The Senate met at 9 a.m. and was called to order by the Honorable SAM BROWNBACK, a Senator from the State of Kansas.

PRAYER
The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

O God our help, before we begin the challenges of this day, we pause to acknowledge our need of You. We come to You for refuge. We need You to go with us to order our steps. Help us to shape today’s priorities in a way that will please You. Go before us to touch the hearts of people we need to influence.

Guide the Members and officers of this body with Your wisdom. Strengthen them, Lord, as they seek to be faithful stewards of the great opportunities You have given them to serve.

O God of love, all the good things we have are from You. Give us the wisdom to slow down long enough to discover Your plan.

All this we ask in Your powerful Name. Amen.

PLEDGE OF ALLEGIANCE
The Honorable SAM BROWNBACK led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE
The PRESIDING OFFICER. The clerk will please read a communication from the President from the Senate pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SAM BROWNBACK, a Senator from the State of Kansas, to perform the duties of the Chair.

TED STEVENS, President pro tempore.

Mr. BROWNBACK thereupon assumed the Chair as Acting President pro tempore.

RESERVATION OF LEADER TIME
The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE MAJORITY LEADER
The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE
Mr. FRIST. Mr. President, this morning we will begin consideration of the budget resolution. We have an order in place from last night which sets aside specific debate times in relation to several amendments this morning. We will debate an NIH amendment, to be followed by additional debate on the ANWR amendment, to be followed by further debate on two veterans amendments. At the conclusion of those debates, we will vote on the pending Amtrak amendment and the pending ANWR amendment. We also anticipate that we will reach agreement to vote on some of the other previously discussed amendments. Senators could therefore expect a series of votes to begin sometime between 12:30 and 1 o’clock today.

I thank the chairman and ranking member of the Budget Committee for working out a reasonable approach for the consideration of these issues. Once again, we will continue through the afternoon and evening on additional amendments with votes throughout the session.

I yield the floor.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 2006
The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. Con. Res. 18, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 18) setting forth the congressional budget for the United States Government for the fiscal year 2006 and including the appropriate budgetary levels for fiscal years 2005 and 2007 through 2010.

Pending:

Byrd Amendment No. 158, to provide adequate funding of $10.1 billion in fiscal year 2006 to preserve a national intercity passenger rail system.

Cantwell Amendment No. 168, to strike section 203(a)(4) relative to the Arctic National Wildlife Refuge.

Akaka Amendment No. 149, to increase veterans medical care by $2.8 billion in 2006.

Ensign Amendment No. 171, to increase veterans medical care by $10,000,000 in fiscal year 2006.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from California, Mrs. FEINSTEIN, is recognized for up to 20 minutes.

Mrs. FEINSTEIN. I thank the Chair.

Mr. President, as we all know, this budget cuts a score of critical domestic programs: food for women and infants; community development block grants for cities, which cities use for vital purposes; and health and education programs for children. That is just a few. It cuts Medicaid by $15 billion over 5 years. It zeros out reimbursements to States and counties of the cost of incarcerating criminal aliens. It is an unfunded mandate in that regard. Yet this budget contains $41.3 million for nuclear weapons initiatives including $8.5 million for a nuclear program that scientists say is impossible to achieve.
The seriousness of the issue and the clear intent of this administration to renew funding this year for this nuclear initiative that was zeroed out by the Congress last year compel me to come to the floor today.

President Bush's fiscal year 2006 budget calls for $8.5 million, including $4 million for the Department of Energy and $4.5 million for the Department of Defense, for the research and development of a nuclear bunker buster, a weapon called the robust earth nuclear penetrator. The purpose of the research is to determine whether a missile casing on a 100-kiloton warhead can survive a thrust into the earth and take out a hardened and deeply buried military target without spewing millions of cubic feet of radioactive debris into the atmosphere. Scientists know that the laws of physics will not allow that to happen.

It includes $25 million to lower the Nevada test site time-to-test readiness from 90 months to 18 months. This sends a clear signal of an urgent move to begin underground nuclear testing as soon as possible. This is despite the fact that our country has had a moratorium on nuclear testing since 1992. We have had it for more than 13 years.

It also contains $7.8 million for a so-called modern pit facility. This is a facility to build 450 new pits. These are the nuclear triggers for nuclear weapons, of which the fissile material is contained and detonated. This is 450 new pits a year, some of which would be designed for new nuclear weapons.

Currently the United States has approximately 15,000 warheads. Under the Moscow Treaty, the United States is to decrease its strategic nuclear force to 1,700 to 2,200 by 2012. To maintain a 2,200-warhead force at replacement level—and this is important—we would only need 50 pits a year, not 450 which is called for in this budget. Why build a new facility unless there are plans underway to develop a new generation of nuclear weapons?

Perhaps because the explosions and use of nuclear weapons took place at the end of World War II, we forget what it is like. I hope people will look at this and see what it is like. This is Hiroshima. This is the end of World War II. This is a 15-kiloton nuclear weapon, not a nuclear weapon this is incomprehensible to me. This is what the Enola Gay dropped on Hiroshima. It cleared bare 4 square miles. It killed immediately 90,000 people. It caused hundreds of thousands of people to die of radiation sickness. Again, why fund this program?

Congress made a strong statement last year. We took out the appropriations for these new nuclear weapons. This defunding was made possible by the leadership of Representative David Hobson, the chairman of the House Appropriations Energy Committee, who was successful, with our support, in eliminating $27.5 million in funding for this 100-kiloton nuclear bunker buster and $9 million for the advanced weapons concepts initiative. This is a fallacious concept of creating low yield tactical nuclear weapons, under 5 kilotons, to use on a battlefield no less. Who would ever want to send their sons and daughters to any war where the battlefield had nuclear weapons? It also eliminated funding to lower the time-to-test readiness at the Nevada test site to 18 months and limited funding for the Modern Pit Facility to $7 million.

Congress spoke last year. We said: We will not approve appropriations for this program. And yet once again those appropriations have crept into this budget.

I will take a few minutes to make that evident to Members of the Senate. Last year was a consequential victory for those of us who believe very deeply—and I might say passionately—that the United States should be held accountable for the consequences of this program and that the United States sends the wrong signal to the rest of the world by reopening the nuclear door and beginning the testing and development of a new generation of nuclear weapons.

This year, our message is clear: Don’t reopen this nuclear door. Those of us who are appropriators will once again try to remove this funding from the budget.

I am so disappointed to learn that the administration has requested funding again this year for a 100-kiloton nuclear bunker buster, to lower the time-to-test readiness at the Nevada test site to 18 months, and to fund a modern plutonium pit facility that could produce 450 new plutonium pits a year when only 50 are needed.

There should be no doubt that this is the Secretary of Defense’s program. He is determined to get it funded. It is that Secretary who requested the Secretary of Energy to place $4 million in the energy budget and $4.5 million in the defense budget. This is very clever. In this way Secretary Rumsfeld hopes to get it done in the defense budget, if he can’t through energy appropriations.

I ask that the Senate know that the development of a 100-kiloton robust nuclear earth penetrator is simply not possible without spewing millions of tons of radioactive material and killing large numbers of people.

Secondly, the development of new nuclear weapons will undermine our antiproliferation efforts and will make our Nation less safe, not more safe.

And thirdly, as a nation, we are sending the wrong message, a message that will encourage nuclear proliferation by others. In fact, it already has. The bottom line: There is simply no such thing as a clean or usable 100-kiloton nuclear bunker buster that could destroy a hardened and deeply buried military target without spewing radioactive debris.

Consider this: A 1-kiloton weapon, detonated 25 to 50 feet underground, would dig a crater the size of Ground Zero in New York and eject 1 million cubic feet of radioactive debris into the air. Given the insurmountable physics problems associated with burrowing a warhead deep into the earth, you would need a weapon with more than 100 kilotons of yield to destroy an underground target at a depth of 1,000 feet. Yet the maximum feasible depth a bunker buster can penetrate is about 35 feet. At that depth, a 100-kiloton bunker buster would scatter 100 million cubic feet of radioactive debris into the atmosphere.

There is no known missile casing that can survive a 1,000-foot thrust into the earth to avoid overwhelming and catastrophic consequences. That is not me saying this, that is science saying this.

Let me give you the words of the head of the National Nuclear Security Administration, if you don’t trust me. On May 2, 2005, the Armed Services Strategic Forces Subcommittee, Congresswoman ELLEN TAUSCHER asked Ambassador Linton Brooks the following question: "If we want to know, just to get it done in the defense budget, if we can’t through energy appropriations, what would we do to get a (robust nuclear earth penetrator) of any size that we would drop will not produce a huge amount of radioactive debris?"

The answer, according to the Ambassador: "No, there is not."

When Congresswoman TAUSCHER asked him how deep he thought a bunker buster could go, using modern scientific concepts—in other words, here we get to the missile casing—he said, "a couple of tens of meters maybe. I mean certainly—I really must apologize for my lack of precision, if we in the administration have suggested that it was possible to have a bomb that penetrated far enough to trap all fallout. I don’t believe that—I don’t believe the laws of physics will ever let that be true."

So here we have the administration saying what we who have opposed this program from the very beginning have said. The laws of physics will never allow the development of a “clean” 100-kiloton robust nuclear earth penetrator.

Again, simply stated, there is no casing that will withstand a 1,000-foot thrust into the earth—the depth at which a spewing of radioactivity might be contained. Such an admission begs the question: Why are we even spending a dime on this research? Or as Secretary Rumsfeld said to me in a defense Appropriations Subcommittee hearing with a shrug, “Oh, this is just a study.”

Do I believe that answer? Absolutely not. This has never been about a study. It has been about the intent of the administration to develop new nuclear weapons, and I have followed this for a long time now.

This year, this budget funds $8.5 million. In fiscal year 2007, it increases to $17.5 million, including $14 million for the Department of Energy and $3.5 million for the Pentagon.

While the administration is silent this year on how much it plans to...
spend on the program in future years, last year they let it all out. Last year’s budget request called for spending $485 million on a 100-kiloton nuclear bunker buster over 5 years, which scientists say is impossible to devise. The laws of physics will not allow it, unless you are going to present one that is going to spew tons of radioactivity.

Let me, for a moment, mention the policies underlying this initiative. These policies began in 2002 with the document that is the Nuclear Posture Review. That document places nuclear weapons as part of the strategic triad for the first time in our history, therefore, blurring the distinction between conventional and nuclear weapons—a very bad policy decision.

Then take National Security Directive 17, which came out later that year, which indicated for the first time in America’s history that we would engage in a first use of nuclear weapons—a historic statement. We have never had a no-first-use policy, but we have never said that we would countenance a first use of nuclear weapons. And in National Security Directive 17 we do just that. We say we would engage in a first use of nuclear weapons—again, that is a historic statement—to respond to a chemical or biological attack against certain nations. The Nuclear Posture Review named seven nations against whom we would countenance a nuclear attack. One of those nations is our nuclear friend Iran. This is ridiculous and foolish policy, and it jeopardizes the future of all Americans. But what it does also is it encourages other nations to develop their own nuclear weapons, thereby putting American lives and our national security at risk. That is why the North Koreans are moving ahead. They see what we are going to do. They see that we have said we would enter into a first use of nuclear weapons. North Korea is one of the seven nations named by the Nuclear Posture Review. This is ridiculous and foolish policy, and it jeopardizes the future of all Americans. But what it does also is it encourages other nations to develop their own nuclear weapons, thereby putting American lives and our national security at risk. That is why the North Koreans are moving ahead. They see what we are going to do. They see that we have said we would enter into a first use of nuclear weapons.

It is firmly committed to its obligations under the treaty.

If we are indeed serious about strengthening our nonproliferation efforts and to discuss additional steps to make better use of our resources and demonstrate our commitment to keeping the world’s most dangerous weapons out of the hands of the most dangerous people, we have to strengthen the Nuclear Non-Proliferation Treaty at this May 2005 review conference.

This includes supporting tougher inspections to monitor compliance, more effective controls on sensitive technology, and improvements in the safeguard and eliminate nuclear weapon usable materials, and agreement that no state may withdraw from the treaty and escape responsibility for prior violations of the treaty.

Finally, we should expand and accelerate Nunn-Lugar threat reduction programs. I heard a story about Senator saying they support the Nunn-Lugar program. We should provide the necessary resources to improve security and take the necessary steps to secure, nuclear chemical and biological weapons arsenal and infrastructure out of circulation.

Third, we should strengthen the ability of the DOE’s Global Threat Reduction Initiative to secure and remove nuclear weapons usable material from vulnerable sites around the world. Last year, Senator DOMENICI and I sponsored an amendment to the 2005 National Defense Authorization Act, which authorized the Secretary of Energy to lead an accelerated, comprehensive worldwide effort to secure, remove, and eliminate the threat by these materials.

Finally, we should improve—this has to do with the bunker buster—our intelligence capabilities in relation to underground targets and expand conventional options to put them at risk. Every underground target has entry and exit, has means to way, to take them out with conventional weapons. That is what we should be doing instead of exploring, doing research and development of a 100-kiloton nuclear bunker buster, which science says cannot be done without the spewing of millions of tons of radiation. History repeats itself.

I yield the floor and suggest the amendment time, and there is 45 minutes on our side. We have many speakers. Can the Senator go for 10 minutes?

Mr. WYDEN. That would be gracious. I yield to do that.

Mr. CONRAD. If Senator SPEKTOR has not appeared by then, we can provide more time.

Mr. WYDEN. I thank my colleague. The ACTING PRESIDENT pro tempore of the Senate from Oregon is recognized.

Mr. WYDEN. Mr. President, those who advocate drilling in the Arctic claim that the drilling is needed to reduce our Nation’s dependence on foreign oil. But what is included in the Senate budget resolution doesn’t increase U.S. energy security. To the contrary, it is a license to export Alaskan oil outside the United States. With the inflated revenue projections of $2.5 billion from drilling in the Arctic included in the budget, the Federal Government will be forced to sell the oil to the highest bidder.

Under the Senate budget, if the highest price is in South America, oil from the Arctic refuge would have to go to South America. If the highest price is in the Far East, Arctic oil would have to go to the Far East. If the highest price is in the Middle East, Arctic oil would have to go to the Middle East. With the weak dollar, it would be a virtual certainty that the highest price for Arctic oil would be outside our country. It would not reduce our dependence on foreign oil one drop to export Arctic oil overseas, but that is exactly what could happen under the Senate budget resolution.

Now, last Congress, the House, in passing its Energy bill, recognized that drilling in the Arctic wildlife refuge won’t help our Nation’s energy security, if the oil from that drilling is exported overseas. The House-passed Energy bill explicitly prohibited the export of oil from the Arctic wildlife refuge. But the Senate budget resolution fails to include an export prohibition. In fact, it invites exports by assuming revenues that can only be met by requiring the oil to be sold to the highest bidder, at a time when the dollar is weak.

If the goal is energy security, then including the Arctic drilling in the budget resolution in this fashion is the wrong way to go about it. We can get more energy security, and we can get it sooner than from Arctic oil drilling under the Senate budget resolution.

Last week, the President renewed his push for drilling in the Arctic by arguing it would produce nearly 10 million barrels per day. But the President acknowledged that that amount of oil would not be produced until 2025. We can get that much energy security and more, and we can get it instead of waiting until 2025. We can get that added energy security by changing the current policies on exports of oil and
petroleum and providing the right incentives for producers to develop the billions of barrels of recoverable oil that are in U.S. reserves but are not being developed today.

Right now our country is exporting about 30 million barrels a day of petroleum products. That happens every single day. We could in effect get 1 million barrels a day more for our country, 10 percent more energy security, and we could get it right now by ending those restrictions.

By comparison, the administration’s Energy Information Administration says the amount of oil that the President says would be produced in the Arctic would only reduce our Nation’s dependence by 3 percent, from 68 percent to 65 percent dependence on foreign oil. I seriously doubt the OPEC cartel will stop its anticompetitive practices because of a tiny increase in Arctic production 20 years from now that even the Energy Administration says would reduce our dependence on foreign oil by 3 percent. Our country can get more than those three times that amount of increased energy security and we can get it now rather than 20 years by stopping exports of U.S.-produced petroleum products, and under the unrestricted export language of the Senate budget resolution we could end up with no additional energy security—no additional energy security, absolutely not. I can do much better than a 3 percent increase in energy security. We can do better than the 10 percent increase in security our country would get from eliminating exports. In fact, our country could produce an additional 4 billion barrels of oil, enough to replace all of our country’s imports of oil for the next 10 years, and we could get that additional oil from existing reserves that could be produced in our country if the right incentives were provided.

If we want to get serious about energy security, we can start today. We should eliminate the budget resolution’s license to export Arctic oil out of our country. We should replace the budget resolution’s export license with policies that provide real energy security for our Nation.

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

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

The journal clerk proceeded to call the roll.

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

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

The amendment is as follows:

(Purpose: Increase discretionary health and education funding by $2,000,000,000)

On page 17, line 16, increase the amount by $500,000,000.
On page 17, line 17, increase the amount by $500,000,000.
On page 18, line 16, increase the amount by $1,500,000,000.
On page 18, line 17, increase the amount by $1,500,000,000.
On page 26, line 14, decrease the amount by $2,000,000,000.
On page 26, line 15, decrease the amount by $2,000,000,000.

Mr. SPECTER. Mr. President, at the outset, I submit a statement for the record and ask that it be included in its entirety at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. SPECTER. In order to summarize, since we have a relatively limited period of time, this amendment provides for increasing funding for the Department of Education by $500 million, which would bring it up to level funding, and an addition of $1.5 billion for the National Institutes of Health, and the offset would be across the board from Function 920. This reduction would cost any programs but simply reduce administrative expenses, travel, and consulting services by 237 percent, which is minuscule in the overall scheme of things, I admit, very minor compared to the importance of having additional funding in education and additional funding in the National Institutes of Health.

NIH has made remarkable advances on an enormous list of very major diseases and they are worth itemizing because each one of these strikes thousands of Americans. They include: Autism, stroke, obesity, Alzheimer’s, Parkinson’s, spinal muscular atrophy, scleroderma, ALS, muscular dystrophy, diabetes, osteoporosis, cancers, including breast, cervical and ovarian, lymphoma, multiple myeloma, prostrate, pancreatic, colon, head and neck, brain, lung, pediatric renal disorders, multiple sclerosis, deafness and other communication disorders, glioma, macular degeneration, sickle cell anemia, heart disease, spinal cord injury, sudden infant death syndrome, arthritides, schizophrenia and other mental disorders, polycystic kidney disease, hepatitis—Cooley’s anemia, primary immune deficiency disorders, and the list goes on and on.

As I read them off to itemize them, they are abstractions to people who suffer from these ailments. To families of people who suffer these ailments, they are catastrophic. Take someone who has autism, take someone who has Alzheimer’s, this disrupts the family, these ailments are overwhelming. The National Institutes of Health has had increases in this budget on a committed rate by this body, and we have increased the funding very substantially. But last year and the year before and this year, the funding well has not proceeded as it should. When you talk about a budget of $28 billion for the National Institutes of Health, when you have an overall budget of approximately $2.67 trillion, $28 billion is totally insufficient.

If there is not an increase in funding for the National Institutes of Health, there will be 400 less grants awarded next year than last year. The increase of less than $200 million does not begin to approximate the replacement rate for chemical, biomedical research which is 3.5 percent. We have $1.7 billion which is being applied by NIH to bioterrorism. With all due respect, that ought to come out of homeland security, bioterrorism. It is coming out of the NIH budget because it is a medical issue. If there is not additional funding here are some of the points of impact on the National Institutes of Health:

They will be unable to test safety of new behavioral treatments for autism; unable to initiate phase 3 to determine the relationship between infection and cardiovascular disease; unable to expand research on early identification preventing procurement impairment of newborns; delay by 1 year more research with industry to develop vaccines for hepatitis C; delay the evaluation of promising vaccines in a variety of contexts. It will delay programs for developing computer models for responding to infectious disease outbreaks such as avian flu, as well as bioterrorism attacks—here again these are abstractions, but to the people they hit, they are catastrophic—unable to expand the development of methamphetamine addiction; unable to initiate multicellular studies of autoimmune hepatitis, and the list goes on and on.

The subject of adequacy of NIH research is one which I thought was of enormous importance before I was
elected to the Senate in 1980, and my initial assignment on Appropriations took me to the Subcommittee on Health and Human Services. I have always been an advocate for increasing NIH funding. Then when I took over the chairmanship of the subcommittee in 1995, in a position to establish priorities, the Senate voted to double NIH funding, but then in the first year following defeated an effort to add $1 billion. Senator Harkin and I have formed a partnership on a bipartisan basis, and he has had the gavel when the Democrats took over for 17 months in 2001 and when we have had a transfer of the gavel, it has been seamless, he and I and this partnership of established priorities within our subcommittee even when this body did not grant increases to NIH. We have found the money by

...dissolved...we do not have your health, you can't do anything else. I could give an extended dissertation on that particular proposition because it has struck home to me. Not to overly personalize the matter, but when you go through the regimen for Hodgkin's, they fill your body full of poisons to fight the poisons which are in your body. It is quite a war of the worlds as it battles through you. It underscores the importance of health. For the people who were suffering from the long list I recited, it is the beginning and end of every day. We ought to win the war on cancer.

### Table: Education Department FY 2006 Discretionary Budget, Terminations

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<tr>
<th>Program</th>
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<th>2005 appropriation</th>
<th>2006 request</th>
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<td>Close Up Fellowships</td>
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EDUCATION DEPARTMENT FY 2006 DISCRETIONARY BUDGET, TERMINATIONS

(Dollars in thousands)
Mr. President, I have sought recognition today to offer a $1.5 billion amendment to increase the health function and $500 million to increase the education function in this resolution. The amendment would add to the funding already included in the resolution for the National Institutes of Health and the Department of Education. The amendment is offset by an across-the-board reduction in Function 920. This reduction would not cut programs, but simply reduce administrative expenses, travel, and consulting services by 0.237 percent.

This amendment would provide NIH with a $1.5 billion increase over the President’s budget request. This sounds like a tremendous increase, in reality it provides only 5.6 percent more than the previous year and provides a slight increase over biomedical research inflation.

As chairman of the Appropriations Subcommittee for Labor, Health and Human Services, Education and Related Agencies, I have said many times that the National Institutes of Health is the crown jewel of the Federal Government—perhaps the only jewel. When I came to the Senate in 1981, NIH spending totaled $3.6 billion. The FY 2003 omnibus appropriations bill called for a $10.7 billion increase for the NIH which completed the doubling begun in FY 1998. The successes realized by this investment in NIH have spawned revolutionary advances in our knowledge and treatment for diseases such as cancer, Alzheimer’s disease, Parkinson’s disease, mental illnesses, diabetes, osteoporosis, heart disease, ALS and many others. It is clear that Congress’ commitment to the NIH is paying off. Now it is crucial that increased funding be continued in order to translate these advances into additional treatments and cures. Our investment has resulted in new generations of AIDS drugs which are reducing the presence of the AIDS virus in HIV infected persons to nearly undetectable levels. Death rates from cancer have begun a steady decline. With the sequencing of the human genome, we will begin, over the next few years, to reap the benefits in research fields of research. And if scientists are correct, stem cell research could result in a veritable fountain of youth by replacing diseased or damaged cells. I anxiously await the results of all of these avenues of remarkable research. This is the time to seize the scientific opportunities that lie before us.

