Yet here we are, just a couple of months from those fiscal policy decisions, and we are going to have a midsession review by the Office of Management and Budget which is what I would like to ask the chairman of the Budget Committee about. That midsession review almost certainly will tell us this economy is much softer than anticipated and we will not have the surpluses we expected. Things might get better, but they might not. And if they don't, we might very well head back into very significant deficit problems.

I ask my colleague, when does the Office of Management and Budget give us their midsession review? Is that supposed to be in July?

Mr. CONRAD. Typically, we would get it in July or August. We are hearing already from the Congressional Budget Office that they anticipate that the forecast will be somewhat reduced because economic growth is not as strong as was anticipated. That means we will have less revenue than was in the forecast.

My colleague and I warned repeatedly that these 10-year forecasts are uncertain. Nobody should be counting on every penny to actually be realized.

Some said to us in rejoinder: There is going to even be more money. I remember some of my colleagues on the Budget Committee saying they think the forecast is too low.

I hope over time that will be the case. I hope the economy strongly recovers. I hope we have even more revenue. That would be terrific. But I don't think we can base Government policy on that. We certainly can't bet on every dime of the revenue that is in a 10-year forecast.

The reason it matters so much is because if we look ahead—these are the years of surpluses we are in now—but, according to the Social Security, what happens, starting in the year 2016, we start to run into deficits in both Medicare and Social Security. Medicare is the yellow part of the bars; Social Security is the red. These surpluses that we now enjoy turn to massive deficits.

That is why some of us think we have to save the Social Security trust fund for Social Security and the Medicare trust fund for Medicare, and that while that is necessary, it is not sufficient. We need to do even more than that to prepare for what is to come because we have a demographic tidal wave called the baby boom generation. They are going to turn these surpluses we have now into deficits. And if we start, at a time of surpluses, by raiding the trust funds, this situation becomes much worse, far more serious.

I don't think name calling is going to carry the question here. They can accuse me of medieval economics or antique fiscal conservatism. I don't think it is either one to say you ought to reserve the trust funds of Medicare and Social Security for the purposes intended. You ought not to use the money to finance the other functions of Government, however worthy the other functions are. I don't think we should use the money at a time of economic growth, which is what the administration is projecting for next year and beyond. Yet we see, according to the most recent numbers, that we are already into the trust funds. That is before a single appropriations bill has passed the Senate, before a single one has passed.

The question is, Are we going to dig the hole deeper? What are we going to do about the President's defense request? He wants $18 billion next year. The effect over 10 years is in the range of $200 billion from a request like that. That is not in the budget. Since we are already into the trust funds, it simply means that if we were to approve such a request, we would go deeper into the trust funds and Medicare and Social Security to defend or to finance that defense buildup.

How are we going to pay for natural disasters? At a time of economic growth, should we be funding natural disasters out of the trust funds of Medicare and Social Security? I don't think so. Should we fund the tax extenders by taking the money out of the trust funds of Social Security and Medicare? I don't think so.

They may call that antique fiscal conservatism. I will wear that as a badge of honor, that policy of protecting the trust funds of Medicare and Social Security. Call me any name you want. That is exactly the right thing to do. Certainly in a time of economic growth, you should not be using trust fund money to fund the other needs of Government. That is shortsighted. It is irresponsible. It is wrong. I am not going to support it.

I believe at the end of the day the American people will not support it because they have common sense. They know this doesn't add up. They know if you have already got a problem, you don't dig the hole deeper before you start filling it in. That is just common sense.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 5 p.m. today.

Mr. STEVENS. Reserving the right to object, Mr. President, will the Senator indicate whether we can get some time limit to make sure people understand the time limit of submission of amendments today? Parliamentary inquiry, Mr. President, if the Senator will yield for a moment.

Mr. BYRD. Yes, I yield for that purpose.

Mr. STEVENS. Is it not the case that all amendments to this bill must be filed and presented by 6 p.m. today?

The PRESIDING OFFICER. The Senator is correct; all amendments must be offered.

Mr. STEVENS. Offered on the floor of the Senate or they will not be eligible for consideration.

The PRESIDING OFFICER. First-degree amendments must be offered by 6 p.m. today.

The Senator from West Virginia.

Mr. BYRD. I renew my request.

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

Thereupon, the Senate, at 4:31 p.m, recessed until 5 p.m. and reassembled when called to order by the Presiding Officer (Mr. DAYTON).

SUPPLEMENTAL APPROPRIATIONS ACT, 2001—Continued

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 865

Mr. VOINOVICH. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The pending amendment is laid aside. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. VOINOVICH], for himself, Mr. HELMS, Mr. SESSIONS, and Mr. CRAPO, proposes an amendment numbered 865.

Mr. VOINOVICH. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To protect the social security surpluses by preventing on-budget deficits)

At the appropriate place, insert the following:

SEC. ___. PROTECT SOCIAL SECURITY SURPLUSES ACT OF 2001.

(a) SHORT TITLE.—This section may be cited as the ''Protect Social Security Surpluses Act of 2001''.

(b) REVISION OF ENFORCING DEFICIT TARGETS.—Section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 903) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) EXCESS DEFICIT; MARGIN.—The excess deficit is, if greater than zero, the estimated deficit for the budget year, minus the margin for that year. In this subsection, the margin for each fiscal year is 0.5 percent of estimated total outlays for that fiscal year.'';

(2) by striking subsection (c) and inserting the following:

''(c) ELIMINATING EXCESS DEFICIT.—Each non-exempt account shall be reduced by a dollar amount calculated by multiplying the baseline level of sequesterable budgetary resources in that account at that time by the uniform percentage necessary to eliminate an excess deficit.''; and

(3) by striking subsections (g) and (h).

(c) ECONOMIC AND TECHNICAL ASSUMPTIONS.—Notwithstanding section 254(j) of the Balanced Budget and Emergency Deficit

Control Act of 1985 (2 U.S.C. 904(j)), the Office of Management and Budget shall use the economic and technical assumptions underlying the report issued pursuant to section 1106 of title 31, United States Code, for purposes of determining the excess deficit under section 253(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, as added by subsection (b).

(d) APPLICATION OF SEQUESTRATION TO BUDGET ACCOUNTS.—Section 256(k) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906(k)) is amended by—

(1) striking paragraph (2); and

(2) redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively.

(e) STRENGTHENING SOCIAL SECURITY POINTS OF ORDER..—

(1) IN GENERAL.—Section 312 of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended by inserting at the end the following:

''(g) STRENGTHENING SOCIAL SECURITY POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider a concurrent resolution on the budget (or any amendment thereto or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would violate or amend section 13301 of the Budget Enforcement Act of 1990.''.

(2) SUPER MAJORITY REQUIREMENT.—

(A) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(B) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(3) ENFORCEMENT IN EACH FISCAL YEAR.—The Congressional Budget Act of 1974 is amended in—

(A) section 301(a)(7) (2 U.S.C. 632(a)(7)), by striking ''for the fiscal year'' through the period and inserting ''for each fiscal year covered by the resolution''; and

(B) section 311(a)(3) (2 U.S.C. 642(a)(3)), by striking beginning with ''for the first fiscal year'' through the period and insert the following: ''for any of the fiscal years covered by the concurrent resolution.''.

(f) EFFECTIVE DATE.—This section and the amendments made by this section shall apply to fiscal years 2002 through 2006.

