12 vote. As a result, as reflected in section 1002 of the bill, the committee decided to incorporate our funding tables into the bill by reference; that is, by a provision that states that each funding table in the committee report is incorporated into the act and is made a requirement of law to the same extent as if the funding table was included in the text.

Once our bill reached the Senate floor for consideration by the full Senate, a colleague, Senator DEMINT, filed amendment No. 5405 which, again, takes up the same issue.

Senator DEMINT's amendment would strike section 1002 in its entirety from the bill, thereby removing the funding tables from the bill. The result, as I interpret it, of adoption of the amendment would be that our funding tables would remain only in the committee