On May 21, 1997, the Senate passed a Sense of the Senate resolution stating that funding for the NIH should be doubled over 5 years. Regrettably, even though the resolution was passed by an overwhelming vote of 98 to nothing, the Budget Resolution contained a $100 million reduction for health programs. That prompted Senator HARKIN and myself to offer an amendment to the budget resolution to add $1.1 billion to carry out the expressed sense of the Senate to increase NIH funding. Unfortunately, our amendment was tabled by a vote of 63–37. We were extremely disappointed that, while the Senate had expressed its druthers on a resolution, it was simply unwilling to put up the actual dollars to accomplish this vital goal.

The following year, Senator HARKIN and I again introduced an amendment to the Budget Resolution to add an extra $1.1 billion increase for the NIH. While we gained more support on this vote than in the previous year, our amendment was again tabled by a vote of 57–41. Not to be deterred, Senator HARKIN and I again went to work with our subcommittee and we were able to add an additional $2 billion to the NIH account for fiscal year 1999.

In fiscal year 2000, Senator HARKIN and I again offered an amendment to the Budget Resolution to add the additional $2 billion increase for the NIH. While we gained more support on this vote than in the previous year, our amendment was again tabled by a vote of 57–41. To not be deterred, Senator HARKIN and I again went to work with our subcommittee and we were able to add an additional $2 billion to the NIH account for fiscal year 1999.

In fiscal year 2001, Senator HARKIN and I again offered an amendment to the Budget Resolution to increase funding for health programs by $1.6 billion. This amendment passed by a vote of 64–43. This victory brought the NIH increase to $2.7 billion for fiscal year 2001. However, after late night conference negotiations with the House, the funding for NIH was cut by $200 million below that amount.

In fiscal year 2002, the budget resolution once again fell short of the amount necessary to achieve the NIH doubling. Senator HARKIN and I, along with nine other Senators offered an amendment to add an additional $700 million to the resolution to achieve our goal. The vote was 96–4. The Senate Labor–HHS Subcommittee reported a bill recommending $327.3 million, an increase of $3.4 billion over the previous year’s funding. But during conference negotiations with the House, we once again fell short by $140 million. That meant that in order to stay on a path to double NIH, we would need to provide an additional $357 million over the FY 2003 level. The fiscal year 2003 omnibus appropriations bill contained the additional $3.7 billion, which achieved the doubling effort. In FY 2004, I and Senator HARKIN offered an amendment to add an extra $1.1 billion to the budget resolution to ensure that the momentum achieved by the doubling could be maintained and translated into cures. The vote was 96–1. Unfortunately, the amendment was dropped in conference. We worked hard to find enough funding for a $1 billion increase in FY 2004. We fought long and hard to make the NIH a reality, but until treatments and cures are found for the many maladies that continue to plague our society, we must continue our fight.

In FY 2005, once again, Senator HARKIN, Senator COLLINS and I offered an amendment to add an extra $1.1 billion, this time to health spending, including NIH. The amendment passed 72–24. However, the subcommittee’s allocation did not reflect this increase. The final conference agreement contained an increase of $800 million over the FY 2004 funding level.

I, like millions of Americans, have benefited tremendously from the investment we have made in the National Institutes of Health and the amendment that we offer today will continue to support the important research work of the world’s premier medical research facility.

My amendment also intends to ensure that discretionary funding for the Department of Education is not cut below the amount provided by Congress last year. The resolution currently assumes a cut of $500 million below the FY 2005 appropriation. My amendment would add $500 million to Function 500 in order to prevent such a reduction.

Many members have pointed out that the budget for the Department of Education has been increased significantly over the past several years. In fact, funding has been raised from $24.7 billion in FY 1995 to $56.6 billion last year, an increase of 129 percent. My subcommittee has taken the lead in providing increases for Title I grants for Disadvantaged Students, Pell grants and Child Care. Despite these increases in these important programs a priority, which is why funding for Title I grants is up 45 percent since No Child Left Behind was passed in 2001, funding for Special Education is up 67 percent since FY 2001 and Pell grants are up 41 percent from the level when President Clinton was in office.

However, I am concerned that the budget resolution will force my subcommittee to make very difficult choices and cut one education program for another. For example, the budget proposes to eliminate $1.3 billion in funding for the Perkins Vocational and
Mr. CONRAD. That was my plan, Mr. President, I want to accommodate the Senator in that way. I understand, as I am hearing it, the Senator has another obligation, and he would like to finish his argument, and he would like to be able to respond.

Mr. SPECTER. I thank the Senator from North Dakota. I think we can do that. I have 8 minutes remaining.

Mr. CONRAD. Mr. President, I ask unanimous consent that we have a mini unanimous consent agreement so we can share this time in a way that does not force up the rest of our schedule here.

Mr. SPECTER. I thank the Senator from North Dakota. I think we can do that. I have 8 minutes remaining. There is 22 minutes in opposition. My speculation is that neither of us will have that much of our time. I do not want to make a commitment to the other side on that, then, in advance, but probably no later than 10:20, 10:25, we can return to the Senator from North Dakota for his presentation, taking time off the bill.

Mr. President, I ask unanimous consent we follow that procedure.

Mr. SPECTER. I thank the Senator from North Dakota and the Senator from Wyoming.

Mr. ENZI. Mr. President, I also thank the Senator from North Dakota and the Senator from Pennsylvania for making this arrangement so the flow of debate on this particular amendment can stay intact.

I do rise in opposition to the amendment of Senator SPECTER to increase discretionary spending by $2 billion. One of my favorite sayings is I am sure everybody else’s in this Chamber— is to give away money. You really don’t get much opposition when you give away money. Unfortunately, we are in a situation where we do not have real money to give away—although, if we pass certain things, it turns into real money, and the deficit increases.

Mr. SPECTER. This is a procedural question, not a substantive question. I thank the Senator from North Dakota. On the scheduling of business, I have to chair an Appropriations subcommittee hearing on Health and Human Services at 10:30. We scheduled this amendment at 9:30. I wonder if I could prevail upon the Senator from North Dakota to permit Senator Enzi to respond to my arguments so that I can finish, conclude, and then ask unanimous consent, if that is agreeable, that you be recognized to continue your presentation.

Mr. CONRAD. I am happy to accommodate the Senator in that way. I understand, as I am hearing it, the Senator has another obligation, and he would like to finish his argument, and he would like to be able to respond.

Mr. SPECTER. Maybe we could work some timing on this so we do not—maybe we could have a mini unanimous consent agreement so we can share this time in a way that does not force up the rest of our schedule here.

Mr. President, I ask unanimous consent we follow that procedure.

Mr. SPECTER. I thank the Senator from North Dakota and the Senator from Wyoming.

Mr. SPECTER. I thank the Senator from Wyoming.

Mr. CONRAD. Mr. President, I am happy to yield for a question.

Mr. GREGG. Will the Senator yield for a question?

Mr. CONRAD. I am happy to yield for a question.

Mr. GREGG. I believe the Senator from Wyoming was going to speak in opposition to the amendment of the Senator from Pennsylvania. He was going to talk about that. Did the Senator from North Dakota wish to go forward off the resolution? Is that the Senator’s plan?

Mr. CONRAD. That was my plan, take time off the resolution.

The ACTING PRESIDENT pro tempore. The ACTING PRESIDENT pro tempore. The Senator has 8.5 minutes.

Who seeks time? The Senator from North Dakota.

Mr. CONRAD. Mr. President, we are now on the third day of the budget resolution. I inquire of the desk, how much time do we have remaining?

The ACTING PRESIDENT pro tempore. On the Specter amendment, there is 22.5 minutes in opposition.

Mr. CONRAD. Could the Chair inform me how much time is left on the resolution?

The ACTING PRESIDENT pro tempore. The majority has 11 hours 4 minutes, the minority has 9 hours 23 minutes.

Mr. CONRAD. Mr. President, I want to alert my colleagues that the time is rapidly vanishing. We want to use this time we have efficiently and effectively. We don’t want to have dead time here on the floor. We want Senators on both sides to have every opportunity to offer their amendments, so it is critically important that Senators take the opportunity that is available to them and come to discuss the amendments that are in front of us and discuss the amendments they may want to offer so this time is effectively used.

I know we are going to get into the situation where Senators are going to come to us and say: Can’t we have some time? There is not going to be any time very shortly, and then we will go into vote-arama, in which there will be very limited time. I wanted to alert my colleagues.

Mr. GREGG. Will the Senator yield for a question?

Mr. CONRAD. I am happy to yield for a question.

Mr. GREGG. I believe the Senator from Wyoming was going to speak in opposition to the amendment of the Senator from Pennsylvania. He was going to talk about that. Did the Senator from North Dakota wish to go forward off the resolution? Is that the Senator’s plan?

Mr. CONRAD. That was my plan, take time off the resolution.

The ACTING PRESIDENT pro tempore. That is how the time is being charged.

Mr. CONRAD. Mr. President, we have seen a dramatic deterioration in the budget situation since 2000. One can see what has happened. Back in 2000, we actually had a budget surplus. Then, despite the President’s assurances that his fiscal policy would not lead to an expansion of deficits and debt, that is exactly what has happened. In fact, we are now at record deficit levels, the biggest deficits we have ever had.

It is not just with respect to deficits that we have a problem. We are also seeing exploding debt. I remember so well, back in 2001, the Congressional Budget Office was seeing exploding debt. They said this was the range of possible outcomes. They said, based on that scenario, that we would see $5.6 trillion of surpluses over the next 10 years, so many of my Republican colleagues assured me: Don’t worry, we will get even more money because of the tax cuts. I remember being told repeatedly that we will get more money because of the tax cuts.

We didn’t get more money. Here is what actually happened. This was the range of possible outcomes, according to the Congressional Budget Office. Now we can look at what actually happened. What actually happened was the deficits were far worse, they were below the bottom of their range of projected outcomes. All of that talk about how the tax cuts would generate more revenue just proved to be wrong.

The Comptroller General of the United States, the head of the General Accounting Office, warns us now that the fiscal outlook is worse than anticipated. He says:

"The simple truth is that our Nation’s financial condition is much worse than advertised."

The Comptroller General has it exactly right. Our fiscal condition, our financial condition is much worse than advertised. Despite the President saying to us he is going to reduce the deficit, he is going to cut it in half over the next 5 years, the only way he gets there is he just leaves out things.

What does he leave out? First of all, he leaves out of his budget any war costs past September 30 of this year. We have money for this year in a supplemental. Some of that will be spent next year as well. But that is $82 billion. The Congressional Budget Office says we ought to be budgeting $383 billion for residual war costs—Afghanistan, Iraq, the war on terror—but it is not in the President’s budget.

Mr. SPECTER. Will the Senator from North Dakota yield for a question?

Mr. CONRAD. I certainly would.

Mr. SPECTER. This is a procedural question, not a substantive question. I thank the Senator from North Dakota. On the scheduling of business, I have to chair an Appropriations subcommittee hearing on Health and Human Services at 10:30. We scheduled this amendment at 9:30. I wonder if I could prevail upon the Senator from North Dakota to permit Senator Enzi to respond to my arguments so that I can finish, conclude, and then ask unanimous consent, if that is agreeable, that you be recognized to continue your presentation.

Mr. CONRAD. I am happy to accommodate the Senator in that way. I understand, as I am hearing it, the Senator has another obligation, and he would like to finish his argument, and he would like to be able to respond.

Mr. SPECTER. Maybe we could work some timing on this so we do not—maybe we could have a mini unanimous consent agreement so we can share this time in a way that does not force up the rest of our schedule here.

Mr. President, I ask unanimous consent that we follow that procedure.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.
This amendment increases discretionary funding for Function 500, which would include additional funding for education and job training—my favorite area—and Function 550, which would include additional funding for health—my second favorite area. That comes in the authorizing committee, the Health, Education, Labor, and Pensions Committee. It is a huge bite of the apple.

I am asked every once in awhile: How did this committee wind up with that much jurisdiction? I said it started out as just the Labor Committee, and then it picked up all the things that had to do with labor negotiations, the benefits that were negotiated, which include health benefits, job training, and pensions—Health, Education, Labor, and Pensions.

We have since then made it a four-part equal stool so we can have a comprehensive review of these things. We have been doing that, and we have been making tremendous headway.

My colleague from Pennsylvania has indicated that the additional $1.5 billion in funding for Function 550, included in his amendment, would be allocated to the National Institutes of Health. I strongly support the basic biomedical research and other important activities at this agency. I agree with Chairman Gregg that now is not the time to specifically determine the amount of funding for NIH.

That can be difficult. That can be done as part of the appropriations process, and Senator Specter is certainly in charge of the major determinations after Chairman Cochran makes the allocation. This is not the time for specifically determining that, although we get the impression that very specific determinations are made as part of the budget process.

That is partly the fault of the President. The President sends us a billion-page budget bill that says how he would spend the money if he were spending the money. He doesn’t have the authority to spend the money. He doesn’t spend $1 of the money. This body and the one at the other end of the building have to do all of the appropriations, and we have set up a process for doing it. This part of the process is not to go through the President’s items in detail but to establish some caps on spending. How much are we willing to increase the dollar amounts that we are authorizing and deciding. Can we show restraint and fiscal responsibility so that over a period of time we reduce the amount that we are increasing the deficit? Can we reduce the rate of spending? We are not talking about huge cuts. We are talking about reducing the amount of increase, in most cases.

As you get into the specific details of the President’s guidelines, you will find things that are very distressing because some of the places he chose to make increases might not be places we would. Some of the places he chose to make decreases might not be places we would. While the President might have a real desire to decrease a certain program, Congress might disagree—maybe because it is a pet program of ours. We have that authority, and we can override any of the baseline indicators the President has sent to us, and we do in a lot of instances.

I agree with Senator Specter and other appropriators to determine the agency’s appropriate allocation of funding later this year. I strongly support the mission of NIH to pursue that knowledge about nature and living systems and the application of that knowledge to extend healthy life and reduce the burdens of illness and disability.

That is one of the reasons that a couple of weeks ago we passed the nondiscrimination legislation—to make sure people have more access to blood tests without any negative effects as a result of things learned from blood tests and the Genome Project. I was pleased that passed the Senate unanimously, which also shows the concern for doing the right thing with health.

We are making amazing progress, and I look forward to modernizing the process we use to achieve that progress through the reauthorization process later this year.

This amendment also assumes a $500 million increase in the Education Department to fund that Department at the 2005 level. I understand that some of my colleagues are concerned about the administration’s proposed cuts to higher education programs such as TRIO, GEAR UP, and vocational education. Again, I want to point out the President’s basic structure for arriving at a cap number. We are going to be working on this cap number. We are not going to be approving or disapproving the way the President got to those numbers. And, quite frankly, for the 8 years I have been in the Senate, there have been suggested changes by both Presidents that would affect GEAR UP and vocational education. Every time, the Senate has made sure those things did not happen.

We are interested in vocational education. For example, last week we passed the Perkins reauthorization for career and technical education. That was a commitment 99 to 0 by this body that we want to have career and vocational education at the high school level, and it is absolutely essential that we have that.

One of the things we are concerned about is the number of dropouts in high school. We want to reduce that. The amount that the Federal Government contributes to solving that problem is very small. In fact, mostly what we do is increase paperwork and tests that require additional time out of the classroom. That is not the best way to strengthen education for our kids.

We are looking for ways to decrease the dropout rate. I am pretty sure, if we eliminate career and technical education, we are going to increase the dropout rate.

But we have a plan within the committee authorization to be able to do the things we need to do in education, working them into a logical, staged...
mechanism so we can continue to provide and increase the number of things that are being done in education.

This year, the HELP Committee is scheduled to reauthorize the Higher Education Act. The budget resolution contains a new reserve fund for higher education spending. I want to review all of these programs in the context of the higher education reauthorization. We need to make sure there is a good map for getting from here to there which reduces the dropout rate at the end of the senior year and eliminates the amount of remedial education kids have to do once they go to college. Twenty-eight percent of the kids have to take a remedial reading or math class when they get to college. That takes time and that takes money when it is done at the college level. Yet we have some wasted senior years. We want to move that back in the process. We think we have that capability in what we are already allowed to do. We look forward to revisiting the budget. It is not easy, but it is possible to do.

I thank the chairman of the committee for working with us so that we have some flexibility within our area so we can achieve what we need to do. I am a little concerned that if the Specter amendment is agreed to, it will be the first amendment to the 2006 budget resolution to be offset by using Function 920, which is currently an unfunded administrative cost.

I urge my colleagues to vote no on the Specter amendment.

I yield the floor and reserve the remainder of my time.

Mr. ENSIGN. Mr. President, I rise today to discuss the amendment that has been offered by Senators SPECTER and HARKIN that would increase funding for the Individuals with Disabilities Education Act by $300 million.

While I support bolstering special education funding by $300 million, I cannot support reducing defense and veterans spending at a time of war.

In my time in the Senate, I have worked with my colleagues to almost double funding for IDEA. That increase has been echoed in my home state of Nevada, where the Federal investment in IDEA has almost doubled since 2001. I recognize that we have a long way to go toward reaching the Federal Government’s promise of funding 40 percent of the excess costs States and school districts face when educating children in special education programs.

We have an obligation to create the best education system for our children and their children—to do that we must eliminate waste and focus spending on programs that directly benefit our children. This budget accomplishes that goal. This budget, as did the President’s budget, contains a $500 million increase for IDEA funding. While this is not the $1 billion increase many of us would like to see, it is a significant increase over last year’s funding. During this time of large deficits and war in Iraq, it is necessary to temper funding increases. This includes funding for education.

This budget provides generous funding for the Appropriations Committee to work with. It is then the appropriators’ job to determine which programs receive cuts or increases in funding. I look forward to working with my colleagues on the Appropriations Committee to make sure that IDEA receives the increase in funding it needs to stay on track and meet the Federal Government’s 40-percent promise.

Mr. DOMENICI. Mr. President, I don’t need any time to discuss the matter. I need a unanimous consent request. I wonder if the Senator will yield to me to do that.

Mr. SPECTER. I yield. Mr. DOMENICI. This has to do with a time allotment on our side for the debate, with 45 minutes on our side on debate with reference to the exploration in Alaska.

I ask unanimous consent that 45 minutes be distributed as follows to Senators on our side to speak on the Cantor amendment. Each Senator will have up to 10 minutes—

Senator ALLEN, Senator TALENT, Senator THUNE, Senator MUKRSKNI, Senator INOUYE, who would have to up to 10 minutes—he is the only exception—and Senator STEVENS and Senator DOMENICI. That would be 45 minutes. Some might use less and give it to other Senators.

I wanted the Republican Senators to know they are all in line at some point during the debate, with 45 minutes of our time for them.

I thank the chairman. I appreciate it. The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. GREGG. Mr. President, what is the situation?

The ACTING PRESIDENT pro tempore. On the Specter amendment, the Senator from Pennsylvania has 7 minutes. On the amendment, the Senator from Pennsylvania has 7 minutes.

Mr. GREGG. Mr. President, let me speak, and then the Senator from Pennsylvania can wrap up.

Mr. SPECTER. Mr. President, I should be able to conclude and save some of that 7 minutes.

Mr. GREGG. Mr. President, I appreciate the Senator from Pennsylvania bringing this amendment forward. I know of his deep commitment to NIH and education, and as chairman of the Appropriations subcommittee which has jurisdiction over both of these accounts on the discretionary side, it is challenging, to say the least. He has the second largest appropriating account in the Senate after defense, but he probably has the job with the most tension that defense, and he has attempted to balance those demands very effectively. However, in this instance, I believe we should stay with the basic numbers we have put forward in this budget.

It is critical if we are going to have fiscal discipline around here to have a top-line discretionary number which we have agreed to—$43—and that we not then the President decide to redirect funds within that number in a way that either negatively impacts other accounts or positively impacts accounts. That would be a unilateral activity of the Senator from Pennsylvania when he starts marking up the bill.

The 920 account, if it is used here, will have the practical effect of an across-the-board cut on all other accounts in the Government that are discretionary so that it creates a pressure that will be difficult to handle if it is put forward in this way.

On the specific issue of funding, we all recognize NIH is a premier institution and has done an extraordinary job, but we have to recognize that it has been extraordinarily generous over the last few years with NIH. Beginning at the beginning of the Bush administration, there was a decision to double the funding of NIH, and that is exactly what happened. It has grown at rates of 14 percent per year compounded. It has gone from $13 billion to a $27 billion account and $28 billion account in the last 5 years, a huge expansion in the commitment to research in the area of health care.

There are some concerns with whether we should not take a brief breathing period and make sure dollars are being used efficiently. The President has proposed an increase for NIH but not as much as maybe NIH believed it would like, but certainly in the context of the dramatic increase in funding over the last few years it is appropriate.

In the education accounts, this President has committed huge increases in education. The numbers are staggering, quite honestly. It is the commitment the administration has made relative to the prior administration. In the area, for example, of the overall discretionary budget, the Department of Education has gone up 33 percent since the Clinton years. In the area of No Child Left Behind, it has gone up 46 percent, title I has gone up 52 percent, IDEA has gone up 75 percent. The way the President structured the budget was to say let’s take a look at the misfires, those signed into law, that are targeted that have a small impact and see whether those priorities, in comparison with the big programs in which the Federal Government has a major role, such as No Child Left Behind, special education, Pell grants, and title I, the President decides to put more money into those programs rather than to the specific targeted programs.

Obviously, it will be up to the Senator from Pennsylvania, working with him, to draft the legislation. Senator ENZI, chairman of the Education Committee, to make decisions as to how that should shake out. But in this
budget the President has proposed significant increases in the core educational programs. In special education he is up $450 million; in title I, he is up $1 billion; and in No Child Left Behind, up $1 billion; in Pell, which is not reflected appropriately, in my opinion, in this budget it is not reflected appropriately, he is up half a billion.

We have specifically raised the cap—hopefully, it will end up there, but we have no control over how the allocations occur—to give Senator SPECTER’s subcommittee an additional half billion specifically for Pell. So the grants can go from $4.150 and give it authority to allow the Pell grants to be restructured so you can get a $5.100 Pell grant under the new structure which is being proposed under this bill should Senator Enzi’s committee decide that is how they want to proceed.

In addition, we have set aside $5.5 billion in the budget in a reserve fund specifically to fund a new Higher Education Account. The purpose of which is to dramatically expand the Pell grants and take them up to $5.100 for those who go to school 4 years and dramatically expand borrowing for students through the Guaranteed Student Loan Program.

Education is strong in this budget and I hope we will stay within the terms of this budget rather than expanding beyond that.

I recognize the problems the Senator from Pennsylvania has are difficult, probably the most difficult of any of the Appropriations subcommittees, and I understand why he brought this amendment forward.

I presume I have used all my time.