Mr. VOINOVICH. Mr. President, one of the primary reasons I wanted to serve as a Senator was to have an opportunity to bring fiscal responsibility to our Nation and help reduce our national debt. As many of my colleagues know, for decades successive Congresses and Presidents spent money on items that, while important, they were unwilling to pay for or, in the alternative, do without. In the process, Washington ran up a staggering debt and mortgaged our future. Today our national debt stands at about $5.7 trillion. That costs about $200 billion a year in interest payments.

From the time I arrived in the Senate, I have worked to rein in spending and lower the national debt. Over the past 2½ years, I have cosponsored and sponsored a number of amendments designed to bring fiscal discipline to the Federal Government. In March of 1999, I offered an amendment to use whatever on-budget surplus as calculated in the fiscal year 2000 budget to pay down the debt. In March of 2000, I again offered my amendment to use the on-budget surplus calculated for fiscal year 2001 for debt reduction. In an effort to bring spending under control, Senator ALLARD and I offered an amendment in June of 2000 to direct $12 billion of fiscal year 2000 on-budget surplus toward debt reduction. The amendment passed by an overwhelming 95–3 and committed Congress to designate the on-budget surpluses to reduce the national debt, keeping these funds from being used for additional Government spending. Our amendment provided the mechanism to assure that Congress would begin the serious task of paying down the debt.

Further, this past April, Senator FEINGOLD, Senator GREGG, and I offered an amendment to the fiscal year 2002 budget designed to tighten enforcement of existing spending controls. Our amendment created an explicit point of order against directed scoring and abuses of emergency spending.

Even with all the amendments I proposed and cosponsored to bring Federal spending under control, I have never lost sight of the fact that we need to enact a Social Security lockbox. Make no mistake, adopting a Social Security lockbox is not about Social Security benefits. Social Security beneficiaries will not know the difference if we pass or do not pass a Social Security lockbox. What we are doing today will not have an impact at all on the beneficiaries. The amendment I am offering today will permanently lockbox the Social Security surplus and prevent it from being used for any other purpose.

For decades, the Social Security surplus was used by Congress after Congress and President after President to offset Federal spending. For many of those years, Members of both the House and Senate worked to put the Social Security surplus off limits from being used for such Federal spending. We talked a lot about it. In 1999, after years of wrangling, in a landmark budget agreement passed in 1995, the Federal Government finally achieved a balanced budget. With this good news, it became apparent that Congress and the President would not need to use the Social Security surplus for spending. This was made possible by our economic prosperity which guaranteed and generated a huge increase in tax revenues, which we know about, and in turn a massive on-budget surplus. Because the United States was running in the black for the first time in recent memory, Social Security surpluses were used to pay down the national debt instead of being used for spending. Indeed, since 1999, there has been a political consensus not to return to spending that surplus.

However, the economic prosperity this Nation enjoyed as recently as months ago is fading, although I hope this is only a temporary situation. Surplus projections are likely to be revised downward. Yet Congressional yearning for more spending has not abated.

For fiscal year 2001, Congress, with the encouragement of the Clinton administration, increased nondefense discretionary spending 14.3 percent. That is something people have not taken into consideration. Nondefense discretionary spending in the last budget was 14.3 percent above the year before and increased overall spending by 8 percent, which was way above inflation. All of this was on top of large increases in the previous years' budgets.

If we fund the education bill that the Senate recently passed, which increases spending by 62 percent or $14 billion, and if we spend the $18.4 billion increase in defense spending that the administration is talking about, we could end up spending a portion of the on-budget surplus of fiscal year 2003 and beyond. Part of the reason for this is the fact that the tax reduction was more front-end loaded than the President had originally planned.

Frankly, if the economy really falters, we could bump up against the Social Security trust fund next year. Nearly everyone in this Chamber agrees we should not spend that surplus, and the public has grown to expect that Congress won't return to spending it. This year's budget resolution was designed in part to avoid spending that surplus.

At the moment, we are de facto lockboxing Social Security. Therefore, it makes perfect sense to take the next step and lockbox these funds permanently. It is the best possible action we could take to bring fiscal discipline to the 107th Congress.

On the one hand, it guarantees we don't touch Social Security, and on the other it ensures we will continue to pay down debt, which fulfills the commitment we have all made and which will give us the interest savings. It is a two-for: We won't spend it; second, it will allow us to continue to pay down the national debt substantially. That is part of what I refer to as the three-legged stool. That three-legged stool in terms of my support for the budget resolution was: Hold spending down, reduce debt, and reduce taxes. But all three of them have to be present. We have to preserve that one stool of reducing the national debt.

If my colleagues think back to the 1980s, they will remember the dramatic increase in the national debt, primarily because of the use of the Social Security surplus. I was here. I was president of the National League of Cities. I came to this Congress before the Finance Committee and supported the Republican proposal to limit spending in 1985. What we saw happen during that period of time was that taxes were reduced and spending went up. Republicans wanted to spend on defense, the Democrats wanted to spend on social programs, and the way they paid for it was to use the Social Security surplus.

I don't want that to happen while I am a Member of the Senate. I don't think any of my other colleagues want that to happen again.

The 1999 budget was the first time in over three decades that Congress did

not use Social Security to pay for Federal spending. Again, in 2000, Congress did not use Social Security spending, although I must say it was hand-to-hand combat to make sure it wasn't used. There was direct scoring, there was emergency spending, and all kinds of other gimmicks because CBO had said we were spending the Social Security surplus, and the only thing that saved us was we got back here in January and CBO came out with new projections and said the budget surplus was more than what we had originally anticipated it to be.

Although the economy is not as robust as it was a year ago, we must resist the temptation to fall off the wagon of fiscal responsibility and resist the urge to resume spending that Social Security trust fund. The amendment we are offering guarantees we will not fall off the wagon. It contains two enforcement mechanisms: A supermajority point of order written in statute and automatic across-the-board spending cuts. Our amendment creates a statutory point of order against any bill, amendment, or resolution that would spend the Social Security surplus any of the next 10 years. Waiving the point of order would require the votes of 60 Senators. In addition, if the Social Security surplus were spent, the Office of Management and Budget would impose automatic across-the-board cuts in discretionary and mandatory spending to reduce the amount of the surplus that was spent.

We are talking about mandatory spending; we are talking about the fact that it will exempt Social Security and those things that are contained in the Deficit Control Act of 1985. My understanding is that is about $33 billion that would be subject to sequester or reduction.

This amendment will only trigger the automatic reduction if spending of the surplus exceeds one-half of 1 percent of the total outlay expenditure. In other words, it is not going to be one of those things that will happen automatically. It has a provision that says, if it is shown you have spent over one-half of 1 percent of the Social Security surplus, then the trigger will go into effect.

That is because we are talking about a $2 trillion budget and I think there ought to be some kind of flexibility in the amendment. I think, frankly, it is something that is intellectually honest to do. The only exceptions to the lockbox would be a state of war as declared by Congress or a recession defined as two successive quarters of negative economic growth.

For the past 2½ years I have fought to make sure we in the Senate hold ourselves accountable for the spending decisions that we make. Thus far, our spending choices, whether I have agreed with them or not, have involved on-budget surplus dollars. But I believe we need to prepare to protect Social Security funds from being used for even more spending, should our budget surplus fade. That is what will happen. If we keep this spending up, and then the surplus isn't there, there is going to be a great temptation for this body to invade the Social Security surplus.