Mr. SPECTER. I disagree strongly with my distinguished colleague from New Hampshire. When he says we shouldn’t redirect the funds, that is the purpose. That is what the budget resolution is all about.

I say, in evaluating the funding for the National Institutes of Health and educational funding, as chairman of the subcommittee which has the appropriations responsibility, and having had a decade of experience there and 24 years experience on the subcommittee, that I am in a position to make an evaluation that may be preferable to the evaluation of the Budget Committee of what the budget resolution is about. That is the purpose of Senators offering amendments.

When the Senator from New Hampshire talks about the funding which the President has increased in the past, I point out that a good bit of that has come from the Congress. And when you are looking at a budget for education in excess of $54 billion, if you figure the inflation cut, that is about $1.5 billion, and besides that, the level of funding is not ever present. We have more than $500 million left from last year, an aggregate in education of $2 billion. Considering education is a major capital asset in this country, that is not an appropriate allocation of resources in the opinion of this Senator.

I think to add $500 million to the education budget is modest. When you talk about the Pell grants, that is a complicated matter, but it does not help that NIH I respectfully disagree. When you have biomedical research up 3.5 percent on $23 billion, what you have is a cut in NIH, that is short in dollars by $55 million. So I say it is not a matter of no increase, it is a matter of a cut.

The one question I have to ask my distinguished Senator is, on the Perkins vocational grants, he pointed out that it was a 90-to-0 vote. He voted for it and I am totally with him today with what the Senator from Wyoming has said, that it is “absolutely essential” to have career and vocational training, and if you don’t there will be an “increase in the dropout rate.” But the budget which submitted by the education department of my subcommittee zeros out the Perkins grant.

How can we reconcile the importance of the Perkins educational grant and eliminate the funding?

Mr. ENZI. Mr. President, again I say what we are looking at when we see the President’s proposal is their suggestions for how we get to the budget cap number they talk about.

The House and the Senate agree and have made a decision—I am pretty sure the House voted on it—that is going to be an essential part of education. So as we have done in the past, we will take money from other areas and shift it into vocational training. The President was absolutely right to eliminate the $1 billion from vocational education and put it into the high school No Child Left Behind Program. Those numbers are even in the President’s budget, but we have chosen that there are other ways we can do high school improvement other than taking away this vocational money and putting it into the high school No Child Left Behind Program.

What we are doing is flexing even within what the President said and telling the President we should be going to take from the vocational education and put in some increased testing and accountability and moving them back into vocational.

Mr. SPECTER. Mr. President, the Senator from Wyoming does the best he can with his argument, but the difficulty is that when the subcommittee’s budget has been cut from $143.5 billion to $141.3 billion, we don’t have room to make reallocations. We just do not have room.

If you take a look at a 3 percent inflation rate, that would be about another $4 billion. So what we are left with is a $6 billion shortfall. This is just illustrative of the Perkins programs which is a very important program. I agree with the Senator from Wyoming, it is a very important program, but one of many very important programs which are being eliminated.

That is why I say to my colleagues I have come here modestly asking for $500 million for education, and very modestly in asking for $1.5 million for the National Institutes of Health so we can win the war on sickness.

Mr. ENZI. Mr. President, unanimous consent Senator HARKIN be added as a cosponsor to this amendment. Senator HARKIN has other commitments, but had he been here he would have offered superb arguments at decibel levels substantially higher than that which has taken place here today.

If the Senator from Wyoming is prepared to yield back his remaining time, I am prepared to do the same and that would conclude the presentation on this amendment.

Mr. ENZI. I yield back our time.

Mr. SPECTER. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. All time is yielded.

Is there a sufficient second?

There is not a sufficient second.

Could the Senator restate his request for the yeas and nays?

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota is to be recognized.

The Senator from Washington.

AMENDMENT NO. 168

Ms. CANTWELL. I ask unanimous consent we move to the Cantwell amendment regarding ANWR and use up that time and recognize the Senator from North Dakota when he returns.

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

Under the previous order, there will now be 10 minutes of debate equally divided in the usual form in relation to amendment No. 168.

The Senator from Washington.

Ms. CANTWELL. Mr. President, I have submitted to the desk the amendment to strike the language out of the budget that would recognize revenue from drilling in the Arctic National Wildlife Refuge. We started this discussion last night with colleagues on both sides of the aisle to talk about why the President should not be focusing on drilling in a wildlife refuge, turn down the recognition of this revenue, and focus instead on an energy policy that will put America in better stead, get us off our dependency on foreign oil, reduce pollution, and focus on the technology that will truly make us energy independent.

Many have discussed or seen the Arctic National Wildlife Refuge. To remind my colleagues, we established this refuge because we believed in protecting the wildlife that exists there—the porcupine caribou herd, the polar bears, grizzly bears, wolves, sheep, falcons, migratory birds as shown in this
picture. We wanted to fulfill our international fish and wildlife treaty obligations. Also, we wanted to provide an opportunity for continued subsistence for local residents and we wanted to ensure water quality and necessary water quality in the refuge.

The pictures from the refuge show a delicate coastline area in the northern parts of our country. The purpose of designating and protecting the wildlife refuge was because of its unique nature. One of the Episcopal bishops from Alaska was here yesterday and spoke about the refuge as actual sacred ground and the fact that the preservation of it means so much to many Alaskans as it does to many people throughout America.

But we are here today on what I call a budget end run to recognize revenue in the budget as a way to try and open drilling in ANWR, to open drilling in this pristine wildlife area.

Now, why, if you want to support drilling in Alaska in the Arctic National Wildlife Refuge, do you want to try to do it on the budget? My point is, it starts a precedent for opening other areas by simply putting money in the budget. Why not expedite timber sales by simply putting money in the budget? Why not open drilling on the coastal regions of the country by recognizing revenues in the budget? Why not open drilling in Yellowstone National Park by recognizing revenues in the budget? Why not put money in the budget? It is a bad precedent for America because if you look at the President’s potential U.S. oil and gas plan for America, you can see that the administration has oil plans for all over the country: up in the Northwest in the State of Washington, which I represent; and neighboring States, Oregon and California; along the eastern seaboard; in Florida, significant areas; up in the Great Lakes region. These are all the potential areas that the administration has designated as opportunities for oil drilling.

Do we want to stick in the budget revenue recognizing oil production in these areas and simply subvert the normal process that would allow us to debate and consider whether we should have these oil sources recognized?

This particular Senator agrees with some of the editorials around the country when it says this sets a bad precedent. We are many newspapers, particularly from coastal regions such as mine that are concerned. Let’s go to the St. Petersburg newspaper. It said: So why should Floridians be concerned about the caribou? Obviously, there are no caribou in Florida. But the caribou being driven out of their icy habitat by oil rigs, because of this, for Florida, “means there, by the grace of Congress, go we.”

That is what the St. Petersburg newspaper is trying to say. If you decide to drill in Alaska and recognize in the budget this revenue, what will stop them from doing this in other parts of the country?

Another Florida newspaper said:

The costs and risks of drilling in the Alaskan refuge outweigh the benefits. (And) opposition to the drilling off Florida’s coast would be compromised.

So this is why this Senator saying this, these are people from across the country who are concerned about this process of sticking money in the budget as a way to achieve the goals of opening the Arctic National Wildlife Refuge.

Well, I can tell you, I think opening the Arctic National Wildlife Refuge to oil drilling is the wrong direction for America. It is the wrong direction for America for many reasons. As I said, we have a prairie wildlife area we want to protect. If someone thinks it can coexist, if somehow drilling for oil in this region and the wildlife refuge can coexist, I would like them to think about this.

In the Prudhoe Bay area, we have averaged 500 oil spills a year. From 1972 to 1986, the Alaska Department of Environmental Conservation reported 23,000 spills of oil and hazardous materials on the North Slope. Annual emissions from pollutant on the Northern Slope include at least 4,000 tons of hydrocarbons, more than 6,000 tons of methane gas, 6,000 to 27,000 tons of nitrogen oxides.

If that is not enough, the U.S. Fish and Wildlife studies have reported that the snowfields around Prudhoe Bay have high concentrations of heavy metals such as zinc, lead, and copper. For some of those chemicals, the nitrogen oxides are lethal to wildlife such as in Washington, DC. And we are talking about just an area in Alaska.

If you think drilling in the Arctic Wildlife Refuge can coexist with the refuge, I would also like to suggest we take a look at the even newer Alaskan oilfields which have significant problems with environmental management.

In February 2000, one oil company was sentenced to pay $15.5 million in civil penalties and fines for implementing some of the most serious environmental management programs, and to serve 5 years probation for failure to report illegal dumping of hazardous materials in certain oil wells. They also paid an additional $6.5 million in civil penalties, while its contractor pled guilty to 15 counts of violating the Oil Pollution Act of 1990 and paid a $3 million fine.

A 2003 study by the National Academy of Sciences, which studied the cumulative effects of oil drilling on the Northern Slope of Alaska, documented significant environmental and cultural effects that have accumulated after three decades of oil development on Alaska’s Northern Slope.

So I think we have to tell the President, who say somehow this is going to affect gas prices—and, believe me, we will not see this oil for 10 years, and it is only a 6-month supply, and it will have a minimal impact on markets—it certainly has no guarantee to have an impact on price or supply in the rest of the U.S. market because the oil drilled in the refuge can be exported.

We also ask the question whether the estimates of money in the budget resolution are even valid, whether the numbers are even correct. That is because current law requires that there be a 90–10 split between revenues that go to Alaska and the Federal Government. This budget resolution supposedly recognizes a 50–50 split, which I do not understand how one gets to that conclusion, because it is not current law. In any case, that split means Alaska residents would get $717 per person per year. So I get why it is a great deal for Alaskans. But it is not a great deal for Americans.

Americans need to move ahead and produce a variety of sources of energy supply. I am going to talk about that in a few minutes, but I want to recognize some of my colleagues who also want to speak.

What we need to recognize is that drilling in the refuge only increases America’s reliance on fossil fuel, and that, according to another newspaper editorial in our country, is being recognized by Americans all over. They know that would increase America’s reliance on fossil fuels and do little to limit our dependence on imported oil.

That is what the other side would like to say the debate is about, improving our independence and sources of energy. What do instead is invest in new technologies and change our strategy. We do not need to open a wildlife refuge and continue to depend on something that we know has a very high chance of polluting the environment and harming the wildlife, but get on to investing in the technology that will diversify our energy supply and give us a secure future.

Mr. President, how much time is remaining?

Ms. CANTWELL*. Mr. President, I would like to yield to the Senator from Massachusetts for 10 minutes.
The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 10 minutes.

Mr. KERRY. Mr. President, I thank Senator CANTWELL for her leadership. I regret we are here at this time on the budget. This is a major legislative issue, a major energy policy issue which is being approached through the backdoor. This is the equivalent of the “nuclear option” that is being talked about with respect to judges. This is the “nuclear option” on the Arctic National Wildlife Refuge.

You cannot drill, you cannot have oil exploration and preserve a refuge, nor even a wilderness. The oil companies themselves have said that. They have made it crystal clear. ConocoPhillips pulled out the other day and said they do not want to drill in Alaska. And these companies have had the courage to admit publicly that wilderness and drilling simply do not coexist. But, because of the way this has been twisted through the proper channels of the Senate, there is a new process being put in place to do this on the budget.

It is symptomatic of what is happening in the Congress. The Ethics Committee in the House is investigating whether the rules for Congress are being changed to the benefit of a single Congressmember. Now they are talking about changing the rules for how to get judges. They do not like the rules; change them. This does not belong in the budget. It belongs in a debate on the energy policy of the United States. But even on the merits, every single argument that has been made about the Arctic Wildlife Refuge fails to withstand scrutiny. We have heard that drilling in the refuge will reduce our dependence on foreign oil. We have heard that drilling in the refuge is going to bring gas prices down at the pump. We have even heard that drilling in the refuge belongs in the national budget because of the revenues from the lease sales. We have heard it is the only available location to look for new oil, notwithstanding that the largest unexplored and as yet unexploited area of oil for the United States is in the offshore gulf, not in the Arctic. We have heard the oil industry is eager to do this even though oil industry executives tell you otherwise in private, and several major companies in public have pulled out of the effort.

We say that less than 1 percent will be affected and only 2,000 acres is going to be the footprint. Yet there is nothing containing that 2,000 acres into one contiguous area.

The fact is, that 1.5 million acres will be opened and you could have 20 different sites or 40 different sites of individual drilling. The maps show the roads, the gravel pits, the gravel roads, and other needs of airport, and so forth, to service those particular areas. I would think most of my colleagues would understand that by definition wilderness and an industrial zone do not coincide. By definition they cannot occur next to each other.

In 1960, the Eisenhower administration first recognized the extraordinary wilderness value of the area and it was established to provide a unique wildlife landscape. Building a massive oilfield, no matter how you describe this imprint—we do not have time, unfortunately, to go into great detail, but every description of how this would actually be done defies the notion that this is going to be contained to an area the size of Dulles Airport.

Oil companies want you to think whatever oil may be found in the refuge is in one compact area. But if you go look at the North Slope oilfields west of the Arctic Refuge, that development sprawls over an extraordinarily large area. It stretches across the Coastal Plain.

According to the U.S. Geological Survey, potential oil under the Coastal Plain is not concentrated in one large reservoir but spread across the Coastal Plain in many small deposits. To produce oil from this vast area requires a network of pipelines. Roads will be built. And that will change the habitat of the entire Coastal Plain.

Now, I acknowledge there is new technology. I know we have made progress with respect to horizontal drilling. We all understand that. And it is more efficient. And, yes, it is less harmful than what we have been in the past. But the advantages are extraordinarily exaggerated, particularly with respect to what will happen to the imprints in the Arctic Wildlife Refuge. Even new technology such as directional drilling does irreparable damage. Permanent gravel roads, busy airports are still going to go through the refuge. The wildlife would be irreplaceable.

No matter how well done, oil development has significant and lasting impacts on the environment. The industry itself has said this. British Petroleum has said:

‘‘We can’t develop fields and keep wilderness.’’

And if the facts and the frank admission of an oil company are not enough, colleagues ought to read the National Academy of Sciences study. They should read the Department of Interior study and others who have all come to the same conclusion.

In addition, let me point out that every onshore oilfield on Alaska’s North Slope has permanent gravel roads, every single one, even the original Alpine field predicated to this day as a roadless development. I read Secretary Morton’s article in the New York Times on the weekend talking about roadless development. It isn’t roadless. It has a road connecting its drill sites from the time it began pumping crude oil in the year 2000. In December of 2004, a new road into the National Petroleum Reserve-Alaska, connected the initial oilfield pump to 33 miles of Alpine roads, and BLM predicted 122 more miles are going to be needed for the next phase of Alpine expansion.

Even today this promotion of ‘‘nuclear option’’ is fictitious. It is not going to happen. The roadless concept has not been abandoned. This is what the Bureau of Land Management says:

‘‘Roadless concept has not been abandoned. Roadless development will never mean new roads, only that the construction of permanent roads would be minimized.

How many times do the American people have to listen to clear skies that aren’t clear, healthy forests that are stressed, wilderness and airports? Again and again. The efforts of the Senate ought to be to accelerate that research and development in America. Because with 3 percent of the oil reserves of the world in our hands, including Alaska, you can’t drill your way out of America’s problems. You have to invent your way out of it. And that is not what this bill seeks to do. It is a drilling solution. It is a drilling solution with extraordinarily negative consequences.

The fact is, the price of oil will not drop. The price of energy will not drop. The price of gasoline will not drop. And one of the reasons why is that China, with its 1.2 billion people, and India, with its 1-plus billion people, are all increasing their cars on the roads, increasing their development. That is raising the demand curve to a point that nothing the United States does is going to accelerate our production of oil sufficiently to have an impact.

May I have an additional minute?

The PRESIDING OFFICER. The time of the Senator has expired.

Ms. CANTWELL. I yield the Senator an additional minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KERRY. We should not take the energy policy of the United States and
The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ALLEN. Mr. President, in listening to the debate, I will tell you what people in the real world care about and that is not process. What people care about is how they see them in the hallways, or anywhere across our country, they care about these high gasoline prices they are having to pay. I agree with the Senator from Washington, to some degree, that we do need to emphasize a policy that utilizes the advances of technology. We need more electricity being produced by clean coal technology, propulsion by fuel cell vehicles, and also we need to look at nuclear as a part of the mix, as opposed to natural gas for electricity base-load generation.

Rather than talk about process, let’s talk about reality. The Senator from Massachusetts is talking about process that no one in the real world cares about. But what I understand is my position as a Democrat here is to look at the North Slope, Prudhoe Bay in late November. It was like the dark side of the moon. I also studied this over the years and have seen that Prudhoe Bay has development. I think it is a magnifi- cent engineering feat. In the summer, it is full of mosquitoes, and at other times there are herds of animals that have to be fairly hardy animals to live up there.

So the argument ends up being, gosh, if there is a pipeline, there will be a gravel road. All of what happened in Prudhoe Bay has not had an adverse impact on the animals up there, or the mosquitoes, and if there is a gravel road in an area the size of Dulles Airport in a refuge the size of South Carolina, a few gravel roads won’t have much impact. I know the occupant of the Chair, who is from South Carolina, knows that doesn’t stop deer in his State. It certainly doesn’t stop any other animals, either.

The reality is we have high gas prices, gasoline, and natural gas. It is affecting our travel and people in their homes. There are three reasons this amendment needs to stay and we get this revenue from this production. No. 1, security. We are overly dependent upon foreign sources of energy. We are being jerked around and sitting here reading e-mails to see what OPEC is going to do. Are they going to increase production by a few hundred thousand barrels a day? What have they? Yes, other countries, such as India and China, are taking coal and taking energy, such as oil.

But the point is we should be less dependent and reliant for our own security on OPEC and Venezuela and all these different countries, primarily in the Middle East, for our own security. We are presently 58-percent dependent upon foreign oil. It is going to go up to 68 percent in the next 15 years. That is the estimate. Second, this is for jobs. Jobs will be created. Hundreds of thousands of jobs in everything from manufacturing, mining, trade, services, construction, and others. It is going to have an impact mostly on Alaska, but also across the country. That is good for our country as well.

Talking about this being Yellowstone and would not open up exploration at Yellowstone. Nobody is suggesting that. The west coast of Florida, the people there, if they want to have a reasonable distance from oil production that doesn’t draw the line all the way to Mississippi and Louisiana, respect the will of the people of the west coast of Florida. If the people of Charleston, SC, don’t want drilling off the coast of South Carolina, we ought to respect those people. If we have been chairman of the Republican Senatorial Committee, looking at poll after poll last year, it is amazing how uniform the support is among the people of Alaska—Democrats, Republicans, Indians, Eskimos, and even in the sub-categorized liberals; liberals in Alaska are in favor of this pipeline. They understand it can be done in an environmentally sound way. It means jobs, revenues. And for the people of Alaska, the same way as Florida and Hawaii, this means energy security.

Finally, in addition to security and jobs, there is competitiveness. This country needs to have a reliable, affordable source of energy, whether that is oil or natural gas. Many fertilizer and chemical manufacturers, paper, plastic—even in Danville, VA, where they manufacture tires at a Goodyear plant, they are concerned about the skyrocketing costs of natural gas. Natural gas is available in other countries around the world at a more affordable price. They are competing to get Air- bus airplane tires. They got the contract, but obviously tires can be made in Southeast Asia, or elsewhere in the world.

It is important for our competitive- ness that we have a more stable and affordable energy supply. So I ask you all, my colleagues, to do what is right for the security of our country and jobs for Americans and, most important, for the competitiveness of our country. Support what the Budget Committee has done. Let’s use those resources on the North Slope of Alaska for American job security and competi- tiveness and do what is right by the people in the real world, who would like to see us act, as opposed to worry- ing about what people in OPEC say about our gas price.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I yield 5 minutes off the resolution to the Senator from Massachusetts so he may be able to answer the questions that were put to him.

Mr. KERRY. I thank the Senator from North Dakota. I would like to take 1 minute to say something about what I heard, because the Senator from Virginia tried to minimize the impact of what would happen out there. Let me read what happened from the Clean Air Act Violations in 2004:
The Alaska Department of Environmental Conservation imposed an $80,000 civil penalty on ConocoPhillips for Clean Air Act violations in the Alpine oil field. In addition, over 2.3 million gallons of drilling mud—toxic, manmade fluids pumped into wells—disappeared into the Colville River in 1998. The following year, 26,654 gallons of hazardous drilling fluids spilled at the Colville River pipeline crossing.

Oil industry activities for the Alpine fields caused 170 spills, totaling 36,000 gallons of hazardous substances by 2004, and that is according to the Alaska Department of Environmental Conservation.

So this is not without harm. I stand by what I said about this being a violation of the rules, going outside the rules. I ask the Senator from North Dakota if that is not correct, that under the budget reconciliation rules, reconciliation is for the purpose of deficit reduction?

Mr. CONRAD. Mr. President, I would say, in answer to my colleague, my own belief is whatever one’s views on opening the Alaska national wildlife refuge for exploration, whatever one’s views are, my own belief is this is an inappropriate way to reach that policy conclusion.

The Senator is correct. Reconciliation is a process outside normal rules of the Senate. Reconciliation takes away from every Senator their most fundamental right, and that is the right to unlimited debate, the right to have an amendment, and the right as a member of the minority to resist the passage of legislation.

Reconciliation is a fast-track procedure that was put in place to try to address what was then record budget deficits. It was an attempt to provide a special protected procedure, not for the purpose of making policy changes that were incidental to the budget process but that were central to the budget process.

I do not think there is much question that this is a policy change being put in reconciliation that is incidental to the budget process. It is an attempt to change legislative policy that is far beyond an attempt to effect budget policy. For that reason, I personally believe, whatever one’s views on ANWR, that this is an abuse of the process.

Mr. KERRY. I thank the distinguished Senator. If I could also ask him one further question, according to the expectations of drilling, the time it will take and when revenues would flow to the United States, there will be no revenue that will flow from this legislation that will reduce the deficit; is that correct?

Mr. CONRAD. I do not have before me the anticipated flow of revenue.

But, really, that is not so important as the fundamental underlying question: Is this an attempt to do something by way of a policy change that is merely incidental to the budget process? I think one would have to answer: Clearly it is. That makes it an abuse of the process.

Reconciliation, again, for my colleagues, was designed to be used for deficit reduction. This cannot be seen, seriously, as a deficit reduction plan.

Mr. KERRY. I thank the Senator. This is not a deficit reduction plan. That is the fundamental choice here.

For those colleagues who are wondering about this, who wonder about it, this is a precedent. Some people around here may take these precedents casually and the moment may seem very opportune. What goes around comes around. Someday these folks over here may be in the minority and they will wish that these rules played by properly. That is really what is at stake, not just the issue of the Arctic Wildlife Refuge but how the Senate is living up to its own standards and its own rules.

I thank the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Alaska.

MS. MURKOWSKI. Mr. President, I yield 10 minutes from our side to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 10 minutes.

Mr. INOUYE. Mr. President, during the past several weeks, my office and I have received hundreds of letters, telephone calls, e-mails, most of them condemning drilling in the Arctic National Wildlife Refuge. Some were threatening. Some were very sensitive. I would like to take this opportunity to respond to these letters and telegrams and e-mails.

I do this with mixed feelings because I am well aware that the majority of my colleagues on the Democratic side are not with me and that I may be one of the very few in that regard. But I have taken this position for many years. This is not the first time. So I think I have a few things I would like to share with you.

Last night, I watched a television ad put out by people who are not for the drilling. If one looked at it objectively, you got the impression that the drilling would be done in all of Alaska. It showed pristine scenes of wildlife, of plants. You could not help but feel, my God, are we going to destroy all of this?

How large is ANWR? As the Senator from Virginia stated, it is about the size of the State of South Carolina. The area that will be set aside for this drilling would be about 2,000 acres—2,000 acres out of 19 million acres.

Put another way, if ANWR were the size of a page of the Washington Post, and you put something on it about a square quarter inch, that would be about the size of the drilling footprint of ANWR.

We are not devastating the State of Alaska. We are not devastating ANWR.

This debate has gone on for a long time. Many of the debates centered around the statements of an Indian tribe, the Gwich’in. The Gwich’in village at one time offered their lands for lease to drill and develop oil. They had no conditions to it. They said just go ahead and drill on our land, and we would like to have that done. But when the test drills were made and they found that there was no oil or gas, then, suddenly, the Gwich’in found themselves in opposition.

There are 230 Indian tribes and tribal villages in the State of Alaska—230. One tribe is against it, the Gwich’in tribe. For the past 15 years I was chairman of the Indian Affairs Committee. My mandate from my colleagues was that we should listen to the Indians. Mr. President, 229 tribes said yes, we want it. One tribe said no.

The Gwich’in have cousins on the Canadian side, and the Canadian side government land is being used at the same time, and they seem to be happy.

The question comes up, how many barrels will ANWR produce? The U.S. Geological Survey suggests that ANWR has between 5.7 billion and 16 billion barrels of oil, an average of about 10 billion barrels. The site will produce an additional 876,000 to 1.6 million barrels a day. This makes it the single greatest prospect for future oil production in the United States. The site can produce over 36 million gallons of much needed gasoline, jet and diesel fuel and heating oil. To put this in perspective, while ANWR can produce 1.6 million barrels a day, Texas and California each offer about 1 million barrels.

Development of ANWR alone will reduce U.S. dependence on foreign sources by 4 percent. Some would say: 4 percent, that’s not much. Tell that to the driver who has to go to the pump today and pay that extra price. Four percent makes a big difference.

But equally as important, I have heard many of my colleagues suggest that the war in Iraq is a war on oil. If we believe so, why don’t we produce our own oil so we don’t have to fight for it?

I close by sharing with you something that happened many years ago when the Trans-Alaska Pipeline was being debated. It was a long time ago, and most of the Members of the Senate were not here at that time. Dire predictions were made. Environmentalists came forward and said: You are going to destroy Alaska. The caribou herd will be demolished and diminished. They will become extinct.

Those are the words that we heard. At the time the Congress authorized the Trans-Alaska Pipeline, there were 20,000 caribou. Today, we have about 12,000 caribou. Instead of diminishing the herd, the pipeline apparently has helped them. But this is not a debate on the pipeline, it is a debate on ANWR.

I hope my colleagues will give this opportunity to the people of Alaska. When 229 out of 230 tribes tell me they want it, I am ready to respond, sir.
Thank you very much.

The PRESIDING OFFICER. Who yields time?

Ms. MURKOWSKI. Mr. President, I yield 5 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. THUNE. Mr. President, I thank the Senator for yielding.

How high do gas prices have to get? How over a barrel does OPEC have to get us to depression that we have an energy crisis in America today? We have gas prices that continue to soar. We have supply problems because we rely on the geopolitics of the Middle East.

Earlier this month, I was glad to join Energy Secretary Sam Bodman, Interior Secretary Gale Norton, and four of my colleagues, including the Senator from Alaska, to discuss Alaska’s energy future. We discussed the Arctic National Wildlife Refuge, it is a big place. Alaska is 386,000 square miles. My home State of South Dakota is 77,000 square miles. We think we have a lot of wide open space in South Dakota. But you can imagine if we generate 386,000 square miles of the State of South Dakota into the State of Alaska.

If you look at Alaska in its totality and look at what we are talking about in terms of the exploration and possible production in ANWR, it is 19.6 million acres. Eight million acres of that is wilderness. The area we are talking about for development and exploration is 1.53 million acres.

Furthermore, the area that would be used under the legislation limits it to 2,000 acres.

That is the equivalent in South Dakota terms of about three sections of farmland in an area that is 19.6 million acres in a State that is 386,000 square miles. So what would put seven of the State of South Dakota.

We had the opportunity when I was up there to look at technology. It is remarkable what has transformed over the last 30 or 40 years. You probably can’t see it on the map, but Prudhoe Bay technology is 1970s vintage technology compared to 1980s vintage technology. We went to a site called the Alpine site, which is the millennium technology. The changes that have taken place are dramatic, and the way it has evolved minimizes the impact and the footprint that is left. In fact, at the Alpine site, there were 97 acres, which included the runway where they land the planes to provide their supplies and the lake they get their water from. They are generating 120,000 barrels of oil a day on 97 acres. Why? Because the technology allows them to go underground, to drill horizontally, and to drill directionally. It minimizes the impact above the ground.

We saw where they use ice roads for exploration to get back and forth. In the winter, the roads disappear. Below the frozen tundra is the single largest and most promising onshore oil reserve in America—somewhere between 6 billion and 16 billion barrels of oil. The average of that would be 10 billion barrels.

How much is that? A million barrels a day that we could add to our production in this country. That is 5 percent of what we use—20 million barrels a day in the United States. We get 10 million barrels a day from outside the United States.

This would lessen our dependence on foreign sources of energy.

Put another way, it could power the State of South Dakota for 499 years.

We are talking about a significant resource that we need because America is facing an energy crisis.

Gas is over $2 a gallon. A barrel of oil is near record highs. Make no mistake about it, America’s energy crisis is an ecotrophic crisis that impacts every American. This country needs energy legislation which fosters more oil production and increases the alternatives, such as renewable fuels and ethanol that we produce in my home State of South Dakota.

I hope we can get a comprehensive energy bill that increases the use of ethanol in this country. Right now, we do about 3.5 billion gallons a year in ethanol, but we use 120 billion gallons a year of gasoline in this country. It has to come from somewhere.

Right now, we are paying all the money to the folks in the Middle East who have gotten us over a barrel. We need to change that. We need to reduce our dependence on politically unstable foreign sources of oil.

Specifically, the United States imports about 3 million barrels of oil a day from the Persian Gulf. The estimate of the daily domestic supply from ANWR would reduce that number by half.

Passing this legislation will reduce America’s dependence on foreign sources of oil, strengthening our economic security, our energy security, and strengthening our national security.

When I was in the House, we passed an energy policy, but it got stuck in the Senate.

We have an opportunity to finally finish the job that the American people sent us here to do and to reduce our dependence on foreign sources of oil.

Listen to the people of Alaska. Mr. President, let’s see the photographs because we need to see this dark side of the Moon.

The first thing we see is the porcupine caribou herd, the mother and the little calf. Quite beautiful. It does not look much like the dark side of the Moon. In fact, the U.S. Geological Survey Biological Resource Division found the porcupine caribou herd may be particularly sensitive to oil development.

Let’s look at the effects on the caribou and other animals, including the polar bears. This is my favorite photograph taken by a wonderful photographer who spent 18 months in the wildlife refuge. It does not look much like the dark side of the Moon to me. The U.S. Geological Survey Biological Resource Division found the porcupine caribou herd may be particularly sensitive to oil development.

Millions of migratory birds—over 130 species—journey to our States, so our States will be impacted. To me, this is a God-given environment. With all the talk about faith, if you do believe, as I do, that these are gifts, then we have to be careful in what we are doing here today.

I hope my colleagues here today will join with me and with those in the past who have supported this and vote for this so that we can begin the process of lessening our dependence on foreign sources of energy.
My friend from Alaska says we are going to do this very sensitively. They were very sensitive at the Exxon Valdez. They were very sensitive in Santa Barbara when we had the unbelievable oil spill that led to, actually, the very first Earth Day because it was so devastating for what happened. We know that the economic activity that comes from oil drilling is going to have an impact. So anyone who tells you anything else simply is thinking in a wishful fashion. We are alive today, we see with the spills that’s be careful what we are doing. If this is something that will make us energy independent, that is one thing. But the fact is, it won’t.

Let’s look at some of the scenes because there was talk about how barren this area is. We will look at some of the landscapes because it is important to look at this and decide for ourselves if it is worth risking this for 6 months’ worth of oil.

This is along Marsh Creek in the coastal plain, in the very area they say is completely barren. One of my colleagues said it only looks that way for a few weeks. Well, it certainly looks that way at a point in time. When I sent off a legislative assistant up to that area, she was over- come. I went to Alaska. It is true there are other magnificent areas of Alaska, but this is one of those beautiful areas.

Here is the issue. The oil companies are backing out. They do not want to be involved in this controversial area. Many have already backed out. BP, ConocoPhillips, and ChevronTexaco have pulled out because they know what they are walking into here, and they don’t want to drill it. It may be that even if we get the vote, no one will drill there. We are not sure of that. Why is this happening? I say it is happening because if they could open this area, they can open any area. Don’t take that word for it; you can take the Bush administration’s word for it. That is what they have said in essence. They admits it.

The PRESIDING OFFICER. The Senator’s time has expired.

Mr. CONRAD. I alert my colleagues of the time situation. I gave 10 minutes off the resolution to Senator Cantwell to control to even up the two sides. Here is the problem: I only have 3 minutes left on the resolution before the 1 o’clock vote. I would be happy to give the Senator from California 1 of those 3 minutes.

Mrs. BOXER. Here is the point. This area was set aside by a Republican President who found it to be most pristine. We understand there are certain times in this Senate when we do something as radical as this, which is to open up a wildlife refuge, we may want to have a few more votes. That is kind of the rules of the Senate. They are doing a backdoor, so they may get 51 votes, and with 51 votes they open this—for what, maybe 6 months’ worth of oil. If we close the SUV loopholes, if we said over time they should get the same mileage as cars, we would have seven ANWR fields over 40 or 50 years. We do not need to do this. If you believe this is God-given land, let’s protect it. At the end of the day, that is our job. I hope we get the votes. If we do not get them today, this will be a big issue out in the country. I hope the oil companies will continue to walk away from this because clearly it is very controversial to go into this pristine area.

I yield the floor.

Mr. LOTT. I have an inquiry.

The Senator from Washington has 5 minutes she was going to use. I was under the impression that the Senator from Washington had 5 minutes.

The PRESIDING OFFICER. That is correct.

Mr. LOTT. If she is willing to wait, I ask unanimous consent I be yielded 10 minutes off the underlying resolution.

Mr. CONRAD. Reserving the right to object, let me make certain I understand the request. The problem we have, I say to the Senator, all of the time has been allocated. Maybe there is some additional time you have on your side. We have asked in a 1 o’clock vote, and if you add the time for the veterans amendment and the ANWR amendment, there is 2 minutes remaining before 1 o’clock to come off the resolution.

Mr. LOTT. If I could, I understand there is a substantial amount of time on the underlying resolution. I was hoping to speak not just on ANWR but also on NIH and Amtrak. I thought it should come off the underlying resolution, not just Amtrak, and I have been sitting here for almost an hour. I thought, with the flow back and forth between supporters and opponents of the amendment, that it would be appropriate I be allowed to speak at this time.

Mr. GREGG. Mr. President, how much time do we have on the resolution on our side before we get to the 1 o’clock vote?

The PRESIDING OFFICER. There is 24 minutes 53 seconds. There is 4 minutes of unexpired time on the resolution before 1 o’clock.

Mr. GREGG. And we have coming up 45 minutes on the two veterans amendments.

The PRESIDING OFFICER. That is correct.

Mr. STEVENS. Will the Senator yield?

The Senator from Washington has already taken 10 minutes off the resolution on this amendment.

Mr. CONRAD. If I might, I gave time off the resolution on our side, but I was very careful to check with the time-keeper that there was time that would not impinge on the 1 o’clock vote. That is the problem we have.

Mr. STEVENS. But it still unbalances this time. I ask unanimous consent I have 10 minutes, equal to the Senator from Washington, off the resolution.

Mr. LOTT. Mr. President, I believe it was my request that is pending.

Let me make a couple of observations. First, whenever Senator Stevens wishes to speak, I will defer to him. Second, since we only have 4 1/2 minutes of time, I would be willing to take just 4 1/2 minutes to speak only on ANWR and come back on the other issues at another time.

I amend my request to ask that I be allowed to take this 4 1/2 minutes if it is off the resolution so I can address this issue.

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

Mr. STEVENS. I have a pending request, also.

The PRESIDING OFFICER. The Senator from Mississippi has a request, and the request is to be recognized for 4 1/2 minutes. Does anyone object?

Mr. CONRAD. Off the resolution. And that uses all the time until 1 o’clock.

The PRESIDING OFFICER. That is my understanding.

Mr. CONRAD. I do not object.

Mr. LOTT. Parliamentary inquiry. Could I inquire, has Senator Stevens’ time already been identified before this 1 o’clock vote?

The PRESIDING OFFICER. He has made the request.

Mr. LOTT. Has not been—

The PRESIDING OFFICER. He has made the request. The Senator has been recognized for 5 minutes on the ANWR amendment. But as the Chair understands it, the Senator from Alas- ka is asking to speak for 10 minutes before 1 o’clock and the time be taken off the underlying resolution.

Mr. GREGG. Mr. President, as a way to resolve this, I ask unanimous consent that Senator Stevens be given 10 minutes off the resolution and that the vote occur at 1:10.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Mr. President, reserving the right to object, and I will not object if I get the assurance that is the last agreement I will enter into because we are rapidly running out of time on the resolution. We have spent a great deal of time on this matter. Certainly in recognition of Senator Stevens’ long service, and his intense interest on this issue, we will agree to that one moving back of the vote.

The PRESIDING OFFICER. It is the Chair’s understanding we will proceed as follows: that the Senator from Mississippi will speak for 4 minutes, that the Senator from Alaska will be given 10 minutes, and the vote will be at 1:10, and the Senator from Washington has 5 minutes to be taken off the underlying resolution yet to be used. Is that correct?

Ms. CANTWELL. Mr. President, then how much time remains on the ANWR debate for both sides?

The PRESIDING OFFICER. There is 17 minutes 4 seconds for the minority; 24 minutes 53 seconds for the majority.

Ms. CANTWELL. Thank you.

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

The Senator from Mississippi.
Mr. LOTT. Mr. President, I am glad I could assist the Chair in clarifying the time at this point. This is a very important issue. It is time, I agree, we should get it resolved. I think it should be resolved with a majority vote. We can argue over the rules as long as we like. But, to me, this is a critical issue. It symbolizes what we are going to do about the future in the energy area.

I do not have some beautiful picture I am going to show today. If I were going to show one, I would show one of my children. Are we going to have energy production in our country or not? Are we going to continue to put various areas off limits where we cannot have more production? There are some people, I guess, in this institution who think we can conserve ourselves into an energy policy.

We need to produce more oil, more natural gas, more coal with clean coal technology, hydropower, all of it, and have conservation and alternative fuels. We need to produce this oil in Alaska, or natural gas, or whatever it is up there.

When I came to the Senate, I spent some time talking to the experienced hands around here, and I asked about how to deal with different issues. One of the things I was taught by my predecessors here in this institution is you pay attention to the Senators from their State when it is an issue involving their State.

This is an issue that is supported by the two Senators from Alaska, supported by an overwhelming number of people in that State. It is supported by the Native Americans in that State. This is the right thing to do from their standpoint. I do not understand why Senators from Massachusetts and Washington and Maine are trying to dictate what should happen in this area in production that we need as a country. I am absolutely floored by all of this.

I think it is time we consider what is for the good of the overall country and get over all these dire threats of doom of what we might do if we haveexploitation in this very limited area. And, ladies and gentlemen, it is about jobs. It is about revenue. Why do you think most of the unions are supporting this? They were in my office today saying: We are for this, because they understand it would involve jobs. They understand it would involve more revenue, come into the Federal Treasury. They understand it is about energy independence.

When are we going to learn? The price of a barrel of oil is $54 a barrel. Gasoline is somewhere close to $2 a gallon. In some areas as much as, I think, $2.16 a gallon. Venezuela made it clear recently they would like to cut us off completely. We are dependent on a very volatile area of the world for our oil supply. Probably about 60 percent of our energy needs is supplied by foreign oil.

Even in this remote area of Alaska we are saying we cannot produce more oil and gas. Who is going to lose if we do not have energy sources? We are going to have it in my State. We are going to produce our own oil and natural gas and coal. We are going to have excess power. By the way, if they are willing to pay for it, we will be glad to produce it. If we are going to have energy production in Massachusetts and Connecticut we will share.

But I will tell you, if we do not have oil and gas and coal to run our powerplants, the electricity is going off. It is something America get serious about this issue. We should vote down this amendment. I commend Senator Judd Gregg and the Budget Committee for taking this action. I think we should do this if for no other reason than because of support for the Senators, particularly Senator Stevens, who has spent a career trying to do the right thing for Alaska. Who has done more for conservation and environmental issues in Alaska than Senator Ted Stevens? Nobody. We should have a possible plea for this. So I hope we will do it. It is the right thing to do. We should do it in his honor.

I thank my colleagues for giving me this opportunity to vent a little bit. I am amazed at the irresponsibility of this Congress and the previous Congress and the American people to a degree in the energy field. We want it, but we do not want to do anything to produce it. So I hope maybe this will be a vote tomorrow when we vote to defeat this amendment, that we are finally getting serious about more energy production in this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Ms. CANTWELL. Mr. President, if I could take a few moments to point out that this Senator certainly wants America to move forward with the development of new energy supply. In fact, the word debate should be about supply and not recognizing revenue in the budget for an ill-conceived project in a wildlife refuge.

We can get as much supply or more by doing the Alaska natural gas pipeline. That natural gas supply would save 6 billion barrels over 10 years; use of off-the-shelf renewables and energy efficiency technologies, 4.9 billion barrels in the next 10 years; increasing use of ethanol in our gasoline, 5.1 billion barrels over 10 years; retread tires in inflation and automobile maintenance—you don’t have to come up with a new place to drill—5.4 billion barrels; increasing automobile fuel efficiency standards, 10 billion barrels. So we certainly are about supply; we are just for a cleaner supply. Why are we for a cleaner supply? Because if you look at it, and you compare the various proposals I have outlined with drilling in the Arctic Refuge, you get increased pollution from oil drilling, increased CO2 levels, you impact Federal lands, and I don’t believe you are going to have any immediate impact on our country’s energy resources. These other actions I have outlined actually decrease pollution levels. Those are the actions we should be taking, not refuge drilling.

Now, a lot has been said about gasoline and gasoline prices. We ought to be investigating why gasoline prices are so high, not accepting that we are going to have to be more dependent on foreign oil. In fact, a recent attorneys general office statement stated that gasoline producers marked up prices 152 percent between January and March 2003. In the first 3 months of 2003, average gasoline prices increased 57 cents in California alone.

A trade industry magazine talked about the peculiar incidence of exporting distillate. That is taking our supply and exporting it. What does that do? It decreases the supply in the United States, and it increases the spot market prices at refineries. There is nothing in the budget resolution that guarantees we are going to lower gasoline prices.

The PRESIDING OFFICER. The Senator from New Hampshire may be recognized for 5 minutes.

Mr. FEINGOLD. Mr. President, I rise today to express my strong support for the Cantwell amendment to strike the reconciliation instruction to the Energy Committee that allows for drilling in the Arctic National Wildlife Refuge. I first thank Senator Cantwell for her tremendous leadership on environmental issues in general and especially her strong leadership on this very important environmental issue.

The other side can say what they want when they have the time. The fact is, this provision is an abuse of the reconciliation process. Yes, it is. The Senator from New Hampshire may be right that it is technologically not a violation of the rules of the Senate, but it is an abuse of the process. It is what you do when you get frustrated. You can’t win under the normal rules, 60 votes, the way we have debated this issue year after year. You get frustrated and you say: Here is what we will do. We will use a revenue assumption in the budget so we only have to have 51 votes.

We should be debating this issue when we take up the Energy bill rather
than engaging in a backdoor maneuver on the budget resolution. I feel strongly, as a Senator who has always worked on a bipartisan basis year after year on the budget and the budget rules, that this one is over the line.

The problem is evidenced by the speculative nature of the revenue assumptions from drilling in the Wildlife Refuge. A February 21, 2005 New York Times article about the refuge quotes a Bush adviser as saying that “even if you put the revenue back in the piggy bank for, they wouldn’t want to drill there.” He continued: “No oil company really cares about [the Arctic refuge].”

British Petroleum, ConocoPhillips, and Getty have all pulled out of the pro-drilling Arctic Power lobbying group. BP abandoned a test well right next to the Arctic Refuge because of a lack of production. ChevronTexaco has moved its executives from Alaska to Houston. A Halliburton official said his company is planning to move its executive offices from Alaska to Texas because “enthusiasm of government officials about ANWR exceeds that of the industry” and “evidence about ANWR is not promising.”

CBO concedes it did not address the oil industry’s interest in drilling in the Arctic Wildlife Refuge in its projections. So these projections don’t add up. Authorizing drilling in the Arctic Wildlife Refuge through the budget process is simply the latest in a series of abuses of Senate procedures, and I believe the American people know it.

This is a backdoor scheme for drilling because the drilling proponents don’t have enough votes to deal with this issue in the Energy bill. The public doesn’t want it; major oil companies don’t appear to want it; and it does not belong in the budget resolution.

The proposed transfer of revenues from drilling in the Arctic Refuge to fund pork-barrel appropriations is, on its face, also an accounting gimmick. The President’s budget zeroed out the State recreation grant program of the land and water conservation fund and reduced Federal lands acquisition funding in the Energy bill by one third in 10 years. To further erode our environmental protections by drilling in this pristine wildlife refuge to generate public revenues for these important conservation programs underscores the administration’s insincerity in claiming to support conservation.

Even if you think we should drill in the Arctic Refuge, this is not the time or place for this debate. If we can contort the budget process to authorize drilling in a wildlife refuge, why couldn’t we use the budget process to allow drilling off the coasts of Florida or California or the Carolinas or the Great Lakes? When you abuse the budget process in this way, it invites even greater mischief down the line and undermines the very purpose for which these procedures were established.

We should not abuse the budget and the budget reconciliation process, as one of our colleagues put it years ago, “in order to be immune from unlimited debate.”

Allowing oil drilling in the Wildlife Refuge which many of us believe should be protected as pristine wilderness is too important an issue to be handled in this way. We should have this debate in the open during an energy debate, not a debate on the budget resolution.

Therefore, I will vote for the Cantwell amendment and urge my colleagues to do the same.