Some of my colleagues in the Senate might argue we do not need a separate law establishing a Social Security lockbox since it already exists in the budget. Some of my colleagues might also swear that we would never return to the days when the Social Security trust fund was used as the Government's private piggy bank. Invariably we are told to have faith that this institution called Congress will do the right thing when it comes to spending.

I am a firm believer in Ronald Reagan's philosophy: Trust but verify. In my view, a permanent statutory Social Security lockbox is the best way to verify that the Social Security surplus remains untouched by those who would spend it. It would also force Congress to fiscal discipline and to make the hard choices in prioritizing our spending with the funds that we have today at our disposal.

I urge my colleagues to join me in support of this amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. VOINOVICH. I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Did the distinguished Senator from Ohio offer his amendment?

The PRESIDING OFFICER. Yes, he offered his amendment.

AMENDMENT NO. 866 TO AMENDMENT NO. 865

Mr. BYRD. Mr. President, on behalf of Senator CONRAD, I offer an amendment authored by Mr. CONRAD to be an amendment in the second degree to the amendment offered by Mr. VOINOVICH.

I ask unanimous consent that after the clerk states the title of this amendment, that it and the amendment in the first degree be temporarily laid aside.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] for Mr. CONRAD, proposes amendment numbered 866 to amendment No. 865.

The amendment is as follows:

(Purpose: To establish an off-budget lockbox to strengthen Social Security and Medicare)

Strike all after the first word and insert the following:

TITLE ____—SOCIAL SECURITY AND MEDICARE OFF-BUDGET LOCKBOX ACT OF 2001

SEC. ____01. SHORT TITLE.

This title may be cited as the ''Social Security and Medicare Off-Budget Lockbox Act of 2001''.

SEC. ____02. STRENGTHENING SOCIAL SECURITY POINTS OF ORDER.

(a) IN GENERAL.—Section 312 of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended by inserting at the end the following:

''(g) STRENGTHENING SOCIAL SECURITY POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider a concurrent resolution on the budget (or any amendment thereto or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would violate or amend section 13301 of the Budget Enforcement Act of 1990.''.

(b) SUPER MAJORITY REQUIREMENT.—

(1) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(2) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(c) ENFORCEMENT IN EACH FISCAL YEAR.—The Congressional Budget Act of 1974 is amended in—

(1) section 301(a)(7) (2 U.S.C. 632(a)(7)), by striking ''for the fiscal year'' through the period and inserting ''for each fiscal year covered by the resolution''; and

(2) section 311(a)(3) (2 U.S.C. 642(a)(3)), by striking beginning with ''for the first fiscal year'' through the period and insert the following: ''for any of the fiscal years covered by the concurrent resolution.''.

SEC. ____03. MEDICARE TRUST FUND OFF-BUDGET.

(a) IN GENERAL.—

(1) GENERAL EXCLUSION FROM ALL BUDGETS.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''EXCLUSION OF MEDICARE TRUST FUND FROM ALL BUDGETS

''SEC. 316. (a) EXCLUSION OF MEDICARE TRUST FUND FROM ALL BUDGETS.—Notwithstanding any other provision of law, the receipts and disbursements of the Federal Hospital Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

''(1) the budget of the United States Government as submitted by the President;

''(2) the congressional budget; or

''(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

''(b) STRENGTHENING MEDICARE POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider a concurrent resolution on the budget (or any amendment thereto or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would violate or amend this section.''.

(2) SUPER MAJORITY REQUIREMENT.—

(A) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''316,'' after ''313,''.

(B) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''316,'' after ''313,''.

(b) EXCLUSION OF MEDICARE TRUST FUND FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)) is amended by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the Federal Hospital Insurance Trust Fund in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''

(c) BUDGET TOTALS.—Section 301(a) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)) is amended by inserting after paragraph (7) the following:

''(8) For purposes of Senate enforcement under this title, revenues and outlays of the Federal Hospital Insurance Trust Fund for

each fiscal year covered by the budget resolution.''.

(d) BUDGET RESOLUTIONS.—Section 301(i) of the Congressional Budget Act of 1974 (2 U.S.C. 632(i)) is amended by—

(1) striking ''SOCIAL SECURITY POINT OF ORDER.—It shall'' and inserting ''SOCIAL SECURITY AND MEDICARE POINTS OF ORDER.—

''(1) SOCIAL SECURITY.—It shall''; and

(2) inserting at the end the following:

''(2) MEDICARE.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on the resolution) that would cause a decrease in surpluses or an increase in deficits of the Federal Hospital Insurance Trust Fund in any of the fiscal years covered by the concurrent resolution.''.

(e) MEDICARE FIREWALL.—Section 311(a) of the Congressional Budget Act of 1974 (2 U.S.C. 642(a)) is amended by adding after paragraph (3), the following:

''(4) ENFORCEMENT OF MEDICARE LEVELS IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause a decrease in surpluses or an increase in deficits of the Federal Hospital Insurance Trust Fund in any year relative to the levels set forth in the applicable resolution.''.

(f) BASELINE TO EXCLUDE HOSPITAL INSURANCE TRUST FUND.—Section 257(b)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''shall be included in all'' and inserting ''shall not be included in any''.

(g) MEDICARE TRUST FUND EXEMPT FROM SEQUESTERS.—Section 255(g)(1)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following:

''Medicare as funded through the Federal Hospital Insurance Trust Fund.''.

(h) BUDGETARY TREATMENT OF HOSPITAL INSURANCE TRUST FUND.—Section 710(a) of the Social Security Act (42 U.S.C. 911(a)) is amended—

(1) by striking ''and'' the second place it appears and inserting a comma; and

(2) by inserting after ''Federal Disability Insurance Trust Fund'' the following: '', Federal Hospital Insurance Trust Fund''.

SEC. ___04. PREVENTING ON-BUDGET DEFICITS.

(a) POINTS OF ORDER TO PREVENT ON-BUDGET DEFICITS.—Section 312 of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended by adding at the end the following:

''(h) POINTS OF ORDER TO PREVENT ON-BUDGET DEFICITS.—

''(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or conference report thereon or amendment thereto, that would cause or increase an on-budget deficit for any fiscal year.

''(2) SUBSEQUENT LEGISLATION.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

''(A) the enactment of that bill or resolution as reported;

''(B) the adoption and enactment of that amendment; or

''(C) the enactment of that bill or resolution in the form recommended in that conference report, would cause or increase an on-budget deficit for any fiscal year.''.

(b) SUPER MAJORITY REQUIREMENT.—

(1) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(h),'' after ''312(g),''.

(2) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(h),'' after ''312(g),''.

The PRESIDING OFFICER. The amendments are laid aside. The Senator from North Dakota.

Mr. CONRAD. Mr. President, very briefly, I thank Senator BYRD for introducing my amendment in the second degree to the amendment of the Senator from Ohio, and indicate to my colleagues the nature of the amendment. I think the Senator from Ohio is going in basically the right direction, but I do not think he is protecting both of the trust funds. I have offered, in the second degree, my amendment that would protect both the Social Security trust fund and the Medicare trust fund because I think both deserve protection. I think both are in danger.