Mr. LEAHY. Mr. President, I rise today to express my strong support for Senator CANTWELL’s amendment to the budget resolution protecting the coastal plain of the Arctic National Wildlife Refuge. Senator CANTWELL’s amendment aims to strike a controversial provision that effectively paves the way to allowing oil and gas exploration in one of our Nation’s most pristine and unique wild places. This is a common-sense amendment, which upholds the will of the American people in preserving this remote area. I urge my colleagues to join me in supporting it.

There is a strong consensus among all of us here, on both sides of the aisle that decisive steps need to be taken by this Congress to secure our Nation’s future energy needs. We know that energy demands are not only in our own country but around the world, especially in nations such as India and China. We also know that there are grave national security implications for remaining reliant on foreign oil. And we know from our constituents, many of whom are struggling to heat their homes this winter, that the price of oil remains disturbingly high.

Drilling proponents want us to believe that resource exploration in the Arctic Refuge will be a one-stop solution to these critical energy challenges and that by doing so we will be closer to securing our future energy needs. This insinuation is flat wrong. Even drilling proponents concede that any recoverable oil that the coastal plain would yield would not reach world markets for at least another 7–12 years. This will do absolutely nothing to help my constituents who have sticker shock at the gas pump or are seeing record home heating prices today. Even during peak production, expected around 2025, the amount of oil from the Arctic Refuge would reduce American imports by only around three percent according to the Energy Information Agency.

None of us believe that the price of oil remains disturbingly high.

On numerous occasions I have come to the Senate floor urging my colleagues to adopt real solutions to our Nation’s pressing energy challenges. We should be increasing the nation’s fuel economy standards, which have remained unchanged for over 10 years. We should also be making a stronger commitment to the development of renewable energy and energy conservation technologies by offering tax incentives to help put more energy in consumers’ hands.

It is mind-boggling to me that drilling proponents have provided so little leadership in forwarding these policy solutions. Instead they continue to offer the American people a false choice between environmental protection and energy security.

In another bold move, the administration has tried to sugarcoat oil development in the Arctic Refuge by massively inflating the projected revenues from anticipated lease sales there. The administration claims that lease sales will generate $2.5 billion in revenue in 2007. To get to that amount, leases would have to sell for between $4,000 and $6,000 per acre. In comparison, leases on the North Slope of Alaska have averaged only $50 per acre over the last 20 years. When I questioned Interior Secretary Norton about this discrepancy, she could not explain how the administration got to its $2.5 billion estimate. What Secretary Norton and the administration don’t want to acknowledge is that these revenues are disturbingly inflated. They also don’t want to admit that these revenues have lost interest in drilling in the refuge. Only one company is still a member of the lobbying group pushing for this provision in the budget resolution. The fact is that there are other places in the outside United States where it is cheaper to drill and where the environmental impacts are far less.

So why are we here today? Opening the refuge will do nothing to help reduce gas prices. It will do nothing to make us less dependent on foreign oil. Most oil companies are not asking for it. I can certainly tell you that Vermonters do not want to see this special place developed. In Vermont, we cherish the natural resources of our state. We cherish the special resources of this country—Yellowstone, Acadia, the Grand Canyon. I would put the Arctic Refuge on the same level as these national treasures.

Let me make clear though. I do not oppose energy development in this country. But not here, not in the Arctic Refuge. It’s time to put this issue behind us and devote our time to working together on a sustainable, reliable energy supply for the future.

Mr. REID. Mr. President, I rise today in support of the Cantwell amendment to strike the language in the budget resolution that would allow oil drilling in the Arctic National Wildlife Refuge.

The decision whether or not to allow drilling in the Arctic National Wildlife Refuge is a defining moment for national energy and environmental policy.

This debate reflects two divergent views of our Nation’s values and future.

We have a choice: either we can continue building oil wells in environmentally sensitive areas, or we can broaden our Nation’s energy base while honoring our commitment to our natural heritage.

Instead of diversifying our energy supply, investing in new energy technologies and promoting energy efficiency, the Bush administration’s priority is to look for the next domestic oil field.
No matter how clever they view this backdoor scheme to insert this proposal into the budget, the proponents of drilling in the Arctic Refuge cannot escape the facts.

The Arctic Refuge is home to an unparalleled diversity of wildlife including 130 species of birds, caribou, polar bears, musk oxen, grizzly bears, and wolves.

Estimates show there may be only 6 months to winter, and it would not be available for 10 years.

The three largest oil companies in Alaska have stated they are not interested in drilling in the Arctic Refuge.

This proposal will do nothing to reduce the price of gas at the pump and will do nothing to make our country more energy independent.

This issue is too important to the public and to future generations to be snuck through in the budget bill. It should be brought to a vote on its own merits.

Supporters of oil drilling will not stop at the Arctic Refuge. The White House and its allies continue to push to drill in the Arctic Refuge because they believe it creates momentum to drill in other environmentally sensitive areas in the Rocky Mountains and off the coasts of California and Florida.

Ninety-five percent of Alaska’s North Slope is already open to drilling and exploration. The last 5 percent—the Arctic Refuge—is the only wild stretch of Alaska’s North Slope that remains off limits.

America produces just 3 percent of the world’s oil, yet we consume 25 percent of that supply.

The answer to our energy challenge will not be found in the Arctic Refuge. It will be found in our willingness to encourage American innovation and break the habit of spiraling energy consumption.

We have met this test in the past. In the 1970s, Congress increased fuel efficiency standards and began to encourage the development of renewable fuels.

Today, those fuel efficiency standards save our country the cost of three million barrels of oil every day, and renewable energy technologies produce the equivalent of the oil we currently import from Iraq daily.

I believe we have a moral responsibility to save wild places such as the Arctic Refuge for future generations. Our national wildlife refuge, and wilderness systems are a living legacy for all Americans, present and future, and are widely envied and emulated around the world. The Arctic Refuge is one of the greatest treasures. It should be protected.

I urge my colleagues to vote for the Cantwell amendment to strike the language to allow drilling in the Arctic National Wildlife Refuge.

Ms. STABENOW. Mr. President, I rise to speak in support of the Cantwell amendment.

First, as a member of the Senate Budget Committee, I strongly believe that the Arctic Refuge language does not belong in the budget bill and I am deeply concerned about the precedent this sets. The Arctic Refuge provision in the budget resolution provides special reconciliation protection to a measure passed by one major policy of this Congress. This is wrong and an abuse of the budget process. Reconciliation was designed to help Congress pass a large package of measures to reduce the deficit, not to be used to resolve one major policy of this Congress. If this provision is allowed to stand, those who advocate drilling in Alaska could pass a bill opening up Arctic Refuge and we would not be able to offer amendments to increase our use of renewable fuels unless we got 60 votes. This is unfair and would not allow for a full debate on energy and environmental policy like we had in last Congress.

Now let’s talk about the facts when it comes to drilling in the Arctic Refuge.

First, the Arctic Refuge would provide a 6-month supply of oil—which would not be available for 10 years. This is not a significant amount but it is the only one based on nonpartisan scientific analysis of this issue. According to the 1998 U.S. Geological Survey study, there is estimated to be 3.2-5.2 billion barrels of economically recoverable oil in the Arctic Refuge. This is equivalent to the amount of oil the U.S. consumes in about 6 months. According to the nonpartisan Congressional Research Service, production from the Arctic refuge would not even come on line for 10 years or more.

The Arctic Refuge would not affect current oil or gasoline prices. The price of oil is a world price and is largely determined by the international market. Ninety-five percent of Alaska’s North Slope is already open to oil and gas drilling. Ninety-five percent of the potential oil reserves of Alaska’s North Slope are already designated for potential leasing or open to exploration and drilling.

The last 5 percent—the coastal plain of the Arctic Refuge—is the only wild stretch of the coast of Alaska’s North Slope that remains off-limits. Established by President Dwight Eisenhower in 1966, the Arctic Refuge remains the only conservation area in North America that protects a complete range of arctic and sub-arctic landscapes.

The Arctic Refuge would not reduce U.S. dependence on foreign oil. According to the Energy Information Administration, EIA, the independent analytical agency within the Department of Energy, drilling in the Arctic Refuge is projected to reduce the amount of foreign oil consumed by the U.S. in 2020 from 62 to 60 percent—only a 2 percent decrease! Drilling in the Arctic Refuge will not make a dent on our dependence on foreign oil.

One of the arguments I have heard from across the aisle is that drilling in Arctic Refuge would create jobs. My home State of Michigan currently has the second highest unemployment rate in the country. There is nothing more important that I would like to see on the Senate floor than a bill to create jobs and I would vote wholeheartedly for such a proposal. But that’s not what we have before us now.

We are not debating a well-funded highway bill that would create jobs. Last year’s Senate bill would have created over 830,000 jobs across this country—99,000 jobs in Michigan alone—but it died in conference because of the Bush administration’s opposition.

We are not debating the rising cost of health care and how it’s hurting our manufacturers. In 2003, General Motors, the largest private purchaser of health care in the world, spent more compensating 1.2 million individuals than it did on steel.

We are not debating how to stop Chinese currency manipulation which unfairly taxes our U.S. goods overseas, and is forcing our American manufacturers to close their doors.

We are not even debating the construction of the Alaska natural gas pipeline which would create more than 400,000 new jobs and provide a huge opportunity for our steel industry.

Instead we are debating drilling in one of the most environmentally pristine areas in the world just for a 6 month supply of oil. This isn’t an energy solution and it certainly isn’t a jobs solution. I urge my colleagues to support the Cantwell amendment.

Mr. SPECKER. Mr. President, I have sought recognition to outline my reasoning for my vote today against the Cantwell amendment to remove the assumption of Arctic National Wildlife Refuge, ANWR, oil and gas exploration lease revenues from the fiscal year 2006 budget resolution.

I have looked at this issue very closely. I have read a great deal of information, met with many concerned groups, and listened to arguments on both sides. And I have come to my own conclusions.

First, I believe exploration will have a minimal impact on the environment. The plans include drilling on a footprint the size of the Philadelphia Airport. It can be done safely by limiting the acreage eligible for exploration, combined with today’s technology to mitigate environmental effects of exploration in the area. Such technological advances include: The extended reach of multi-directional drilling, which can decrease “footprints”, reduce waste, and increase the amount of production in a single well; and the use of ice roads and winter season drilling techniques to minimize the impact of exploration on the environment.

Second, the environmental impacts of drilling in the Arctic Refuge and ANWR would be far less than other major oil and gas fields. In fact, according to the Energy Information Administration, EIA, the Department of Energy, and the National Petroleum Council, the impacts of drilling in the Arctic Refuge and ANWR would be far less than other major oil and gas fields. In fact, according to the Energy Information Administration, EIA, the Department of Energy, and the National Petroleum Council, the impacts of drilling in the Arctic Refuge and ANWR would be far less than other major oil and gas fields.

Third, the economic benefits of drilling in the Arctic Refuge and ANWR would be enormous. It would create thousands of new jobs and would provide a huge opportunity for our steel industry.

Finally, I have read a great deal of information on energy independence. And I am concerned about energy independence. But I am even more concerned about our national security. That’s why I believe the energy solution we have today is a energy solution and it certainly isn’t a jobs solution. I urge my colleagues to support the Cantwell amendment.
While there could be a network of pipelines, I have visited ANWR and looked at it personally. I saw caribou near the existing pipeline near ANWR. The environment in Alaska can be protected consistent with our laws and values.

Second, ANWR exploration can be part of our overall effort at oil independence. We should be doing a lot more, and I have led the fight on conservation measures. While debating energy policy during the 107th and 108th Congresses, I supported significant increases in renewable energy, generated from wind, the sun, biomass, water and geothermal sources. I have also supported expanding tax credits for clean coal technologies. I led efforts to mandate a reduction of U.S. oil consumption by one million barrels per day by 2013.

It is only through concerted efforts to reduce projected U.S. oil consumption and to utilize domestic energy resources that our Nation will be able to become energy independent. If we do not take the steps I have outlined, our dependence on OPEC will grow. While fighting these energy policies, I have pressed for the U.S. to sue under antitrust laws. I have urged the current and former administrations to take OPEC to the U.S. Federal courts for conspiracy to limit oil production and manipulate the oil markets in violation of U.S. and international law, and it should be pursued.

We must take action to address the rising costs of home heating oil, diesel fuel, and gas at the pump, and raise our long-range national security needs. I believe that ANWR oil and natural gas reserves can and should play a role in this effort. I look forward to working with my colleagues in the Senate to ensure that any such action only proceed in the most environmentally safe manner.

Ms. COLLINS. Mr. President, I rise today to express my opposition to drilling in the Arctic National Wildlife Refuge.

A sound energy policy is critical to our Nation’s security. The United States is currently 57.8 percent dependent on foreign oil. By 2025, this number is expected to rise to 68 percent. At that time, more than 66 percent of our imports will come from OPEC nations, a prospect that causes great concern.

In light of these statistics, what course will the United States take? Should we open ANWR, using up what may be the last major U.S. reserve of oil or should we pursue alternative approaches that will encourage conservation and the development of alternative technologies? Instead of rushing to deplete our last major oil reserves, I believe we should develop energy efficiency and alternative technologies. Doing so will not only make more of an immediate difference than drilling in the Arctic, but also will ensure we leave our children with ample energy supplies and a broader array of energy options.

President Teddy Roosevelt once stated: “I recognize the right and duty of this generation to develop and use our natural resources, but I do not recognize the right to waste them, or to rob by wasteful use, the generations that come after us.” Americans have a right to develop our energy resources, but not to waste them. We could do far more to reduce our reliance on foreign oil by increasing the efficiency of our automobiles, which would save one million barrels of oil a day. Drilling in the Arctic National Wildlife Refuge today would be akin to wasting resources that should rightfully be there for future generations. We must embrace an ethic of stewardship of our most treasured national resources.

According to one scientist who testified before the Senate Government Affairs Committee several years ago, the United States could cut reliance on foreign oil by 4 percent by increasing energy efficiency by 2.2 percent per year. This is a much greater benefit than drilling in ANWR would provide, and the benefits could start almost immediately. In contrast, the United States has had a tremendous record of increasing energy efficiency when we put our minds to it: Following the 1979 OPEC energy shock, the United States increased its energy efficiency by 3.2 percent per year for several years. With today’s improvements in technology, 2.2 percent is attainable.

America needs to both increase fuel supplies and decrease demand, but in our effort to meet current energy needs we should not use up our last major reserves. If we increase energy efficiency and further develop alternative energy sources, we will reduce our reliance on foreign oil, save consumers money, increase our economic competitiveness and energy security, and protect the environment.

In his parting words from the Oval Office, President Dwight Eisenhower—who first set aside the Arctic National Wildlife Refuge—told the Nation: “As we peer into society’s future, we . . . must avoid the impulse to live only for today, plundering for our own ease and convenience, the precious resources of tomorrow.”

I call upon my colleagues to leave intact the Arctic National Wildlife Refuge. Let us instead develop a balanced energy policy that protects our environment, improves efficiency, and develops our energy resources.

Mrs. FEINSTEIN. Mr. President, I rise today as a cosponsor of Senator Cantwell’s amendment to strike the reconciliation instructions in the budget resolution to allow for the opening of the Arctic National Wildlife Refuge.

I am strongly opposed to opening the Arctic National Wildlife Refuge. Let us instead develop a balanced energy policy that protects our environment, improves efficiency, and develops our energy resources.

In contrast, the so-called “savings” from drilling in ANWR would likely yield less than 10 billion barrels of economically recoverable oil—less than a million barrels of oil per day at peak production, or less than 4 percent of the country’s projected daily needs. The oil would not flow for at least 10 years.

In contrast, simply raising average fuel economy standards for sport utility vehicles could save us more than a million barrels per day by 2020. The savings would come sooner than oil from ANWR, and unlike oil from ANWR, the savings would not run out. Raising the standards for all vehicles would reduce even further the amount of oil consumed in the United States.

The United States contains only 2 percent of the world’s oil reserves and only 4 percent of the world population. And yet Americans consume 25 percent of the oil produced worldwide. Almost two-thirds of the oil produced in the United States goes to fuel the Nation’s transportation sector.

Given our current level of consumption in relation to our domestic reserves, it is clear that modest increases in domestic production—as from ANWR—will not solve our energy problems. Reducing consumption is the key to increasing America’s energy security.

Drilling in ANWR would not save consumers money because drilling would not decrease the quantity consumed and would not affect the world price of oil.

So, unlike increasing CAFE standards, drilling in ANWR would not significantly increase American energy security, would not fight climate change, and would not save consumers money.

The Arctic National Wildlife Refuge is a crown jewel of the National Wildlife Refuge System. It is the only continuous unit encompassing a complete range of arctic ecosystems and serves as critical habitat for caribou, muskox, snow geese, polar bears and other species.

The coastal plain, which proponents of drilling pains as small and relatively insignificant, is the ecological heart of the refuge and the center of wildlife activity.

Developing the coastal plain would threaten the refuge’s abundant wildlife. The approximately 130,000 caribou of the porcupine herd rely on the coastal plain as a calving area. One hundred thirty-five species of migratory birds use the coastal plain during the summer.

The coastal plain provides critical habitat for many of the refuge’s species.

Drilling would also threaten the traditional livelihoods of the Gwich’in people dependent upon the porcupine caribou for subsistence.

Proponents of drilling would have us risk all of this damage for a small...
amount of oil that would not even begin to flow for 10 years and would barely reduce our dependence on foreign oil.

In short, the refuge’s coastal plain is too precious, and contains too little oil, for us to allow drilling to take place.

Increasing fuel efficiency is the better solution.

Future generations will thank us for our foresight in protecting the coastal plain and its wildlife. They will thank us for finding other avenues to increased energy security.

I urge my colleagues to support Senator Cantwell’s amendment.

Mr. KOHL. Mr. President, today is a sad day for the environmental movement in this country. The Senate has taken the first step toward opening up the vulnerable Arctic National Wildlife Refuge by using an arcane budget maneuver that will protect this provision from a Senate filibuster. Supporters of drilling in the Arctic, knowing they could not defeat a filibuster, have shoehorned a provision into the budget process that goes against the spirit, if not the letter of the rules. This is a shame and sets a precedent that will certainly come to haunt this Chamber.

I oppose drilling for oil and gas in ANWR because of the irreparable damage that would be done to its fragile ecosystem that is inhabited by 45 species of land and marine mammals. I do not believe short-term economic considerations should take precedence over permanent damage to the environment. We only have to look at ANWR’s neighbor in Alaska to see what environmental cost drilling would have to this pristine landscape. At Prudhoe Bay, home to one of the world’s largest industrial complexes, 43,000 tons of nitrogen oxides pollute the air each year. Hundreds of spills involving tens of thousands of gallons of crude oil and other petroleum products occur annually. Decades-old diesel spill sites still show little re-growth of vegetation. Why would this be different for ANWR if oil companies are allowed to drill there?

Along with the grave environmental impact drilling would cause ANWR the amount of useable oil is not sufficient to make a significant impact on oil prices. U.S. consumption of oil exceeds 18 million barrels per day, an amount higher than the current combined consumption of all of Europe, all of Africa, or all the States of the former Soviet Union.

Based on the United States Geological Survey and Energy Information Agency, there are roughly 10.3 billion barrels of oil in all of ANWR’s 19 million acres. Of this amount, only 2.6 billion barrels are “economically recoverable,” the equivalent of a 6-month supply of oil. In addition, the cost of the infrastructure necessary to transport the oil to the lower 48 States makes this an economically losing endeavor for the United States.

Supporters of drilling would have us believe that this oil will improve the energy security of the United States, but this is not accurate. The oil companies that will drill in ANWR have no commitment to sell this oil in the U.S. In fact, the oil that comes out of Alaska will be sold on the world market to the highest bidder. No one who supports drilling requires that the oil that comes out of our soil stay in our country. We should not be surprised then when oil from Alaska ends up in China, Korea, and Japan instead of Wisconsin.

I think it is clear that drilling in ANWR will take away our domestic oil supply to minimize the control that OPEC has on the petroleum market. Insulating ourselves from the world prices of oil will not come from increased domestic production. We cannot drill ourselves out of our oil dependency, there is simply not enough oil within our borders. Instead, the U.S. can reduce its vulnerability to oil price shocks by decreasing its demand for oil altogether. The way to ease the environmental impacts on consumers is to give consumers tools to reduce their demand for oil. Cleary this debate should be about alternative energy sources, such as ethanol or hybrid vehicle technology, and not wasting our time with an oil reserve were the costs outweigh the benefits.

Mr. LAUTENBERG. Mr. President, I rise in support of the Cantwell amendment to protect America’s National Arctic Wildlife Refuge.

I traveled to Alaska in the aftermath of the Exxon Valdez spill in 1989. What I saw there was terrible. More than 11 million gallons of oil had spewed into the Prince William Sound. I saw animals covered in oil, many of them dead. I saw workers wiping oil off of birds and other wildlife. It was a devastating tragedy, and it made a big impression on me.

I thought about my children and grandchildren. I felt that they deserve other children on earth in its beautiful natural state not ravaged at the hands of man.

In 1990, Exxon released a video claiming that long-term effects of the massive oil spill were minor. That’s what Exxon said in 1990. But today, 16 years after the disaster, nature tells a different story. Today, large portions of the Prince William Sound remain contaminated.

Several Alaskan families visited my office last year from the story. A retired old fisherman said, “My grandson will never get to fish for herring. We’ve been fishing for herring for three generations in my family. But since the spill, there is no more herring.”

Even today, pools of toxic oil can be found just below the surface and sometimes on top the ground. In my office, I have a sample that the Alaskan families left with me when they traveled all the way to Washington to ask for our help. They found rocks drenched in oil last fall. I wish you could see the scope of this.

Some might say nothing on such a scale could ever occur in the Arctic.

Refuge because the oil would be transported by pipeline, not tanker. But nothing built by humans is perfect or accident-proof. And even under a best-case scenario, drilling for oil could ruin the Arctic Refuge.

I had the privilege of visiting the Arctic Refuge a few years ago. It is a remarkable place where more than 100 species of birds breed. Caribou migrate 1600 miles to reach the Refuge, where they give birth to their calves. In short, drilling in the refuge say it will have a negligible effect, barely noticeable in that vast expanse. I have seen the oil drilling complexes on the North Slope and I would hardly call them negligible.

The fact is the exploration for oil in the Arctic Refuge has already marred its pristine beauty. I visited there, I saw the debris of human intrusion, acres of rusting pipes and dilapidated structures. As my plane flew across Deadhorse, near Prudhoe Bay, I saw the legacy littered with refute oil rigs and other abandoned equipment.

This was left behind by the same oil companies that now promise they will be good stewards of the Arctic Refuge. Why would we risk devastating this national treasure? Even under the most optimistic projections, the U.S. Geological Survey says the Arctic Refuge could provide about a million barrels of oil a day for 20 years. Compared to our total energy needs, the oil that would come out of ANWR is an insignificant drop in the bucket. There is a better way.

Simply by closing the loophole that exempts large SUVs from our fuel efficiency standards, we can save as much oil as the oil companies could possibly produce in the Arctic Refuge.

Mr. President, when President Eisenhower designated this special place as a Wildlife Refuge, our nation made a promise to future generations. We promised that some places on earth would always remain unspoiled by the hand of man.

Let’s not break that promise. Let’s not sell our children’s birthright for a few barrels of oil.

Instead, let’s develop a real energy strategy for the 21st Century—a strategy that uses oil more efficiently, and employs American know-how to harness new sources of energy.

Mr. President, the American people know what is at stake. My office has received 15,000 messages this week urging the Senate not to despoil the Arctic Refuge.

I will vote for the Cantwell amendment, and I urge all my colleagues to do likewise.

Mr. BUNNING. Mr. President, I rise in opposition to the amendment to strip ANWR from the budget resolution. I am pleased that ANWR is in the budget this year. As a matter of fact, I returned from ANWR just last week. After visiting it, I am even more confident in my support for drilling there.

I went with a group of Senators, Secretary Norton, and Secretary Bodman.
to ANWR to see firsthand what all the talk was about. We met with environmentalists and villagers on the border of ANWR and talked to them about the United States’ desperate need for more domestic energy sources. There were a few residents who expressed opposition, but the overwhelming majority. The majority of the people living near ANWR—more than 75 percent—support drilling in ANWR.

I know that there are some in the Senate who are desperate to stop us from voting on ANWR. The debate about ANWR, however, are not on their side. Some of these facts I think need to be repeated, especially for those Senators who are new to the debate.

ANWR itself is roughly the size of South Carolina. It’s absolutely enormous. It’s 19.6 million acres or 30,000 square miles. But, when we talk about drilling in ANWR, we’re talking about clean drilling in an area of less than 2,000 acres—that’s 0.001 percent of the total area of the ANWR. It’s smaller than many airports.

To say that drilling in this limited portion of ANWR threatens the entire environment of the refuge is farfetched and just plain wrong. During my trip, I visited the sites at Alpine and Prudhoe Bay. There is now no doubt in my mind that we can develop ANWR in a safe and effective manner.

Drilling will only be a small footprint in ANWR that can be carried out in an environmentally sound manner. State of the art techniques will lessen the environmental impact. The old stereotypes of dirty oil drilling just don’t apply anymore. In fact, if we do start drilling in ANWR, the drilling operations would be conducted under the most comprehensive environmental regulations in the world.

We all want to do what we can to protect the environment.

But it’s just not credible to say that looking at this small, limited part of ANWR is a dangerous threat to the entire region. I also think that many environmentalists fail to see that if we do not begin oil production in ANWR, foreign oil companies will take up the slack and drill in places such as the Middle East where environmental regulations are much less restrictive than ours. Opening ANWR could actually be more environmentally sound than the alternative.

We consume over 20 million barrels of oil a day and our consumption is expected to increase to 28 million barrels a day over the next 20 years. Yet, we haven’t built an oil refinery in the last 10 years. In developing this position I have met with individuals and organizations who have advocated on both sides of this issue.

For me, this vote is not a vote just about preservation of the environment but development about self-determination of an indigenous people and their homeland. The Inupiat, who live within the boundaries of the coastal plain, are a people with strong cultural values, and are deeply in touch with their environment and everything that lives there. It is the Inupiat who have been the caretakers of the Arctic region for thousands of years.

To some of my colleagues, the debate about ANWR is about energy. To others, it is about the environment. To me, ANWR is really about whether or not the indigenous people who are directly impacted have a voice about the use of their lands. The Inupiat know every mile, every curve in the landscape of the coastal plain, and every animal that must survive there, for their own survival depends on this. They have the greatest incentive of anyone to preserve their environment, including the plants and animals that live on the coastal plain, in order to maintain their way of life.

They too depend on the caribou and they have participated in the protection of the caribou while monitoring and working with the oil industry at Kaktovik. They make their living off the caribou. The Inupiat know the Caribou Bay and their experience has demonstrated that a careful balance is possible, and that preservation and development are not mutually exclusive. My colleagues, I do not live on the coastal plain. For that reason, I trust the wisdom and knowledge of those who have lived and cared for the land there for many, many generations.

I will vote to provide the Inupiat with the opportunity to provide for themselves and their future generations. I have been steadfast in their position for many, many years. I am confident that they will protect their homeland and utilize its resources with the native values that have served them well since time began. Their position is supported by the Alaska Federation of Natives, which represents 110,000 Alaska Natives, and the native village of Kaktovik.

This has not been an easy decision for me given the fact that this is one of the few times that I am voting with the majority of my colleagues in my party. As much as I would like to vote with my colleagues, I must remain true to myself and my values. For me, this is an issue about economic self-determination. This is an issue about allowing those who have lived on the coastal plain and cared for the coastal plain for many, many generations, to do what they believe is right with their land.

Mr. STEVENS. Mr. President, I don’t know what all the fight is about. If the
comments are true, that they think no one will bid, why do they oppose this? I am interested in the Senator from Wisconsin and his great defense of wildlife refuges. This area we are talking about is not within a wildlife refuge. It is not wilderness. But in his State, there are pipelines running through wildlife refuges. Wisconsin has stood aside for all that they want. And as a matter of fact, the Senator from Washington, Ms. Cantwell, said that the benefit from development has not been realized because I am supporting the budget resolution reported by the Budget Committee. That smacks very much of resolution reported by the Budget because I am supporting the budget industry purchases almost its entire venting even the exploration of the Arctic potential reserves. Actions such as pre-

vent directly to Alaska, as is illustrated by a report commissioned by the Tacoma-Pierce County and Greater Seattle Chambers of Commerce. Of particular importance is the oil production from the North Slope. Washington’s refining industry purchases almost its entire crude stock from Alaska.

The report states that: Direct receipt of Alaska crude oil within the Puget Sound region includes 1,990 jobs and $144.5 million in labor earnings. In 2005, 3 oil refineries in the Puget Sound imported $2.8 billion worth of crude oil from Alaska. Alaska oil provided 90 percent of the region’s oil refinery needs. Oil development is a major contributor to the health of Washington’s economy. As oil wealth in the State of Alaska increases, so does demand for Puget Sound goods and services. That is why the chambers of commerce of Washington State support ANWR. They understand that the Puget Sound region is the origin of $1.6 billion a year in oil they buy. The Puget Sound region has the luxury of purchasing our oil. Otherwise it would be purchasing oil from distant foreign shores.

The development of Prudhoe Bay has contributed more than $1.6 billion to the Washington economy. ANWR alone is estimated to create over 12,000 new jobs in Washington State alone, in addition to the revenues it will generate. None of these benefits will take place if the amendment is allowed to pass. Not only are decreasing oil output and declining revenues affecting the health of Washington, its major businesses are feeling the heat, particularly the aviation industry. The rise in fuel prices is greatly impacting Washington’s aviation industry. Our airline industry has lost over $25 billion in the last 3 years. Sustain high jet fuel costs of $1.50 per gallon, which is almost three times that of 1999, continues to hamper the health of this critical industry. Every dollar per barrel the cost of oil rises costs the airline industry an additional $2 million per month. High energy prices also prevent job creation in the transportation sector. The Air Transport Association estimates that for every dollar increase in the price of fuel, they could fund almost 5,000 airline jobs. That should be worrisome to a person who represents the area of the aerospace industry of this country and wants to deny us access to this oil.

Let me speak about access to this oil. Washington consumes 17.6 million gallons of petroleum per day, including 7.3 million gallons of gasoline and $2.5 million for jet fuel. It produces no oil at all. Were it not for oil from my State, the Puget Sound region would be destitute.

Now, some people argue we should not develop ANWR because it would devastate the traditional lifestyle of Alaska’s Natives. I think they do a dis-service to the Alaskan Native people. They talk about ANWR. Let me be sure that everybody understands that the Gwich’in, which the Demo-

crats parade around this town, are from the South Slope. They are not in the North Slope. They have no tradi-

tion. And that is where they calve. But not every year. Some years they don’t go. Why? Because their relatives in Canada kill too many.

The Gwich’ins hunt caribou in Canada and they can server it commercially. For them, it is a sports animal versus a subsistence animal on our side. They have benefitted from oil production. They have provided revenues for schools, clean water, sanitation, electric power, health clinics, roads, and Natives.

I don’t think most people understand that because of the situation in terms of the Alaska Land Claims Settlement Act, when one region gets money from natural resources, it must share with the other 11 regions. The 7(i) concept is the most unique concept in America. That is why all of the Natives in Alas-

ka have an interest in ANWR.

If the Natives of the North Slope get money—and they will—from this develop-

ment, they must share that with the other 11 regions. I have worked closely with them to enact the strictest envi-

ronmental standards on the planet, dealing with the developments on the North Slope.

People don’t realize that the petroleum industry has been able to coexist with wildlife in the Arctic, and it really has the support of the Natives who live in that area. Thirty-three percent of unemployed Alaskans are Natives. Twenty percent of Alaskan Natives have incomes below the poverty line. Development of ANWR holds the potential to improve their situation. That is why they are in this city now trying to tell Members that they want ANWR de-

veloped.

We have been accused of trying to use strange procedures. I don’t think it is strange. We had the same provision in last year and they were able to take it out. They knew they had the votes last year and they were not screaming like they are now. This year, things have changed. There has been an elec-

tion.

Mr. GREGG. Will the Senator yield for a quick point?

Mr. EVANS. Yes.

Mr. GREGG. Mr. President, I ask unanimous consent to have printed in the RECORD a list of the times the reconcilla-
tion process has been used for actions very similar to this, many of which were in periods when the Demo-

crats controlled this Senate.

There being no objection, the mate-

rial was ordered to be printed in the RECORD, as follows:

SAMPLE OF “POLICIES” ENACTED IN CONSOLIDATED OMNIBUS BUDGET RECONCILIATION BILLS

(Not an exhaustive list)

OMNIBUS BUDGET RECONCILIATION ACT OF 1982

Froze dairy price supports Reduced COLAs for food stamps Required home buyers to pay a lump-sum premium for FHA mortgages

OMNIBUS BUDGET RECONCILIATION ACT OF 1985

Raised offshore drilling revenues Increased PBGC premium rate Made Medicare HI tax mandatory for State and local government workers

OMNIBUS BUDGET RECONCILIATION ACT OF 1990

Required sale of government’s share of Conrail
OMNIBUS BUDGET RECONCILIATION ACT OF 1997

OMNIBUS BUDGET RECONCILIATION ACT OF 1989

OMNIBUS BUDGET RECONCILIATION ACT OF 1990

OMNIBUS BUDGET RECONCILIATION ACT OF 1993

OMNIBUS BUDGET RECONCILIATION ACT OF 1996

OMNIBUS BUDGET RECONCILIATION ACT OF 1997

BALANCED BUDGET ACT OF 1995

CONGRESSIONAL RECORD — SENATE
March 16, 2005

RESOLUTION #SD-02-106

Supporting the Subsistence Lifeways of Alaska Tribes, Gwich'in, Inupiat, Tlingit, Athabaskan, and Saint Lawrence Island Native Peoples, and of Related Indigenous Peoples in Canada and Russia, and Opposing Efforts by Multinational Economic and Political Interests that Would Endanger These Lifeways

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

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. STEVENS. Mr. President, I am winding down. We have sent this item to the President to ask why we don't follow the usual procedures. President Clinton vetoed it on the request of the National Congress of American Indians and other related indigenous peoples, particularly those that would destroy or endanger these traditions in pursuit of their multinational economic or political objectives; and whereas, like the Yupik people of the Arctic Circle, and the Yupik peoples of the Kuskokwim Delta of Southwest Alaska, the Gwich'in Athabaskan people of Eastern Alaska, and the Yukon-Kuskokwim Delta of Southwest Alaska, the Inupiat people of northern and western Alaska, the Saint Lawrence Island Natives of the Bering Sea, the Siberian Yupik Familial Relations of Siberia, the Saint Lawrence Islanders who live on the Russian side of the Bering Sea, and other Indigenous peoples of Eastern Siberia, none of these subsistence traditions across the generations for the very survival of their indigenous cultures; and whereas, local barriers and ecologically destructive practices by multinational economic and political interests can and have disrupted indigenous hunting traditions in places around the world, and even where these disruptive actions may have ultimately proven temporary in nature, they have interfered with the perpetuation of indigenous subsistence traditions across the generations for the very survival of indigenous cultures; and whereas, the cultural survival of the Gwich'in is so tied to the survival and continuation of the migratory cycle of the Porcupine Caribou Herd of Canada and Alaska that the Gwich'in are known as the 'People of the Caribou'; and whereas, the Inupiaq people have likewise been referred to as the 'People of the Whale' because of their profound cultural relationship with the bowhead whale, which provides the foundations of their diet, and serves as a central organizing factor for a culture that is largely structured around whaling crew affiliations and associated subsistence relationships; and whereas, the Saint Lawrence Island natives are likewise dependent upon whaling...
for their cultural survival, and the Native peoples of eastern Siberia, have only recently begun the difficult task of trying to reclaim and reinvigorate subsistence whaling traditions suppressed under decades of Soviet rule; and

Whereas, the people of Southeastern Alaska are concerned that the original inhabitants of the former Soviet Union are losing their culture as a result of mining and exploration activities in the oil rich Koryak Peninsula of eastern Siberia; and

Whereas, all Native Alaskans are dependent on the river ways for their traditional lifeway and the salmon it supports; and

Whereas, the cultural survival of the Gwich’in people is threatened by multinational oil exploration and development on the Herd calving grounds in the Arctic National Wildlife Refuge of Alaska would not have the devastating effects on the herd that many biologists and people with indigenous knowledge of the Caribou believe such actions would; and

Whereas, the cultural survival of the Inupiat people, the Saint Lawrence Island Natives, and the indigenous peoples of Eastern Siberia is threatened by multinational oil exploration and development before the International Whaling Commission, where Japan succeeded in blocking the allocation of whaling quotas for Alaska Natives and indigenous Siberians, beginning in 2003, and did so solely out of a desire to retaliate against the United States for its opposition to the resumption of a commercial whaling industry in Japan, as well as offshore exploration and drilling, and

Whereas, it is morally wrong and a violation of international law for multinational oil corporations and national governments to place the survival of indigenous cultures at risk, especially to pursue excess wealth or international political advantage, and it is important that the NCAI oppose these assaults on indigenous lifeways that are currently being perpetrated in the international arena.

Now therefore be it resolved, that the NCAI hereby opposes the efforts of multinational oil companies and certain high ranking officials to open critical lands of the Arctic Refuge to oil exploration and development in complete disregard of the sacred cultural traditions that are the foundation for the cultural survival of the Gwich’in People of Alaska and Canada, and calls upon the government of the United States to reject any and all proposals that might create such risks, excluding any interest in the 92,000 acres of Kaktovik Inupiat Corporation (KIC) privately held land; and

Be It further resolved, that the NCAI similarly opposes the efforts of commercial fishing interests which adversely affect the subsistence salmon and herring customary and traditional fishing rights of all tribes of Alaska, and

Be It further resolved, that the NCAI similarly opposes the efforts of commercial fishing interests which adversely affect the subsistence salmon and herring customary and traditional fishing rights of the people of Japan and Japanese commercial whaling interests to play international power politics by shutting down indigenous whaling in Alaska, ignoring the expenses of the former Soviet Union and Japanese whaling interests that must be allowed to survive and perpetuate their way of life, and that NCAI calls upon the governments of the United States and Japan to take appropriate steps to end this callous and abusive mistreatment of indigenous cultures on both sides of the Bering Sea border; and

Be It further resolved, that the NCAI recognizes that unless these provisions shall be the policy of NCAI until it is withdrawn or modified by subsequent resolution.

Ms. CANTWELL. We have heard a lot about tribes in Alaska. I want to point out to my colleagues that the National Congress of American Indians, an organization representing more than 500 tribes across the country, have previously opposed drilling in the Arctic refuge, and that certainly is what we are talking about—a debate of national significance.

I point out that many people in Puget Sound and across the country do believe this is not going to do anything to meet our country’s energy needs.

This newspaper article says:

Drilling in the refuge would increase America’s reliance on fossil fuels and do little to limit our dependence on imported oil.

Mr. President, I yield 6 minutes to the Senator from Connecticut, who has been so outspoken and important to this debate. I thank him for his leadership on this issue.

The junior Senator from Oregon is recognized for 6 minutes.

Mr. LIEBERMAN. Mr. President, I thank the Senator for her principled leadership on this fight.

Mr. President, I come to this debate with some long history here, as other Members of the Senate have as well. This was one of the reasons I ran for the Senate. I was troubled by the plans to drill for oil in the Arctic refuge. It was an issue in my 1988 campaign. I have been battling this ever since.

Why does it matter so much to me? Sure, it relates to our national energy policy. Does it develop enough oil to curb our dependence on foreign oil? No. Can we drill our way out of energy dependence on foreign oil? No. We have to think and innovate and entrepreneurize our way out of it.

This all begins, for me, with the beginning of the Bible and the instructions God gave to Adam and Eve that they should both work and guard the Garden of Eden, which is to say that they should develop and cultivate the land but work, in clean and reasonable ways, here for a short time. The Psalms tell us that the Earth is the Lord’s and the fullness thereof. You have a responsibility to protect the beauty of the earth that has been given to us for the generations that will follow us—to work and to guard.

Let me come to the North Slope.

We come to this day with a judgment having been made. Ninety-five percent of the North Slope in this part of Alaska is underlain by oil and gas formations, exploitation and potential drilling. We drew a line. Our predecessors drew a line: This 5 percent should be preserved as a wildlife refuge; if you will, a small piece of Eden, preserved in this magnificent state.

Now we are going to break that line, we are going to destroy that remaining part and have an inevitable negative consequence, both on the wilderness, the wildlife there, and also on the native people depending on it and of whose heritage it is part.

We can go back and forth about which side the native people are on.

I ask unanimous consent to have printed in the RECORD a letter from Robert Thompson, Kaktovik Arctic Adventurers, containing a petition drive, which has secured 57 signatures from the people in Kaktovik, likely a major enough to support the petition—It sounds like Dicksell Notch, doesn’t it?—who support Senator CANTWELL’s proposal.

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

KAKTOVIK ARCTIC ADVENTURES,

To THE SENATORS OF THE UNITED STATES: I am writing in regards to concerns relating to preserving the culture, the inupiat, and the culture of my friends, the gwich’in.

There is an area that is being considered for oil and gas exploitation, the 1002 area of the arctic national wildlife refuge, for years there has been a perception that the inupiat of the north slope were all in favor of this. Perhaps previously this was so as it seemed the oil infrastructure was far away and people benefited from it. This is changing rather dramatically. A recent article in Kaktovik, which is still in progress, has secured 57 signatures, that is likely a majority of the voting adults in Kaktovik.

A small amount of oil as the larger population of the U.S. If this drive were to have taken place a month ago it is doubtful that there would have been more than ten sign. We have had many events happen in the Bush administration that make people realize that we don’t really count for much in their plans. The ocean is aggregate being leased. On Feb. 22, Gov. Murkowski clearly stated the state’s position on developing state near shore, off-shore areas. He implied that if the residents were told that restrictions to drilling during whale migrations were offered we wouldn’t mind. He did not consult with us. Our concerns go way beyond that. Oil spilled in the arctic ocean cannot be cleaned up to any standard that is acceptable to us.

Federal offshore areas are being offered to oil companies also. This is the area that is central to our cultural life. People are realizing that the 1002 area being sold is the last 5% of our lands. Big oil has access to the 1002 area but we are, across the land. This happens at a very fast pace. If the 1002 area is leased, big oil will have almost 100% of the north slope to exploit. Why is almost 100% of the north slope being leased to the oil companies? And why can’t we save the last 5%? The people should know there is an area that is 23,500,000 acres, the national petroleum reserve that has huge quantities of oil, that in addition to known reserves that are readily available.

I am honored to be part of this movement to save our land, our culture. When a person realizes that those signing this petition did so with the full realization that in doing so they would possibly be losing some amount of money, it is magnified to an honorable action, it is people standing with their people for the good of all. I am not in a corporation here so my involvement is personal. The signors are doing it for the preservation of our culture for future generations. I hope that you senators will give full consideration to this event. We are attempting to use the democratic process to save our culture.

Before this it could be said and often was, that we wanted all that oil money. You are being told by the culture, saying that no amount of money is worth exchanging our culture for. However this goes, future
generations of Inupiat can look back and say, those people who signed tried to do the right thing. Somehow, I feel that it will be important to them to know that someone cared.

In closing I would like to thank our friends in Hawaii for their efforts to help us save our culture. I have visited there and have heard people say to me that it is up to us to stand up for what we believe. I believe that our subsistence way of life has had adverse effects on their culture and their stated desire to help us prevent that from happening to us.

Your many efforts are sincerely appreciated.

mahalo,

ROBERT THOMPSON.

Kaktovik's people don’t want development on ANWR. Petition has a large number of votes supporting opening of the Refuge for oil development.

No doubt the oil industry has become more marketable for the Inupiak of the Slope. A tolerant culture of the oil industry has long been acclaimed as a righteous society of the North Slope as a result of the oil boom over the past 30 years. No taking into consideration the fact that they are associated with the subsistence, social lifestyle of the Inupiat & the corruption of the subsistence lands that the Inupiat have accepted the oil industry indoctrination’s by allowing them to sponsor our village events & celebrations designed to foster this for revenue generation. People of the Slope are not willing to examine if this is a desirable outcome for the Inupiat. Oblivious to the oil industry’s subtle invasion & eradication of our subsistence hunting lands, as well as our traditional & cultural practices.

Perhaps it was a good idea in the beginning to use the revenues of the oil industry for the economy of the North Slope. But the oil & revenues have declined & the "for profit firms" & those that have become dependent on the oil revenue are now going after the last 5% of the land that is not open to drilling. This beautiful Arctic ecosystem that has sustained & provided the Inupiaq in many ways could possibly be replaced with an oil industrialized city. This is now realized that this is precious to them in terms of their subsistence ways. No one wants to see oil rigs when they are out hunting or camping in the Arctic Refuge. Kaktovik has learned the lessons that the Inupiat have had so much of their traditional lands & subsistence lifestyle disrupted, no longer agree with the Government, the industry & revenues have declined & the oil industry has long been critical to our subsistence ways & social structure.

The people are realizing ANWR may only bring temporary employment & revenue, for there may be no oil found in ANWR. Which will leave for our future generation the further depopulation of the land & subsistence lifestyle of the Inupiat, if ANWR is opened up for oil development. Some no longer agree with the Government, the “for profit firms”, or anyone’s idea of trading the subsistence lands that the Inupiak depend on for any amount of oil or revenue. We feel that it’s not worth all in the long run for the future of the Inupiak, the prospect of oil investment is in keeping the last remaining 5% of our land intact for our future generation to continue our subsistence & traditional way of life.

Because hunting and the relationship to the land are of profound cultural and spiritual importance to the Inupiat of the North Slope the meaning of life for most Inupiat is still found in land and our subsistence lifestyle. Hunting off the land provides a link to the past and a cultural identity. It is valued for its independence, self-reliance, respect from others, psychological well-being, and healthy lifestyle. "Going out on the land" is a means of spiritual renewal and a vital link to the community. The Inupiak are related to the land.