Unfortunately, as I said several moments ago with respect to where we find ourselves, after the budget resolution is passed, after the tax cut is passed, and with the anticipated reduction in the revenue forecast because of the slowdown in the economy, we see we are headed for being into the Medicare trust fund this year, the Medicare and Social Security trust fund next year and for all the years that follow. That is before any appropriations have passed. That is before the President's major request for additional defense spending.

We are already in trouble. We are already headed for raiding the trust funds of Medicare and Social Security. So I am glad the Senator from Ohio has sent up an amendment. I have provided an amendment in the second degree that I think is stronger and provides additional protection and acknowledges that we have a responsibility not just to the Social Security trust fund but to the Medicare trust fund as well.

AMENDMENT NO. 867

Mr. CONRAD. If I could at this moment, on a separate matter, I send an amendment to the desk to the underlying bill. This amendment is to provide emergency funding for a situation we have just encountered on one of the Indian reservations in my State, the Turtle Mountain Indian Reservation. It is offset so it does not add to the overall cost of the supplemental. But we have found a situation that is extraordinarily serious on the Turtle Mountain Indian Reservation.

Very briefly, I will just describe that and then end so my colleague from Missouri, who is seeking recognition, can gain the floor.

Over 200 homes on the Turtle Mountain Reservation are infested with black mold; 40 percent of them that have been tested have the worst kind of black mold. This is throughout the structures. It is in the basements. It is running up the studs, in the ceilings, in the insulation. People in these homes are sick. We have had two infants die. People who are in the families and medical experts on the reservations believe their deaths are related to the conditions in these homes.

It is because of extraordinarily wet conditions in that part of our State. We have had 7 years of wet conditions. It is as though these houses are in a sponge and the sponge is full and the houses are wicking up the surface water. In fact, if you look in the crawl spaces of these homes, they are filled with water and that water has found its way up through the entire structure and has created the perfect environment for this black mold growth.

We have had the CDC there, the Corps of Engineers, and FEMA. It is a crisis situation that requires emergency housing for some 200 families.

The tribal chairman told me he is about to move people into a school gymnasium because the conditions in these homes are so bad.

I went there personally over the break. I can testify it is the worst situation I have seen, and I have dealt with black mold in our own home here in Washington, DC, in just one small area, where seven times our home flooded because the city sewer system could not handle torrential downpours here. We are the low spot on the block. It cost me $4,000 and three contractors to fix just a small part of one corner of our house.

These are houses that have it throughout. The basements are loaded with black mold. It is in the studding. In fact you can see it in the beams across the ceilings of these homes.

In every home we went into, people testified to the illnesses. In fact, the tribal chairman himself is ill from these circumstances.

This is an emergency situation that simply must be addressed. Obviously, the committee could not have known about it because nobody knew about it. But I offer that amendment for that purpose, and I thank my colleagues.

The PRESIDING OFFICER. The clerk will report the amendment.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator will suspend until the clerk reports the amendment.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 867.

Mr. STEVENS. Mr. President, I ask unanimous consent these amendments not be read. They are being offered for purposes of qualification under the time agreement, and I ask that apply to all amendments, unless Senators wish to make their statements.

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

The amendment is as follows:

(Purpose: To provide funds for emergency housing on the Turtle Mountain Indian Reservation)

On page 47, between lines 20 and 21, insert the following:

COMMUNITY DEVELOPMENT BLOCK GRANTS

For emergency housing for Indians on the Turtle Mountain Indian Reservation, there shall be made available $10,000,000 through the Indian community development block

grant program under the Housing and Community Development Act of 1974. Amounts made available for programs administered by the Department of Housing and Urban Development for fiscal year 2001 shall be reduced on a pro rata basis by $10,000,000. The Federal Emergency Management Agency shall provide technical assistance to Indians with respect to the acquisition of emergency housing on the Turtle Mountain Indian Reservation.

AMENDMENTS NO. 868 AND NO. 869, EN BLOC

Mr. STEVENS. Mr. President, on behalf of Senator MCCAIN, I send two amendments to the desk and ask they be qualified under the time agreement.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] for Mr. MCCAIN, proposes amendments numbered 868 and 869, en bloc.

The amendments are as follows:

AMENDMENT NO. 868

(Purpose: To increase amounts appropriated to the Department of Defense)

On page 11, between lines 8 and 9, insert the following:

SEC. 1207. In addition to the amounts appropriated to the Department of Defense for fiscal year 2001 in other provisions of this Act or in the Department of Defense Appropriations Act, 2001 (Public Law 106–259), $2,736,100 is hereby appropriated, out of any funds in the Treasury not otherwise appropriated, to the Department of Defense for the fiscal year ending September 30, 2001, for purposes under headings in the Department of Defense Appropriations Act, 2001, and in amounts, as follows:

''Military Personnel, Army'', $30,000,000;

''Military Personnel, Navy'', $10,000,000;

''Military Personnel, Air Force'', $332,500,000;

''Reserve Personnel, Army'', $30,000,000;

''Operation and Maintenance, Army'', $916,400,000;

''Operation and Maintenance, Navy'', $514,500,000;

''Operation and Maintenance, Marine Corps'', $295,700,000;

''Operation and Maintenance, Air Force'', $59,600,000;

''Operation and Maintenance, Defense-Wide'', $9,000,000;

''Operation and Maintenance, Army Reserve'', $30,000,000;

''Operation and Maintenance, Army National Guard'', $106,000,000;

''Aircraft Procurement, Army'', $50,000,000, to remain available for obligation until September 30, 2003;

''Procurement of Weapons and Tracked Combat Vehicles, Army'', $10,000,000, to remain available for obligation until September 30, 2003;

''Procurement of Ammunition, Army'', $14,000,000, to remain available for obligation until September 30, 2003;

''Other Procurement, Army'', $40,000,000, to remain available for obligation until September 30, 2003;

''Aircraft Procurement, Navy'', $65,000,000, to remain available for obligation until September 30, 2003;

''Aircraft Procurement, Air Force'', $108,100,000, to remain available for obligation until September 30, 2003;

''Other Procurement, Air Force'', $33,300,000, to remain available for obligation until September 30, 2003;

''Research, Development, Test and Evaluation, Air Force'', $8,000,000, to remain available for obligation until September 30, 2002; and

''USS Cole'', $49,000,000;

Provided, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided, further*, That the entire amount under this section shall be available only to the extent that an official budget request for that specific dollar amount that includes the designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

AMENDMENT NO. 869

(Purpose: To provide additional funds for military personnel, working-capital funds, mission-critical maintenance, force protection, and other purposes by increasing amounts appropriated to the Department of Defense, and to offset the increases by reducing and rescinding certain appropriations)

After section 3002, insert the following:

SEC. 3003. (a) In addition to the amounts appropriated to the Department of Defense for fiscal year 2001 by other provisions of this Act or the Department of Defense Appropriations Act, 2001 (Public Law 106–259), funds are hereby appropriated, out of any funds in the Treasury not otherwise appropriated, to the Department of Defense for the fiscal year ending September 30, 2001, for purposes under headings in the Department of Defense Appropriations Act, 2001, and in amounts, as follows:

(1) Under the heading ''MILITARY PERSONNEL, NAVY'', $181,000,000, of which $1,000,000 shall be available for the supplemental subsistence allowance under section 402a of title 37, United States Code.

(2) Under the heading ''MILITARY PERSONNEL, MARINE CORPS'', $21,000,000.