With the increasing threat of offshore development, which a majority of Inupiat whalers across the Slope oppose. Many are beginning to realize that opening of the Arctic Refuge will provide the jumping off point to develop a ring of oil rigs just north of the Refuge off shore in the Beaufort Sea. In fact Governor Murkowski himself has said there is a good possibility that offshore will develop in the future but mentions the interest oil companies is to wait for the determination to go oilless. Offshore leases have been offered in the past by the State of Alaska, in which no oil companies bid. It is more profitable & less hazardous to have the ground to lay the infrastructure down permanently then go offshore from there. The Inupiat people have had so much of their traditional lands & subsistence lifestyle disrupted, now even the whaling culture is at stake.

A petition circulating has nearly half of the voters opposite ANWR & the opening the Arctic National Wildlife Refuge to oil development. In fact we are still collecting signatures & we are only short a few of the halfway mark. Kaktovik’s voting adults that oppose oil development. We haven’t seen other Kaktovik residents that are away from the village at this point. Many across the Slope are beginning to feel the land of ANWR is essential to the longevity of our subsistence livelihood & our traditional ways. For oil development will not only kill the Slope, not only the residents of Kaktovik, but others as well. For the precedent it will set for offshore development. The message in the past has been that the Inupiat want ANWR opened for oil development, which has been spoken mainly by the “for profit corporations” which are paid interests of Arctic power. The Regional Corporation have signed exploration and option agreements with oil companies, and these regional corporations have begun to appear to be politically aligned with their partners.

And often has been the voice in Arctic for oil development.

A protest was held against Arctic Power paid group (Gail Norton, Lisa Markowski & other senators) on their visit to Kaktovik on March 6th. But we did not get much media coverage opposing ANWR development despite the fact that the media had accompanied the Senators. For another thing the coverage they let out is very misleading & let’s say misleading. The Senator’s trip to Alaska with Arctic Power. Sean Hannity presented a series of misleading claims to advance the Bush administration’s efforts to permit oil drilling in Alaska’s Arctic National Wildlife Refuge.

The caribou herd is not our main concern, we know it is thriving. It is important to them to know that someone cared.

The following residents of Kaktovik, are opposed to oil development in the 1002 area of the Arctic National Wildlife Refuge: (SIGNED BY 50 PEOPLE)

Mr. LIEBERMAN. Let me come to the process. While I am on the Bible, I was taught as a kid those famous words:

Justice, justice shalt thou seek.

Why the double mention of justice? Because, I was told, you have to pursue what you believe is justice in a just way.

We have different ideas of what justice is, what a good result is here. But I want to speak to the method, and that is to do this as part of a budget resolution, which clearly is an end run around the existing rules, an end run among the healthy fair fight we have been having for a lot of years about whether oil drilling should be allowed in the Arctic Refuge and the 60-vote requirement that has stopped that from happening.

That is why the filibuster is there. People talk about the "nuclear option" with regard to judicial nominations. We have been looking over in this direction. The nuclear weapons have been fired from over here. This is the nuclear option. It sets a precedent. It allows anything that generates revenues, whether incidental or at the heart of the purpose, to be attached to the budget resolution and only require 51 votes.

Just listen to the advocates, my dear colleague and respected friend, proponents of the drilling in the Arctic Refuge. They are not talking about generation of revenue as its main purpose. They are talking about the provision of oil, provision of jobs, energy independence. We can debate that. But the revenues obtained here are incidental, and our rules make clear that when that is so, this kind of provision should not be on this budget resolution.

It does set a precedent, where anything else, where the generation of revenues is merely incidental, whether on environmental matters or anything else, and something that has not been able to obtain the supermajority 60 will be able to be adopted by 51, when put on a budget resolution.

Incidently, one effect of this budget process in Congress is the budget process has broken down. We do not pass a budget resolution anymore. If we start putting what I believe respectfully are extraneous amendments, substantive bills out of order. It is going to be harder and harder to follow the orderly budget process that the law and our rules provide.
So for reasons of substance and reasons of procedure, I ask my colleagues to support the Cantwell amendment. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KOWOSKI. Mr. President, I yield 3 minutes to my colleague from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 3 minutes.

Mr. CRAIG. Mr. President, let me thank the Senator from Alaska for those few moments to speak to what I believe and many of us believe to be a phenomenally important issue for the Senate to be addressing. Let me try to set the record straight.

I believe it is now the noon hour, in the middle of the day. The Sun is up. The lights are on in this Chamber of the Senate. We are in the middle of a workweek. And somebody says this is not the time to debate this issue? It is not midnight. It is not in a smoke-filled room. The lights are not turned down. C-SPAN is on and the American public is watching and you darned well bet this is the right place and the right time to debate a critical issue that can ruin people’s lives, can suffer the illusion or play the rhetorical game that says, “ain’t never happened before.”

The chairman of the Budget Committee has just submitted a long list of times when the other side used the budget resolution to produce major public policy. So it is the right time, the right place, the middle of the workweek; and we are doing the job of the American people, to debate this very critical and important issue.

I am always amazed when someone takes the coastal plain of Alaska, where today it might be 60 below and the wind may be 40 miles an hour, and calls it an Eden. That is not my vision of Eden. I am not suggesting it is not a rare place—it is. It is unique to the world, and we recognize that, and all of the environmental safeguards are in place. If we are allowed to go there and find oil and bring it to the lower 48, there will not be any damage to the environment. That is a fact for anybody who has been there.

Let us adjust the vision of Eden just a little bit. I don’t think we are allowed to interpret it every way every day.

My last thought is quite simply somebody said—I believe the Senator from Washington just said—it will not bring down the price of oil. It probably will not. What it might do is stop the price of oil from going up. I just paid $2.11 a gallon for regular gas in the District of Columbia. I drive a very efficient small car. It still costs me $25 to fuel it. I have the good fortune of having a pretty-good-paying job, but there are a lot of Americans who do not. Just keeping your oil down, not getting it up, would be a major victory for energy policy in this country. And it would fill the refinery at Anacortes that is now operating at 50-percent capacity. It would provide the jobs in the State of Washington that the Senator from Alaska spoke to. That is the reality of what we are talking about today—getting our country back into the business of producing energy for everybody. They have high-paying or low-paying jobs. We live on our energy and it is time we put our country back into full production. I strongly support the resolution.

The PRESIDING OFFICER. Who yields time?

Ms. MURKOWSKI. Mr. President, how much time is remaining on our side?

The PRESIDING OFFICER. There remains 19 minutes 50 seconds.

Ms. MURKOWSKI. I ask the Chair to let me know when I have used 9 minutes.

The PRESIDING OFFICER. (Mr. CRAIG). The Senator will be notified.

Ms. MURKOWSKI. Mr. President, it is important that we do attempt to set the record straight. It is interesting to listen to the back and forth that goes on across the aisle. If Alaska were not my home, if I were not born and raised there, if I had not had an opportunity to understand and know all parts of my incredibly beautiful and diverse State, I would think that they were talking about another place, another world that I was not familiar with. So I feel compelled as an Alaskan to stand before you and talk about the reality of ANWR, the reality of the world that exists up North.

The Senator from Massachusetts made a statement. I apologize if it is not exactly as he stated it, but the inference was that wilderness can’t exist with industry, and that is why we should not move forward with opening ANWR to exploration.

The area we are talking about exploring is not in a protected wilderness area but is in an area that has been designated “reserved.” If you will, because of its vast potential oil and gas reserves. It has been recognized by the Congress, by the executive branch, for its potential. It is not in wilderness status. It is not in wilderness status like the 8 million acres directly below the 1002 coastal area. It is not in wilderness status like some 58 million acres of wilderness that are currently in the State of Alaska. The 1002 area is not wilderness.

Therefore, don’t mix it in up. Don’t make that suggestion.

Others have said we are talking about exploring and drilling in a wildlife refuge. As my colleague from Alaska mentioned to the Senator from Wisconsin, in his State of Wisconsin there are pipelines going through three separate wildlife refuges. There are currently nearly 400 producing wells in the national wildlife refuges nationwide.

The National Audubon Society has received pressure from the administration to open oil development in its sanctuary in Louisiana. It has been receiving this money for decades.

There is nothing unusual nor improper about allowing careful development in a refuge.

We are using 21st century technology. I haven’t seen this wildlife refuge which the National Audubon Society in Louisiana, but I am certain they are making sure, if they are developing it, that they are doing it in concert, in balance with the environment.

That is exactly what we will be doing if we are given permission to go forward with ANWR. How can I tell you will do that? Because we have been doing it up North for 30 years. We have been refining the technology, the Arctic engineering and technology that goes with extraction of a resource in a pretty harsh environment. Yet, as harsh as it is in the wintertime, it is a very fragile environment during those summer months. Alaskans appreciate our climate and our geography. We figured that we have to do it right or we could cause harm to the environment.

When we talk about roadless areas we have available for exploration, we mean it. We do mean that we are going to put down an ice road that will disappear when the summer comes. In fact, we are so rigid on it, we have been laying the ice road for the following year in the same area just so there is no impact to that tundra, no impact to that area.

I take great offense to the preliminary implication that some of my colleagues have made that somehow or other, the North Slope is some industrial wasteland. They made the comment that the air and the skies were like the pollution in Washington, DC. Let me tell you, as an Alaskan, I am outright offended at that kind of a comment.

You come up North, you look at the air, and you breathe the air; if it is not too cold. The fact is, we have put environmental safeguards and standards on industry unlike any place in the world. I have seen what we have done in the lower 48. Quite honestly, I can understand why some of my colleagues are concerned about industry in Alaska, because they have seen it in their States. They have seen what they can do. But we have said no. We have learned from your mistakes. We are going to make sure that when you have a vehicle, you put a diaper under that vehicle. It sounds crazy, but we are not going to accept any kind of spills. We are not going to accept any kind of environmental degradation. We have controls over it. We are going to make sure we do it right.

When they talk about the spills—I mentioned yesterday on the floor that we have spills. We require in the State of Alaska that everything you drop on the ground is reported. Do you know what is mostly reported? It is the seawater, the saltwater that is used to inject. Whether it is a spill of saltwater, or a gallon of oil, hydraulic oils, you have to report it. You report it, and you clean it up.
When I took these colleagues North with me 2 weeks ago, they were amazed at the environmental culture within the industry. It is not necessarily because the industry has said we should do it; it is because we in Alaska care, and we make sure we are going to do it right. If you are not going to do it right in our State, you are not welcome to do business. It is more expensive to do business in Alaska because we are a long way away, which makes it difficult. Part of it is we demand that you do it better.

Where does that put us? We are a nation reliant on oil. We are 58 percent reliant on foreign sources of oil. Oil just hit 56 bucks a barrel, and we are 58 percent reliant on foreign sources.

We have an opportunity to make a difference in this country. I have had some of the opposition suggest there is not really that much difference in this country. Just assume for purposes of discussion just hit 56 bucks a barrel, and we are 58 percent reliant on foreign sources of oil. We are 58 percent reliant on foreign sources.

It is enough fuel to replace all of our energy needs to the fullest extent possible. ANWR offers us that opportunity.

Please give us in Alaska the chance to show you how we will continue to do it right for years to come.

I yield the floor. The PRESIDING OFFICER. Who yields time?

Ms. MURkowski. Mr. President, I yield 10 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator controls 8 minutes.

Ms. MURkowski. I yield the remainder of the time to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time is on the other side?

The other side has 5 minutes.

Mr. DOMENICI. Thank you, Mr. President.

(Ms. MURkowski assumed the Chair.)

Mr. DOMENICI. Madam President, let me say to Senator STEVENS that it has been a pleasure working with him on this issue.

Some people have asked: Why don’t we leave it and let the people of Alaska? It is their livelihood. They live there. I had the pleasure of going up there and talking with them. I can tell the Senate without any doubt that the overwhelming majority—maybe 70 to 75 percent—of Alaskans want this to be developed. I mean, at a minimum, they have seen some development, they have seen the benefits of it, and they have assured themselves that it can be done in such a way that it will not harm the environment which they so much cherish and in which they live. They don’t want it to be destroyed.

Now, I want to talk about some comparables. Many ask—not that there is a direct relationship—why don’t we do more in renewables? I want to talk about what 1 million barrels of oil a day means compared to a renewable source of energy such as wind production. For those that say we ought to do more in renewables, I want to talk about what 1 million barrels of oil a day means compared to a renewable source of energy such as wind production. I can say to Senators and Components want us to do something else...
No one knows how to get off this dependence. We have to find ways to minimize the damage while we conserve, change our ways and go to hydrogen cars, but none of that will happen for a long time. In the meantime, we send all our money overseas, to foreign countries. The distinguished junior Senator from Alaska was talking about how many dollars a day we send out. On a yearly basis this 1 million barrels adds $18.6 billion to the merchandise trade deficit; trade deficit between us and the world. What we pay for foreign oil is almost 26 percent of the trade deficit. But it is not important, say some, that we increase our reserves by 10 billion barrels, which is adding one-third to our reserves for the future.

My second point has to do with the fact that some say this is not the right way to do it, that we should not be using a budget resolution. I said last night it happens to be that this Senator knows a little bit about budget resolutions. I know a little bit about reconciliation.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMENICI. I ask for 1 minute off the resolution.

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

Mr. DOMENICI. And I want to make sure our Senator, the senior Senator speaks in wrap-up. I close by saying there is no doubt in my mind that America must do something. This is an opportunity to do something very significant. We are not going to damage anything. This is a picture of a production well. All of that is done off of ice roads. When we are finished, we take it away and you see the little speck is what remains, the end product of an exploratory well. You can go there and prove up the reserves and leave that speck in a 1.5-million-acre piece of America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I ask for 2 minutes off the resolution.

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

Mr. STEVENS. For the information of Senator KERRY, British Petroleum is currently investing over $500 million annually in Alaska and is drilling now over 80 new wells.

I hope my colleagues consider this amendment. What I really want to ask, finally, is to vote no. I have been fighting now for 24 years to get Congress to keep its word. In a fight such as this, the Senator really learns and realizes who his true friends are. I know those who vote against this amendment are doing so because it is the right thing to do for the country. But I count you among those of us from the World War II generation who understood that oil is America and understand what it means to keep a promise. And I shall not forget it. I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Ms. CANTWELL. How much time remains?

The PRESIDING OFFICER. There are 5 minutes remaining. The Republican side not planning to yield.

Ms. CANTWELL. As we close debate on the Cantwell amendment, which I hope my colleagues will support, I feel we have had a hearty discussion this morning about what America should do as it relates to the Arctic Wildlife Refuge but, more importantly, what we should also do about planning for America’s future.

I point out that today a Gallup poll was released that shows where the American people are. We may be very divided in the Senate, but the American public is consistent in its concern about and interest in conservation. In fact, Americans by a 2-to-1 margin say the United States should emphasize greater conservation over existing energy supplies, rather than production of oil, gas, coal, or other supplies.

Now, that is what the American public wants. That is certainly what people in the State of Washington want. I believe if you survey the people in Puget Sound I say that because I think they are like many Americans in that they want to reduce CO2 emissions. They want to do something about global warming. They want to do something about diversifying our nation’s energy supply. We have great companies in my state that are adding to the Washington economy, and they want to diversify into various energy technologies that will help us in the future.

So, no, the majority of Washingtonians do not want to see drilling in the Arctic National Wildlife Refuge. They want to see it protected. In fact, it is the one thing I think they feel most strongly about; that is, they want to lead the way on a new energy economy and show that we can have higher CAFE standards, produce alternative fuels, make a dent in our gasoline use by blending it with ethanol, and get energy conservation plans moving.

But when it comes to gasoline prices, I think they are like every other American, they are darn concerned about the high gasoline prices in America and wonder why they are so high when four refineries are located in the State of Washington. And for a market that was manipulated on electricity prices, and with very little help from the other side of the aisle in getting those market manipulation contracts voided, the Puget Sound economy remains concerned about the price of gasoline, which is a commodity that is refined so close to home, is the highest price in the country.

Now, there is nothing in the budget resolution language that says that oil production in the Arctic National Wildlife Refuge will stay in the United States. That is right, no guarantee at all. The oil will be exported to other countries. So as the President’s economist has said, it will have negligible impact on the price of gasoline. To open up a wildlife refuge for a minimal amount of oil, that even the President’s economist says will have a negligible effect on price and supply, is an ill- advised plan.

My colleagues have already talked about the pollution and the environmental problems caused by drilling. But I want to point out, America does have a different future. I will work with my colleagues from Alaska on a proposal that is three times the job creation for us and for Alaska—the Alaska natural gas pipeline.

America was smart enough, in the 1970s, to get off our dependence on home heating oil because we decided as a country we could not continue to be held hostage by Middle East oil policy. We had a 35-percent reduction in home heating oil use. It is time to do the same with gasoline, but not by producing more oil, but by changing and focusing on developing alternatives.

We can focus on building a pipeline to capture Alaska’s natural gas, it is the equivalent of 6 billion barrels of oil. We can focus on efficiency and renewables. We can focus on ethanol. We can focus on improvements in efficiency of transportation, of tires, and increasing the fuel efficiency of our cars, which some of the speakers on the other side, I should note, do not support a higher automobile fuel efficiency standard. That would be a great way to reducing the need for 10 billion barrels of oil over the next 10 years, of saving and getting us off of our over-dependence.

A young woman who came in to see us yesterday presented us with a tire gauge, and she showed us that if Americans had the right level of inflation in their car’s tires it could save over 200,000 barrels of oil a day. We have a story to tell. We have a choice about whether we are going to continue down this road of a fossil-fuel economy to the degree that we are going to say it is even worth it, it is even worth it to go into a wildlife refuge to find oil, or are going to move our country forward on a new energy plan.

I encourage my colleagues to support the Cantwell amendment and strike this language from the budget resolution.

The PRESIDING OFFICER. All time has expired.

Ms. CANTWELL. Madam President, I ask unanimous consent that Senator SNowe be added as a cosponsor of the amendment.

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

Ms. CANTWELL. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENTS NOS. 171 AND 149

The PRESIDING OFFICER. There will now be 35 minutes of debate on the
veterans amendments No. 171 by Senator ENSIGN and No. 149 by Senator AKAKA.

Who yields time?

The Senator from Hawaii.

Mr. AKAKA. Madam President, I ask unanimous consent that the budget resolution falls veterans. It is that simple. I am pleased to stand with my colleagues who joined me in offering this veterans health care amendment to add $2.85 billion for VA health care.

Let me say that I agree with the President on the overall amount needed for VA health care. But we differ in where to get the funding. And I must say, I enjoy working with my friend, the chairman of the committee, Senator —

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

Mr. AKAKA. Madam President, the budget resolution fails veterans. It is that simple. I am pleased to stand with my colleagues who joined me in offering this veterans health care amendment to add $2.85 billion for VA health care.

The President asks veterans to shoulder the burden with a higher copay for medications and a new user fee for middle-income veterans. And VA requires funding to absorb the increases in patient resources. These facts underscore the need for more funding than it has. We are offering different amendments to try to reach that funding.

The President says that veterans require more funding than it has. And VA requires funding to absorb the increases in patient resources. These facts underscore the need for more funding than it has. We are offering different amendments to try to reach that funding.

And the VA needs to reverse the President’s cuts to care for our veterans. Let us do the right thing.

Mr. CRAIG. Madam President, we are on the floor today debating a very important portion of the budget resolution for the Senate. That is the money that will fund the Veterans’ Administration and serve the millions of America’s veterans who are in need of this service and new veterans coming in out of the Iraq/Afghanistan wars.

All of us who serve on that committee and everyone of our veterans recognize the importance of new dollars and the importance of sustaining what we have been able to do effectively over the last 4 or 5 years, to tremendously increase the quality of health care coming from the Veterans’ Administration and increase enrollment.

The question is, when you look at the Murray amendment versus the Ensign amendment, how much is enough? How much is enough to sustain the work and the quality of work that goes on and to accept the incoming veterans who are truly needy of and deserving of the services provided by the Veterans’ Administration?

Let me show a couple of charts that are fundamentally important and that many fail to recognize. Because the Senator from Hawaii is absolutely right: In 4 years we have increased spending in the Veterans’ Administration by 43 percent. During that time the Bush administration has doubled the number of patients whom VA has enrolled. Yet, this majority has underfunded veterans funding has increased 47 percent during this President’s tenure.

While funding has increased, it has been based on the efforts by Congress to increase enrollment in the system as the Bush administration predicted. Congress, by approving amendments to increase VA funding, has added another 39 percent of funding. Even with a 47 percent increase since FY 2001, this is an average annual increase of less than 10 percent to accommodate high medical care inflation and high annual growth. So when I compare the numbers, we have been able to do more than just the President and the Budget Committee.

The President’s budget is an increase. But we have increased spending in the Veterans’ Administration by 43 percent. During that time the Bush administration has doubled the number of patients whom VA has enrolled.

Let’s look at the other portion of the veterans budget called discretionary spending. We have increased that from $21.07 billion in 2001 to $37.58 billion in 2005, a phenomenal increase, not millions, not hundreds of millions, but billions of dollars that the American taxpayer has committed to the quality care of veterans.

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and it hasn’t, to my knowledge, gone up that much. But it does show a clear recognition on the part of Congress as to the importance of veterans to all of us.

If I may, for a few moments, I will break the terminology that there is a tendency in what we are doing because we recognize, as certainly the Senators from Hawaii and Washington, that there are needs out there and that those needs must be met. We recognized in the President’s budget that there were items we simply would not advance—copays, non-starter. I was waiting to look at fees for sevens and eights in certain categories with higher incomes. But collectively Congress says, at least on this side of the Rotunda, no to that also. I accept that.

Here is what I recognize and here is what the Ensign amendment does. The President pluses up the budget by $751 million. The chairman’s mark pluses it up again by $90 million. The Ensign-Craig amendment pluses it another $410 million, a net increase without reconciliation instructions. And that is very important. While that may be inside language for those of us who work the budget, it is very important that we know that these are real dollars hitting the ground, not compromised, new money to the Veterans’ Administration. Total it all up, between the President, the chairman’s mark, and the Ensign amendment, and you know, a 3.7 percent increase in a tight budget year.

I must say, this is one chairman of what I believe is an important committee who says that is responsible. That is the right thing to do. And we don’t raise taxes to do it. We go inside Government spending and find the resources. And we have offset them appropriately in an account that last year increased 12 percent.

The irony is in the fact that in attempting to undo the President’s proposal to charge additional fees on higher income vets, the Murray amendment charges another type of fee on veterans—and all Americans, for that matter—in the form of higher taxes. The Ensign-Craig amendment goes elsewhere inside current levels of spending. It does not do that. Yes, veterans do pay taxes. They are out there, hard-working Americans like nearly everyone else. And if you raise taxes, you have just a 3.7 percent increase in a tight budget year. We will actually compute the worthiness of the argument. I do dispute the resources involved and whether they are actually necessary in a very tight budget year when we are struggling to keep this economy alive, rewarding that economy that more money stays out there in it that stimulates job growth. And it has and it has proven that it is working because those numbers keep coming up in America as more Americans go back to work.