(3) Under the heading ''RESERVE PERSONNEL, NAVY'', $1,800,000, which shall be available for enhancement of force protection for United States forces in the Persian Gulf region and elsewhere worldwide.

(4) Under the heading ''OPERATION AND MAINTENANCE, ARMY'', $103,000,000.

(5) Under the heading ''OPERATION AND MAINTENANCE, NAVY'', $72,000,000, of which $36,000,000 shall be available for enhancement of force protection for United States forces in the Persian Gulf region and elsewhere worldwide.

(6) Under the heading ''OPERATION AND MAINTENANCE, MARINE CORPS'', $6,000,000.

(7) Under the heading ''OPERATION AND MAINTENANCE, AIR FORCE'', $397,000,000.

(8) Under the heading ''OPERATION AND MAINTENANCE, ARMY RESERVE'', $21,000,000.

(9) Under the heading ''OTHER PROCUREMENT, NAVY'', $45,000,000, to remain available for obligation until September 30, 2003, which shall be available for enhancement of force protection for United States forces in the Persian Gulf region and elsewhere worldwide.

(b) The amount appropriated by chapter 10 of title II to the Department of the Treasury for Departmental Offices under the heading ''SALARIES AND EXPENSES'' is hereby reduced by $30,000,000.

(c) The matter in chapter 11 of title II under the heading ''NATIONAL AERONAUTICS AND SPACE ADMINISTRATION HUMAN SPACE FLIGHT'' shall not take effect.

(RESCISSION)

(d) Of the unobligated balance of the total amount in the Treasury that is to be disbursed from special accounts established pursuant to section 754(e) of the Tariff Act of 1930, $200,000,000 may not be disbursed under that section.

(RESCISSIONS)

(e) The following amounts are hereby rescinded:

(1) Of the funds appropriated to the National Aeronautics and Space Administration under the heading ''HUMAN SPACE FLIGHT'' in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–377), the following amounts:

(A) From the amounts for the life and micro-gravity science mission for the human space flight, $40,000,000.

(B) From the amount for the Electric Auxiliary Power Units for Space Shuttle Safety Upgrades, $19,000,000.

(2) Of the funds appropriated to the Department of Commerce for the National Institute of Standards and Technology under the heading ''INDUSTRIAL TECHNOLOGY SERVICES'' in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–553), $67,000,000 for the Advanced Technology Program.

(3) Of the funds appropriated to the Department of Commerce for the International Trade Administration under the heading ''OPERATIONS AND ADMINISTRATION'', $19,000,000 of the amount available for Trade Development.

(4) Of the funds appropriated by chapter 1 of the Emergency Steel Loan Guarantee and Emergency Oil and Gas Guaranteed Loan Act of 1999 (Public Law 106–51, $126,800,000.

(5) Of the funds appropriated to the Department of Transportation for the Maritime Administration under the heading ''MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT'' in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–553), $21,000,000.

(6) Of the funds appropriated for the Export-Import Bank under the heading ''SUBSIDY APPROPRIATION'' in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001 (as enacted into law by Public Law 106–429), $80,000,000.

(7) Of the funds appropriated to the Department of Labor for the Employment and Training Administration under the heading ''TRAINING AND EMPLOYMENT SERVICES'' in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554), the following amounts:

(A) From the amounts for Dislocated Worker Employment and Training Activities, $41,500,000.

(B) From the amounts Adult Employment and Training Activities, $100,000,000.

(8) Of the unobligated balance of funds previously appropriated to the Department of Transportation for the Federal Transit Administration that remain available for obligation in fiscal year 2001, the following amounts:

(A) From the amounts for Transit Planning and Research, $34,000,000.

(B) From the amounts for Job Access and Reverse Commute Grants, $76,000,000.

AMENDMENT NO. 870

Mr. STEVENS. Mr. President, I send an amendment to the desk for the Senator from Arkansas, Mr. HUTCHINSON, and ask that it be qualified.

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

The pending amendment is laid aside.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 870.

The amendment is as follows:

(Purpose: To provide additional amounts to repair damage caused by ice storms in the States of Arkansas and Oklahoma)

On page 13, between lines 23 and 24, insert the following:

FOREST SERVICE

STATE AND PRIVATE FORESTRY

For an additional amount for ''State and Private Forestry'' to repair damage caused by ice storms in the States of Arkansas and Oklahoma, $10,000,000, to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

NATIONAL FOREST SYSTEM

For an additional amount for the ''National Forest System'' to repair damage caused by ice storms in the States of Arkansas and Oklahoma, $10,000,000, to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

CAPITAL IMPROVEMENT AND MAINTENANCE

For an additional amount for ''Capital Improvement and Maintenance'' to repair damage caused by ice storms in the States of Arkansas and Oklahoma, $4,000,000, to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

AMENDMENT NO. 871

Mr. STEVENS. Mr. President, I send an amendment to the desk for the Senator from Idaho, Mr. CRAIG, and ask that it be qualified.

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

The pending amendment is laid aside.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. CRAIG, proposes an amendment numbered 871.

The amendment is as follows:

(Purpose: Regarding the proportionality of the level of non-military exports purchased by Israel to the amount of United States cash transfer assistance for Israel)

On page 29, between lines 2 and 3, insert the following:

SEC. 2502. In exercising the authority to provide cash transfer assistance for Israel for the fiscal year ending September 30, 2001, the President shall—

(1) ensure that the level of such assistance does not cause an adverse impact on the total level of non-military exports from the United States to Israel; and

(2) enter into a side letter agreement with Israel providing for the purchase of grain in the same amount and in accordance with terms at least as favorable as the side letter agreement in effect for the fiscal year ending September 30, 2000.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I thank the Chair, and I thank my distinguished colleague, the manager of the bill.

I have two matters which I wish to address today.

First, I say to my colleague from North Dakota that we are very concerned about the situation he described. And, with the chairman of the VA–HUD subcommittee, we will look into this serious problem he has outlined. We thank him and commend him for bringing it to the attention of this body.

I have two measures.

First, I don't believe there is a Member of this body who has waterways in his or her State who doesn't understand the importance of the work done by the U.S. Army Corps of Engineers. Within the beltway, however, items such as flood control and river transportation are viewed as some sort of luxury we can do without. We can't do without them. I have been there. I have seen the devastation and the heartbreak. I have seen the families in great crisis. I have seen the farms and the homes and the communities destroyed. Unless you have been there, you cannot really appreciate it.

Clearly, the view in some eastern editorial boardrooms is rather clouded, and elite drawing rooms can't see that there are people who live and work along and depend upon the river. These are the people about whom we should be concerned.

I invite those who can tell us how to manage the rivers to come out and take a look at our rivers sometime. They might be very surprised at what they find.

In the State of Missouri, we have nearly 1,000 miles of land bordering the Missouri and Mississippi Rivers. Water transportation is low cost, safe, fuel efficient, and provides an insurance policy against runaway shipping costs charged by railroads that otherwise would face no competition. The environmental community assumes that monopolists don't raise prices. They do. But on the environmental side, to put the benefits of water transportation in perspective, One medium-sized 15-barge tow carries the same amount of grain as 870 tractor trailor trucks. Clearly, this comparison demonstrates the fuel efficiency and clean air benefits to the environment. It also reduces congestion, reduces highway wear and tear, improves safety, and costs less.

In Missouri, one-third of our agricultural production comes from the 100-year-flood plain. The Washington Post, that still believes food comes from the grocery store and not the farm, believes that this land should not be in production and flood protection should be a low priority.

Those who criticize the projects administered by the Corps typically do it from a safe distance. One of the biggest critics of the Corps in the Midwest sits safely behind a 500-year urban flood wall.

Policymakers in Washington stress exports and jobs but many fail to make the connection between exports and the transportation necessary to export. Unless we have purged the laws of physics and unless there are strange new business practices which don't require buyers to take delivery of sold goods, then transportation ultimately remains necessary.

Policymakers in Washington stress the need for additional power production that is good for the environment but propose inadequate budgets and policies for hydropower generation.

In the last Administration, policy and budgets to undermine the Corps where almost an annual event. Regrettably, the most recent budget proposed for fiscal year 2002 shows no recognition of how important the mission of the Corps is. I have a flood control project in Kansas City that will protect industries employing 12,000 people. The budget request for 2002 asks for enough money to keep the contractors busy for a fraction of the year. So not only is the project delayed, and not only does delay subject the citizens to prolonged flood risk unnecessarily, but the delay increases the cost of the project which I would expect the number-crunchers at OMB to find compelling if nothing else gets their attention.

Regrettably, the supplemental request does not include one red cent for operations and maintenance for the Corps of Engineers notwithstanding flood control, navigation, hydropower generation and environmental needs resulting from Midwestern flooding on the upper Mississippi, a Pacific earthquake which occurred in February, Tropical Storm Allison which occurred weeks ago as well as remaining problems associated with Hurricane Floyd and ice storms in the South.

Specifically, there are needs estimated to be: $50 million in response to the Midwest flooding; $47 million in the Southwest impacted by ice storms; $37 million for the Atlantic Seaboard in response to Hurricane Floyd and other weather events; $59 million for the Pacific Northwest to repair earthquake damage, stabilize hydropower facilities and correct major environmental deficiencies; and $30 million in response to the tropical storm which occurred early this month that affected Galveston and the New Orleans District.

My office has made inquiries at several districts that serve Missouri and have learned that they expect to be out of O&M funds to dredge the Mississippi River in a matter of weeks, which will risk the execution of water commerce on the nation's most important waterway.

When weather events occur, sediments build up, damage is done to levees and engineering structures such as wing dikes making repairs necessary and resources to dredge our ports and rivers necessary.

The House recognized this omission and included an additional $130 million for O&M for the Corps. Their markup occurred before there was any idea of what Allison had left behind.

I do not want to have to wait for economic decline, either regional or national, to try to make the case that we cannot continue to take our factors of production for granted. The growing estrangement of some decisionmakers and the media from the history and reality behind food, energy, and natural resource production in this country must be corrected. It will either be corrected ahead of a crisis or in response to a crisis. We have a strong economy for a reason and if we do not take care of our infrastructure, we will go into economic decline for a reason.

While we are undermining our infrastructure, competing nations are updating theirs. How many states have to have their lights turned out before we consider how are factories are powered, how our trucks are fueled and how our homes are heated? I regret that the need for efficient transportation, energy, and protection of people and property is a case that must be made but we can take action now for a fraction of what neglect, inaction and apathy will cost us later.

I know there is a bipartisan recognition that our water infrastructure is growing old and not serving the American people adequately. While there has always been bipartisan support for the mission of the Corps, I fear that the budgets do not match the need.

Over the last two years Corps projects have experienced a series of weather-related events that have left much of our water resources infrastructure in an alarming state of disrepair. In the most severe cases, temporary repairs were made to correct immediate hazards to public health and safety, while other work still awaits adequate funding. Harbor channels have lost sufficient depth and width for safe navigation, rivers are choked with debris, embankments are dangerously eroded, power outages are more frequent, and environmental preservation measures are short-changed. Unless the Corps receives supplemental funding, many navigation channels will not be able to accommodate normal commercial flow and flood control projects will be in serious jeopardy of failure. Recent damages and deterioration of hydroelectric facilities coupled with the national energy crisis have underscored the urgent need to undertake necessary repairs to hydropower projects in the Pacific Northwest.

While I will withhold offering an amendment at this time, I will do what I can do in conference to urge conferees to accept the House correction of the omission.

I ask unanimous consent that the pending amendment be set aside.

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

Mr. BOND. Mr. President, my second item deals with the defense budget.

While the administration's request for a supplemental appropriations bill for the Department of Defense includes what the administration believes is the minimum needed to get by for the remainder of this fiscal year (01), I respectfully disagree with their definition of ''minimum.''

Although we are hearing promises of an amended '02 budget with a huge defense plus-up, it is clear that the Defense Department appropriations bill for 2002 may indeed be the last of the 13 appropriations bills we will consider this year. That unfortunate timing may threaten the availability of all the extra funds many believe the Pentagon desperately needs. Simply put, there is no guarantee that the money the Pentagon needs will be there when the Senate takes up the amended Defense appropriation bill for 2002.

We must stop kicking the can down the road with promises to our forces—their need is urgent, they need help now. The problem will only continue to worsen, we need to act now.

Just last week, the Navy's top officer, Admiral Vern Clark, said he is trying to rid the United States Navy of the ''psychology of deficiency''—the acceptance of sustained resource shortages as a normal condition.

Sadly, Mr. President, this ''psychology of deficiency'' has not only infected the culture of our Armed Forces, but I am afraid it has become the culture.

The vast majority of the enlisted troops and officers on active duty today know only a culture of getting by on the minimum funding possible. They call it ''doing more with less,'' but the reality has been for almost a decade now, one of ''doing too much with too little.''

That is simply unacceptable. Every day, soldiers, sailors, airmen and marines risk their very lives for the values that have made this country the more powerful beacon of freedom the world has every known.

And in exchange for their lives, what do we do? We give them barely enough money to accomplish their mission safely. The bare minimum and no more. That is how we repay our troops? No wonder our Armed Forces have suffered from a persistent morale problem that has manifested itself in a chronic inability to hold onto large numbers of our most talented troops.

The ''bare minimum'' of funding is no way for our society to uphold our end of the social contract with our troops. That is not how we keep faith with those who defend our Nation's interests at their own personal risk.

How badly have we fallen short on our end of the social contract?

At the current level of funding, it will take 160 years to replace the Navy's shore infrastructure. The backlog of maintenance and repair exceeds $5.5 billion.

Recently the Marine Corps Commandant spoke about the terrible funding choices we force him to make. In order to keep marines ready for combat in case war breaks out in the near-term, the Commandant has to steal money from accounts dedicated to modernizing the Marine Corps for tomorrow's wars. If this persists, the Marine Corps may find itself on a battlefield in the future without the proper, modern equipment to help guarantee a quick victory with few U.S. casualties.

Even with the supplemental, the Army does not have the $145.1 million it needs to run its specialty training and schools. That means thousands of soldiers may not qualify in their combat specialties, which directly affects the combat readiness of Army units. When we tell our soldiers ''sorry, we don't have enough money to train you properly to do your job,'' what do you think the effect is on morale? The impact is devastating. That is what each of our services has had so much difficulty holding onto: Retaining its most skilled workers.

Our U.S. Air Force is currently operating and maintaining the oldest fleet in our history. On average, our aircraft are about 22 years old and getting older. An aging fleet costs more, both in effort and dollars, to operate and maintain.

Last year, while we flew only 97 percent of our programmed flying hours, doing so cost us 103 percent of our budget. Over the past 5 years, our costs per flying hour have risen almost 50 percent. That is a terrible cycle: Older planes cost more to maintain, which robs money from accounts to buy new planes, and so on. It is a death spiral for our Air Force.

Time and again history has shown us the folly of funding our troops as if peace will persist forever, as if war will never come. I thought this country learned that lesson in the opening days of the Korean war when Americans were caught unprepared, underequipped, and undertrained, and many paid with their lives.

I know the President of the United States knows this. I know Secretary of Defense Rumsfeld knows this. These are good men who know it is time to get the U.S. military on a more solid footing. I have worked closely with them in the past. I will continue to work with them. They will find me to be their most loyal supporter in this effort. But we can no longer afford to wait. We must act now.

That is why I am rising today to offer an amendment to add $1.45 billion to the fiscal year 2001 supplemental appropriations for the Defense Department. The amendment seeks to add the funds to the Defense Department that are needed, and can be spent, in what remains of the fourth quarter of the current fiscal year.

The amendment includes funds that will be directed exclusively to the operations and maintenance accounts of each of the four services. This is money the Pentagon needs right now to ensure that critical repairs and training are not delayed further.

There are emergency designations in this measure. All the money appropriated must be obligated by September 30 of this year. And the money shall be available only to the extent

that an official budget request for that specific dollar amount includes the designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and is transmitted by the President to the Congress. We must begin to tell our troops that indeed help is on the way, that this is the time to send the help.

AMENDMENT NO. 872

Mr. President, I send the amendment to the desk and ask unanimous consent that it be included in the qualified list of amendments.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 872.

Mr. BOND. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To increase amounts appropriated for the Department of Defense)

At the end of title III, add the following:

SEC. . (a) In addition to the amounts appropriated to the Department of Defense for fiscal year 2001 by other provisions of this Act or the Department of Defense Appropriations Act, 2001 (Public Law 106–259), funds are hereby appropriated to the Department of Defense for the fiscal year ending September 30, 2001, for purposes under headings in the Department of Defense Appropriations Act, 2001, and in amounts, as follows:

(1) Under the heading ''MILITARY PERSONNEL, MARINE CORPS'', $21,000,000.

(2) Under the heading ''RESERVE PERSONNEL, ARMY'', $30,000,000.

(3) Under the heading ''OPERATION AND MAINTENANCE, ARMY'', $600,000,000.

(4) Under the heading ''OPERATION AND MAINTENANCE, NAVY'', $577,250,000.

(5) Under the heading ''OPERATION AND MAINTENANCE, MARINE CORPS'', $6,000,000.

(6) Under the heading ''OPERATION AND MAINTENANCE, AIR FORCE'', $100,200,000.

(7) Under the heading ''OPERATION AND MAINTENANCE, ARMY RESERVE'', $30,000,000.

(8) Under the heading ''OPERATION AND MAINTENANCE, NAVY RESERVE'', $19,100,000.

(9) Under the heading ''OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD'', $39,400,000.

(b) The total amount appropriated under subsection (a) shall be available only to the extent that an official budget request for that specific dollar amount that includes the designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

(c) The total amount appropriated under subsection (a) is hereby designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

(d) All of the funds appropriated and available under this section shall be obligated not later than September 30, 2001.

Mr. BOND. I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 873

Mr. REID. Mr. President, I send an amendment to the desk for Senator HOLLINGS under my name under the authorized list.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. HOLLINGS, proposes an amendment numbered 873.

The amendment is as follows:

(Purpose: Ensuring funding for defense and education and the supplemental appropriation by repealing tax cuts for 2001)

At the appropriate place, insert the following:

____. ENSURING FUNDING FOR DEFENSE AND EDUCATION AND THE SUPPLEMENTAL APPROPRIATION BY REPEALING TAX CUTS FOR 2001.

(a) REPEAL.—

(1) IN GENERAL.—Section 101 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is repealed.

(2) APPLICATION OF CODE.—The Internal Revenue Code of 1986 shall be applied and administered as if such section 101 (and the amendments made by such section) had never been enacted.

(3) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) is amended by adding at the end the following new subsection:

''(i) RATE REDUCTIONS AFTER 2001.—

''(1) 10-PERCENT RATE BRACKET.—

''(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2001—

''(i) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 10 percent, and

''(ii) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount but not over the maximum dollar amount for the 15-percent rate bracket.

''(B) INITIAL BRACKET AMOUNT.—For purposes of this paragraph, the initial bracket amount is—

''(i) $14,000 ($12,000 in the case of taxable years beginning before January 1, 2008) in the case of subsection (a),

''(ii) $10,000 in the case of subsection (b), and

''(iii) ½ the amount applicable under clause (i) (after adjustment, if any, under subparagraph (C)) in the case of subsections (c) and (d).

''(C) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2001—

''(i) the Secretary shall make no adjustment to the initial bracket amount for any taxable year beginning before January 1, 2009,

''(ii) the cost-of-living adjustment used in making adjustments to the initial bracket amount for any taxable year beginning after December 31, 2008, shall be determined under subsection (f)(3) by substituting '2007' for '1992' in subparagraph (B) thereof, and

''(iii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

''(2) REDUCTIONS IN RATES AFTER DECEMBER 31, 2001.—In the case of taxable years beginning in a calendar year after 2001, the corresponding percentage specified for such calendar year in the following table shall be substituted for the otherwise applicable tax rate in the tables under subsections (a), (b), (c), (d), and (e).

''In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2002 and 2003	27.0%	30.0%	35.0%	38.6%
2004 and 2005	26.0%	29.0%	34.0%	37.6%
2006 and thereafter	25.0%	28.0%	33.0%	35.0%

''(3) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.''.

(B) CONFORMING AMENDMENTS.—

(i) Subparagraph (B) of section 1(g)(7) of such Code is amended by striking ''15 percent'' in clause (ii)(II) and inserting ''10 percent.''.

(ii) Section 1(h) of such Code is amended—

(I) by striking ''28 percent'' both places it appears in paragraphs (1)(A)(ii)(I) and (1)(B)(i) and inserting ''25 percent'', and

(II) by striking paragraph (13).

(iii) Section 531 of such Code is amended by striking ''equal to'' and all that follows and inserting ''equal to the product of the highest rate of tax under section 1(c) and the accumulated taxable income.''.

(iv) Section 541 of such Code is amended by striking ''equal to'' and all that follows and inserting ''equal to the product of the highest rate of tax under section 1(c) and the undistributed personal holding company income.''.

(v) Section 3402(p)(1)(B) of such Code is amended by striking ''7, 15, 28, or 31 percent'' and inserting ''7 percent, any percentage applicable to any of the 3 lowest income brackets in the table under section 1(c),''.

(vi) Section 3402(p)(2) of such Code is amended by striking ''15 percent'' and inserting ''10 percent''.

(vii) Section 3402(q)(1) of such Code is amended by striking ''equal to 28 percent of such payment'' and inserting ''equal to the product of the third lowest rate of tax applicable under section 1(c) and such payment''.

(viii) Section 3402(r)(3) of such Code is amended by striking ''31 percent'' and inserting ''the fourth lowest rate of tax applicable under section 1(c)''.

(ix) Section 3406(a)(1) of such Code is amended by striking ''equal to 31 percent of such payment'' and inserting ''equal to the product of the fourth lowest rate of tax applicable under section 1(c) and such payment''.

(x) Section 13273 of the Revenue Reconciliation Act of 1993 is amended by striking ''28 percent'' and inserting ''the third lowest rate of tax applicable under section 1(c) of the Internal Revenue Code of 1986''.

(C) EFFECTIVE DATES.—

(i) IN GENERAL.—Except as provided in clause (ii), the amendments made by this paragraph shall apply to taxable years beginning after December 31, 2001.

(ii) AMENDMENTS TO WITHHOLDING PROVISIONS.—The amendments made by clauses (v), (vi), (vii), (viii), (ix), and (x) of subparagraph (B) shall apply to amounts paid after December 31, 2001.

(b) RESERVE FUND FOR DEFENSE AND EDUCATION.—Subtitle B of title II of H. Con. Res. 83 (107th Congress) is amended by inserting at the end the following:

''SEC. 219. STRATEGIC RESERVE FUND FOR DEFENSE AND EDUCATION.

If legislation is reported by the Committee on Appropriations of the Senate or the Committee on Appropriations of the House of Representatives, or an amendment thereto is

offered or a conference report thereon is submitted, that would increase funding for defense or education, the chairman of the appropriate Committee on the Budget shall revise the aggregates, functional totals, allocations, and other appropriate levels and limits in this resolution for that measure by not exceeding the amount resulting from the repeal and amendments made by section ___(a) of the Supplemental Appropriations Act, 2001 for fiscal years 2001 and 2002, as long as that measure will not, when taken together with all other previously enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year provided in this resolution.''.

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENT NO. 874

Mr. REID. Mr. President, I send an amendment to the desk for Senator WELLSTONE under the authorized list.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. WELLSTONE, proposes an amendment numbered 874.

The amendment is as follows:

(Purpose: To increase funding for the Low-Income Home Energy Assistance Program, with an offset)

On page 11, between lines 8 and 9, insert the following:

(RESCISSIONS)

SEC. 1207. (a)(1) Effective July 31, 2001, of the funds provided to the Secretary of Defense, for fiscal year 2001 administrative expenses, under the Department of Defense Appropriations Act, 2001, the Military Construction Appropriations Act, 2001, and the Energy and Water Development Appropriations Act, 2001, and remaining in Federal appropriations accounts, an amount equal to $150,000,000 is rescinded.

(2) Such amount shall be rescinded from such Federal appropriations accounts as the Secretary of Defense shall specify before July 31, 2001. In determining the accounts to specify, the Secretary of Defense shall take into consideration the need to promote efficiency, cost-effectiveness, and productivity within the Department of Defense, as well as to maintain readiness and troop quality of life.

(b) Effective August 1, 2001, if the Secretary of Defense has not specified accounts for rescissions under subsection (a), of the funds described in subsection (a)(1) and remaining in Federal appropriations accounts, an amount equal to $150,000,000 is rescinded through proportional reductions to the portions of such accounts that contain such funds.

On page 36, line 9, strike ''$300,000,000'' and insert ''$450,000,000''.

AMENDMENT NO. 875

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside, and I send an amendment to the desk on behalf of Senator JOHNSON.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. JOHNSON, proposes an amendment numbered 875.

The amendment is as follows:

(Purpose: To amend the Higher Education Act of 1965 to make certain interest rate changes permanent)

At the appropriate place, insert the following:

SEC. ___. EXTENSION OF INTEREST RATE PROVISIONS.

(a) TECHNICAL CORRECTION.—Paragraph (6) of section 455(b) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)), as redesignated by section 8301(c)(1) of the Transportation Equity Act for the 21st Century (Public Law 105–178; 112 Stat. 498) is redesignated as paragraph (8) and inserted after paragraph (7) of that section.

(b) EXTENSION.—

(1) AMENDMENTS.—Sections 427A(k), 428C(c)(1), 438(b)(2)(I), and 455(b)(6) of such Act (20 U.S.C. 1077a(k), 1078–3(c)(1), 1087–1(b)(2)(I), 1087e(b)(6)) are each amended by striking ''and before July 1, 2003,'' each place it appears.

(2) CONFORMING AMENDMENTS.—

(A) Section 427A(k) of such Act is amended by striking the subsection heading and inserting the following: ''INTEREST RATES FOR NEW LOANS ON OR AFTER OCTOBER 1, 1998.—''.

(B) Section 438(b)(2)(I) of such Act is amended—

(i) by striking the subparagraph heading and inserting the following: ''LOANS DISBURSED ON OR AFTER JANUARY 1, 2000.—''; and

(ii) in clause (i), by striking ''2000,'' and inserting ''2000''.

(C) Section 455(b)(6) of such Act is amended—

(i) by striking the paragraph heading and inserting the following: ''INTEREST RATE PROVISION FOR NEW LOANS ON OR AFTER OCTOBER 1, 1998.—''; and

(ii) in subparagraph (D), by striking ''1999,'' and inserting ''1999''.

Mr. REID. Mr. President, this amendment for Senator JOHNSON preserves a bipartisan compromise achieved in the 1998 Higher Education Act that reduced and stabilized higher education loan interest rates. The amendment that has been offered amends the Higher Education Act to continue the current student loan interest rate formulas, preserving the successful system that helps put millions of students through school every year.

The budget resolution includes a Technical Reserve Fund that makes it possible to fix the problem in 2001 before a crisis develops in 2003 when the current formula for calculating interest rates is due to expire. But the reserve fund in the resolution will expire early next year. Therefore, action is needed now so that Congress and the financial aid community can turn to improving financial aid programs all over this country.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. REID. Mr. President, in relation to the amendment I offered on behalf of Senator HOLLINGS, the RECORD should reflect that I have spoken to the Senator from South Carolina on several occasions today. He feels very strongly about the subject matter of this amendment. I am glad I had this slot available for the Senator, and I am happy to have offered this amendment on his behalf. Senator HOLLINGS will be available to speak more on the subject at a later time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KERRY). Without objection, it is so ordered.

The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, under the order, Senators, to be eligible to call up their amendments, had to offer those amendments by no later than 6 p.m. today; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Will the Chair please have the clerk state the amendments that qualify on the morrow?

The PRESIDING OFFICER. The clerk will read the qualified amendments.

The assistant legislative clerk read as follows:

Senator SCHUMER, amendment No. 862; Senator FEINGOLD, amendment No. 863; Senator ROBERTS, amendment No. 864; Senator VOINOVICH, amendment No. 865; Senator CONRAD, second-degree amendment No. 866 to amendment No. 865; Senator CONRAD, amendment No. 867; Senator MCCAIN, amendment No. 868; Senator MCCAIN, amendment No. 869; Senator HUTCHINSON, amendment No. 870; Senator CRAIG, amendment No. 871; Senator BOND, amendment No. 872; Senator REID for Senator HOLLINGS, amendment No. 873; Senator WELLSTONE, amendment No. 874; and Senator JOHNSON, amendment No. 875.

Mr. BYRD. I take it that the hour of 6 p.m. has arrived?

The PRESIDING OFFICER. The Senator is correct; it has arrived.

Mr. BYRD. I thank the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. BYRD. Mr. President, subject to change by the leadership, I ask unanimous consent that there now be a period for the transaction of morning business, not to extend beyond the hour of 6:30 p.m., and that Senators may be permitted to speak for not to exceed 10 minutes each.

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