We ought not penalize that sector of our economy while we are truly trying to help a sector of our economy that is less fortunate and, most importantly, that has served this country well.

The men and women in uniform of our services, who stood in harm’s way, we recognize their service but we also recognize there are limits within the budget. In those limits, we will have to say there are certain things we will do and certain things we cannot do. That is the choice that we as Senators are asked to make when we shape budgets. But it is a necessary and a responsible choice. So we have said no to the enrollment fees, no to the copays.

We have also said no to something else very near and dear to the heart of the Senator from Washington, the Senator from Hawaii, and me, and that is State homes. Those beds, 20,000 across the Nation, with 285 in my State, are a cooperative relationship between the State and Federal Government in assuring that truly needy of our veterans have a place to go—in their final years, in many instances. The administration had asked to drop that per diem and that ensured the stability and the strength of those homes, at a time when States’ budgets are tight—certainly in many instances tighter than ours. So I believe that was the right and responsible thing to do.

Last week, we heard extensively from all of the service organizations. What were their greatest frustrations? The fees, copays, and the homes. What have we done? We have taken all three of those major frustrations away because we listened to the service organizations. We heard them during that series of bicameral hearings, held both in the House and Senate.

Let me go back to my original statement. The question remains, whether you are looking at the amendment of the Senator from Washington or the amendment of the Senator from Nevada, how much is enough? Is a 1.201 plus-up, with no reconciliation instructions, enough? Does it sustain this quality of health care? Yes, it does. Or does it fail us? Is it fair to the American people to pay higher taxes for more money that is questionably necessary? We could throw a lot more money at the Veterans’ Administration, and we might get greater results. But we would be going beyond what I think is necessary and appropriate today, and I think most of my colleagues agree with me.

So we sustain the work we have done.

I ask my colleagues in the Senate to support the Ensign amendment, support the work of the committee, sustain the vibrancy of the veterans health care system, and to vote down the Murray amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY, Mr. President, I yield 6 minutes to the Senator from Illinois.

MR. OBAMA. Mr. President, I rise to discuss an issue on which I hope we can find common ground. Today, we have thousands of brave men and women risking their lives for us halfway around the world. At home, we have millions more who were equally courageous in defending our freedom during generations past. When it comes to honoring these soldiers and these veterans, there is never any shortage of words and praise from leaders of both parties, and there should not be.

As I look across this chamber today, the outstanding Senator from Idaho, who is also chairman of the Veterans Committee, for his deep concern and regard for our veterans. But I have to contest some of the statements that were made yesterday. Unfortunately, based on our analysis, this budget has a very real and unacceptable shortage of funding for the benefits and health care that our heroes have earned.

Make no mistake, these are not just complaints coming from Washington; these are complaints we are hearing from veterans all across the country—in Illinois, Washington, Hawaii, and Idaho.

Senator Ensign’s amendment could increase the veterans health care budget by $110 million. That is a modest improvement and to be commended, compared to the original budget offered by the President. Yet, these dollars, I should point out, come directly out of international programs that fund child health care, global AIDS assistance, disaster, famine assistance, and more. We can have a further discussion as to whether it is wise for us to rob Peter to pay Paul. But even if we go ahead and take this money from these vital programs and place it into veterans, it is still $2.5 billion short of sufficiently funding veterans health care services.

That is why I am joining my colleagues on the Veterans’ Affairs Committee, ranking member Akaka and Senator Murray, to support an amendment to increase funding for veterans health care by $2.85 billion.

Today, the state of care for American veterans is not worthy of their service to this country. There are roughly 480,000 compensation and pension claims still unprocessed. This budget provides for 113 new employees to help deal with this backlog.

There are thousands of veterans who cannot afford to get the health care they need, and I am glad to see the Ensign amendment eliminates the copayments. But the budget in front of us still tells veterans who make as little as $20,000 a year they are too wealthy to enroll in the VA health care system.

There are VA hospitals on the brink of closing down around the country. But this budget cuts $331 million in funding for veterans nursing homes and eliminates more than $100 million in State grants that are desperately needed by VA facilities. When the troops who are fighting bravely in Iraq and Afghanistan return home as veterans, what kind of care will they find? Already we know that McDillisters are coming home with post-traumatic stress disorder, with traumatic brain injury that could lead to epilepsy, and with conditions that may result in over
100,000 soldiers requiring mental health treatment when they come home. If we cannot care for the veterans who are already here, how will we take care of the veterans who will be returning in a few years?

I urge my colleagues to join me in sending veterans the right message. Our amendment will provide funds for VA staff so veterans are waiting to file disability claims are not waiting months to have their case heard. It will provide money so that veterans of all incomes can access the VA system, as was promised.

When it comes to America’s veterans, it is not only our patriotic duty to care, it is also our moral duty. When our troops return from battle, we should welcome them with the promise of opportunity, not the threat of poverty.

Senator ENZIEG’s amendment is a modest improvement over the President’s original budget. But as Senator AKAKA has already stated, it still leaves the veterans short. It is time to reassess our priorities. A budget is more than a series of numbers on a page or a statement of our values. The President and everyone in this Chamber never hesitate to praise the service of our veterans and acknowledge the debt we owe them for their service, and I commend my colleagues and the President for that. But this budget does not reflect that praise or repay that debt. Neither does the budget resolution on the floor today.

Mr. CRAIG. Mr. President, I ask what time remains on both sides?

Mr. MURRNY. Mr. President, I commend my colleagues from Hawaii and Illinois for standing up for veterans in this country and for their passion for their States and the people they represent.

We are here this afternoon because veterans throughout our country are waiting for the health care they have been promised, and it is our responsibility to make sure it is delivered. They are facing understaffed and overcrowded VA hospitals. They are dealing with paperwork and redtape, and they are not getting the service we promised them when we sent them to fight for all of us.

Every day the system is getting more and more crowded and the waiting lists are growing longer, and this body has to do something about it. I have heard several claims from the other side, and I want to take a few minutes to refute a few of them.

They claim we are going to be raising taxes. I remind you there will be $5 billion in this budget for tax cuts when our amendment passes. I believe we have a responsibility in this country to make sure we keep the promise to our veterans, and that is why I believe our amendment is responsible in its funding mechanisms.

Second, we have heard our opponents say that veterans funding has gone up by 43 percent, so veterans do not need another dime. I remind my colleagues that the number of veterans in VA care has gone up by 88 percent at the same time that medical inflation has gone up 92 percent. Inflation is rising, the cost of care is rising, and the number of veterans is rising. Forty-three percent is commendable, but it does not meet the promise we made to our servicemen when we sent them overseas that we would care for them when they returned.

Another claim we have heard over and over again is that the VA is sitting on $500 million. That does not stand with this Senator. I believe the VA officials here in Washington, DC, have a responsibility to get those funds out to our veterans across this country. They are in waiting lines. We see clinics that are not opening or are closing. Our veterans need the services and the VA should be held to the money and it should go out there.

We have also heard from our opponents that veterans funding has increased by $900 million. That is simply not true. We had printed in the Record last night the true cost, which is $80 million, far less than the $900 million we have heard on this floor.

Let me just say I know veterans organizations across this country—VFW, AMVETS, Paralyzed Veterans of America, Disabled American Legion, Vietnam Veterans—many other veterans organizations are watching us. They know there is a difference between the amendments offered on the Republican side and Democratic side. On the Republican side they are offering an additional $101 million: on our side, $2.85 billion—the difference between serving 68,000 additional veterans and 475,000 veterans; the difference between telling veterans, some of them, that they will be in and out of the VA with no funds to get their service, and the ability for us to serve all of them.

Let me end my time today on this amendment by reminding all Senators what George Washington said back in 1789. I think it holds true today more than ever.

The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their country.

These words hold true today. Voting for our amendment on our side will assure that we show these veterans that we appreciate and support their service. It will send a message to the next generation of young men and women that the service we notrealize and to which we are entitled in this country and I urge my colleagues to support the Akaka-Murray amendment.

Mr. JEFFORDS. Mr. President, I rise today to express my support for the Akaka amendment. I believe it is desperately needed funds to this budget for veterans health care. I am pleased to be a cosponsor of this amendment.

The spending level in this budget for veterans health care defies logic. We are 2 years into a war. Yet, this budget fails to provide adequate resources for those who have served this country so valiantly. American servicemembers are wounded in Iraq each day. Thanks to new advances in battlefield medicine, more wounded soldiers than ever before live to return home. But in a greater percentage of cases, they come home with horrific wounds, both visible and invisible. The Department of Defense should be commended for keeping wounded soldiers in its medical system for longer periods of time and for shouldering a greater share of the costs. However, the long-term costs of health care and rehabilitation still fall heaviest on the Veterans Administration. This budget responds to those needs by underfunding the VA by almost $16 billion over the next 5 years. This is simply not acceptable!

Over the past year, unprecedented numbers of National Guard and Reservists have been called to active duty. When these Guard members and Reservists come off active duty, they are entitled to 2 years of access to the VA health care system. In my home State of Vermont, over 1400 National Guard members have been called to active duty. While I am incredibly proud of the White River Junction VA Hospital, which has done award-winning work in their field, even they cannot be expected to handle this new influx of veterans without additional funding. We owe it to both the veterans and the VA employees to provide them with the funding and services they require. The Akaka amendment would provide an additional $2.85 billion to the VA for just this mission.

A significant number of Iraq veterans have complex and long-term care issues. Improved body armor has saved many lives, but among the wounded, we now see a higher percentage of lost limbs and head injuries. These traumatic injuries have an emotional component to their care. It has been estimated that as many as one-third of all returning service members have some type of mental health needs. VA hospitals are working hard to ensure these needs are met immediately, before they develop into more serious manifestations such as post traumatic stress disorder. It has become increasingly clear that we need a better understanding of the emotional and mental health aspects of both the war and traumatic injuries. To meet this challenge, we must increase VA research on mental health and post-traumatic stress disorder, research that is critical to both
the Department of Defense and veterans health care. The National Center on Post Traumatic Stress Disorder is doing excellent work along these lines, but a great deal remains to be done. We must pass the Akaka amendment if we hope to do this score.

The Budget Committee thankfully removed two provisions from the President's budget that have caused a great deal of concern among veterans. The President proposed to charge some veterans a $250 fee just to enroll in the VA health care system. The President also put forward an increase in the co-pay for prescription drugs from $7 to $15. I am pleased that the Budget Committee saw the error in both of these provisions, and cut them out of its budget.

Mr. President, it is critical that we pass the Akaka amendment. This should not be a partisan vote. Support for our troops is not a partisan matter. Taking care of their health care needs should not be a partisan issue either. If we cannot even talk about this issue, whether it is mental or physical health, what can we agree on? For the sake of our veterans, and in honor of their service, I urge all my colleagues to support the Akaka amendment. We owe our veterans this, and more.

Ms. MIKULSKI. Mr. President, I rise in strong support of the Akaka amendment to increase funding for VA medical care.

When America is at war, there should be no greater priority than to sustain our brave men and women in uniform. And just as we owe a debt of gratitude to those brave men and women that are fighting to keep us safe in Iraq and Afghanistan and the far corners of the world, we owe that same debt to the veterans who served before them. We need to get behind our troops and our veterans, and use this budget to support them. Our veterans need to know that America is behind them, and that America will be there for them.

As the former ranking member on the VA-HUD Appropriations Subcommittee, I fought to add more than $1 billion to last year's Presidential budget to make sure our veterans had the health care and benefits that they earned. Yet as Yogi Berra would say, we have deja vu all over again with this year's budget resolution.

Once again the White House has sent us a budget that does not keep the promises we made to our veterans. At a time when private insurance is failing and the cost of prescription drugs is skyrocketing, the VA's 2006 budget request puts new toll charges and means tests on our veterans. It fails to fully cover the costs of medical inflation, and it cuts back on services for vulnerable veterans. And it fails to do enough to expand care for veterans returning from the Middle East—especially those with special mental health or prosthetics needs.

Specifically, the budget proposes four things. First, the budget proposes to keep the VA closed to Priority 8 veterans. These are veterans who are not disabled as a result of their service, whom the VA considers to be higher income.

Second, the budget proposes a new $250 enrollment fee for middle-income veterans in Priority Groups 7 and 8. The President proposed to increase prescription drug copayments from $7 to $15 for these same veterans. These two measures have been twice rejected by Congress, yet the administration included them yet again in the 2006 budget.

Finally, the budget proposes to slash long-term care availability for veterans in Priority Groups 4 through 8 who are not “catastrophically disabled.” What does this mean? That means that VA won't provide long-term institutional care for many veterans, even some who are below the poverty line or have serious medical conditions that are not service-connected. The VA budget shifts the cost of paying for long-term care to Medicaid and private insurance, leaving some of the most vulnerable veterans without a safety net.

More than 2 years ago, the VA health care system stopped accepting new Priority 8 veterans. Manufacturing is fad-ing and the VA health care system is falling. And many of those affected are Priority 8 veterans. Many corporations involved in manufacturing had defined benefits plans that included health plans with guaranteed retiree coverage. For these veterans, Medicaid was their last safety net, until they turn 65 and are eligible for Medicare.

Many of my colleagues have heard me talk about the plight of veterans who worked for the former Bethlehem Steel Corporation—in Maryland there are more than 10,000 Bethlehem Steel retirees alone. Their situation sums up the needs that too many of our Nation's veterans face.

Many former Bethlehem steelworkers are Priority 8 veterans. They came back from serving their country at war, and they continued to fight for America's national and economic security by working in our steel mills. But now, many have lost their health insurance because of Bethlehem Steel's bankruptcy. They are not eligible for Medicare yet. Under this budget, many will be turned away from VA—the safety net they counted on will not be there because VA will continue to shut out Priority 8 veterans.

At a time when private insurance is failing and other veterans who worked in manufacturing or for other businesses that don't offer health insurance, fought for their country and now they will have to fend for themselves, yes on the open market for health insurance. I am deeply concerned that this policy and many other potholes in VA's budget leave our veterans paying toll charges, standing in lines, or without any health care at all.

In the last 5 years, the VA-HUD subcommittee has provided large increases for medical care—$1.3 billion in 2001, $1 billion in 2002, $2.4 billion in 2003, $3 billion in 2004, and $1.2 billion in 2005. We did this to honor our commitment to our veterans, to give them the health care and benefits they have earned on the battlefield. We did it because our veterans didn't stand in waiting lines when they were called up to serve this country.

So they shouldn't have to stand in line to see a doctor, and they shouldn't have to face toll charges to get the health care that is owed to them.

Mr. President, I urge my colleagues to support our veterans in this budget by supporting the Akaka amendment.

Mr. SALAZAR. Mr. President, I rise in support of amendment No. 149 by Senators AKAKA and MURRAY to praise them for their years of work on veterans issues.

This is a needed amendment because the budget resolution, as written, will break our promises to America's veterans.

The budget resolution closely tracks an administration request that will do little to meet growing costs and will force the VA to continue to ration care.

I am angry that thousands of veterans are being turned away from the VA. This represents a fundamental bridge of trust with our fighting men and women. Since January 2003 when the VA announced suspension of enrollment of new Priority 8 veterans, 192,000 veterans across the country and 2,000 Colorado veterans have sought VA care and have been turned away. The administration's new budget hopes to kick 1.1 million more so-called low-priority veterans out of the system next year with draconian cuts in service and increased fees.

The administration's budget also would kick thousands of veterans out of nursing homes. It would limit the VA's per diem reimbursement to State VA nursing homes to priority ones, twos, and threes. This heartless cuts could kick 80 percent of State nursing home residents out onto the street.

Last week, I met with the administrator of a State nursing home in Walsenburg, CO. She told me that these cuts would force her to kick out 93 of her 100 residents. State administrators tell me that these cuts could force the entire system to go under. These are our most vulnerable veterans, who often have no place else to go.

Another problem is waiting periods. Administrative backlogs at the VA have been reduced, but there are still 321,000 veterans waiting for disability and pension claims to be processed. At the VA clinic in Grand Junction, there is a 400-person waiting list. That is a 4 to 5-month wait. Just last week I asked Secretary Nicholson to explain to me why numerous Coloradans are waiting longer to get their benefits, forcing them to miss tuition deadlines. This budget agreement will do little to cut these administrative backlogs.
Senator AKAKA's amendment would go a long way to restoring needed funding and I urge my colleagues to support it.

Mr. BYRD. Mr. President, this budget comes to Congress from the White House. It is a computation of fighting two wars. In Iraq and in Afghanistan, the young men and women of our Armed Forces are on the front lines, risking life and limb in service to our country.

These troops follow in a proud tradition that stretches back for generations. The troops who now serve in Baghdad or Kabul may well have fathers who served in Saigon or the Mekong Delta. The fathers of these fathers may have fought at Okinawa or Normandy, and their fathers might well have served in the second battle of the Marne. But no matter where these troops were sent to defend our country, no matter when they served our country, they have all earned the title, veteran.

Veterans have sacrificed for this country, but the budget proposed by the Bush Administration, and the budget resolution being debated on the floor of the Senate, forces more sacrifices on veterans. This budget short-changes veterans health care by billions. This budget would force many veterans to pay $250 dollar annual enrollment fees. This budget would require veterans to pay more for prescription medications.

In fact, this budget is intended to drive so-called “low priority veterans” out of the VA health care system. The Department of Veterans Affairs budget documents foresee a 16 percent reduction in the number of “low priority veterans” that can receive care in VA hospitals.

What a shameful phrase that is: “low priority veteran.” There were no “low priority soldiers” during the Tet offensive. There were no “low priority sailors” at the battle of Midway. There were no “low priority Marines” at the battle of Fallujah.

But when these same soldiers, sailors, and Marines go to the VA hospital to get the health care they earned through serving our country in times of war, the Bush Administration is trying to give some of them the brush-off: “Go somewhere else,” this budget says to hundreds of thousands of veterans. “Your health care is a low priority for the U.S. Government.”

It is no wonder that the Disabled American Veterans call the Bush budget proposal “one of the most tight-fisted, miserly budgets for veterans programs in recent memory.”

I stand shoulder-to-shoulder with our nation’s leading veterans service organizations, as I have always stood with them, in calling for Congress to correct the President’s ill-considered budget proposal that under funds veterans health care and raises fees for millions of so-called “low priority veterans.”

During markup of the budget resolution in the Budget Committee, I voted for an amendment offered by Senator MURRAY to increase spending on veterans health care by $2.85 billion in the next fiscal year. This amendment would have provided the funds necessary to reverse the administration’s policy of cutting access to VA health care by certain veterans. It is shameful that this amendment fell victim to a party line vote. Providing adequate funds to support our veterans should never be a partisan issue.

Mr. President, I am proud to once again support an amendment to add $2.85 billion to the veterans health care budget. I commend Senator AKAKA and Senator MURRAY for bringing this important amendment to the floor of the Senate. I stand with the veterans of West Virginia and the 49 other States of the Union in supporting these funds that are owed to those who have served our country in times of war, and I urge my colleagues to support this important amendment.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I have 7 minutes remaining?

The PRESIDING OFFICER. That is correct.

Mr. CRAIG. Let me again thank all who participated in this debate. There are differences as to how we approach providing for our veterans. You see those differences embodied in part in the two amendments that are before us, either the Murray amendment or the Ensign amendment. I think it is important, though, that we do, for the record, reflect accurately the opposition to some of the statements. My colleague from Illinois is concerned, as we all are, about PTSD. The Ensign-Craig amendment would provide an additional $100 million that can be devoted to, of course, mental illness. It is of great concern to us as our veterans come home from Iraq, Afghanistan, possibly whole in body but not whole in mind. That is recognized both by the President, by the Veterans Administration, and we plug up that budget substantially to do so.

Another area that has not been mentioned is that which is critically necessary for rural veterans who find themselves in an emergency environment and need to gain access to emergency rooms of the hospital and the community and not a veterans facility—we have $43 million in the budget to ensure that veterans who seek emergency care in non-veterans facilities are treated exactly the same as they would be as if they were in veterans facilities.

Let’s do the numbers. The Senator from Washington says the President’s numbers only include $80 million. That calculation is off. And the balance is in collections and that is real money and that is there all the time and that is in the budget and that is $751 million. You have to do all the math, all the time. That is what we are doing here to make sure the numbers are accurate.

So you take the $751 million in the President’s request, general fund revenue and collections, and you take the chairman’s mark of $40 million, and you take the Craig-Enzi amendment or Enzi-Craig amendment of $140 million and add it up and it is a 1.201 increase, health care, 3.7 percent increase over last year. It is not a tax cut. If you don’t enact it, it is a tax increase. Those cuts are already in place. This is the assurance of the continuum of those tax cuts. Take them out, it is a tax increase. It is a matter of semantics. It is also a matter of fact. What is being offered by the Senator from Washington, as she pluses up the veterans budget, is gained by tax increases.

Let me put it this way: Taxes that would be asked to be paid by working men and women, America’s workforce, America’s veterans, paying them now. They would pay them then. My suggestion is that is a tax increase.

Let me close with a couple of more analyses. We are mighty proud of what our President and what we have done over the last 4 years for the veterans of America and for the quality of health care and service delivery of the Veterans Administration. Here it is, a 43 percent increase. We have gone from $14.8 billion in 2001 to $69.8 billion in 2005, and we are now plusing that up into the $70-plus billion range. $71 billion. That is total spending.

Let me look at health care fees for a moment. There are substantial increases there. We increased health care when veterans were asking for it. They went from over 4 million vets into the services in 2001 to now almost 8 million vets, and we have an increase from $21 billion in 2001 to $29.6 billion. In doing so, America now says the veterans health care service is one of the finest health care delivery services in the country.

The test for Senators ought to be: Do we damage it? No, we do not. Do we assure those coming out of Iraq and Afghanistan with the true needs of the services provided have access? Yes, we do. No question about that.

The President assured it. He approached it a different way. We assure it by approaching it from within the Federal budget instead of raising taxes to accomplish that. I believe the Enzi-Craig-Vitter-Hutchison amendment does exactly what most Senators would want to ask of us in relation to the care for our veterans. It is a responsible approach. It is clearly a defensible approach. We believe that we have approached it in the right manner to solve the problems and retain the consistency of quality of improvement and access to the veterans health care system.

I believe all time has expired. I yield the remainder of my time.

The PRESIDING OFFICER. The Senator yields the remainder of his time.

The Senator from New Hampshire.
Mr. GREGG. Mr. President, I ask unanimous consent that prior to the vote which is about to occur on the amendment by Senator BYRD, there be 1 minute on both sides.

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

Mr. GREGG. I also ask that be applied to the next vote, which will be on ANWR.

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

The Senator from Mississippi.

AMENDMENT NO. 158

Mr. LOTT. Mr. President, I rise in opposition to the Amtrak amendment and would use the 1-minute time I believe was just allocated. Is that appropriate parliamentary procedure at this point?

The PRESIDING OFFICER. The Senator is correct.

Mr. LOTT. Mr. President, I have a long history of being supportive of Amtrak. I was chairman of the Surface Transportation Subcommittee when we passed the last reauthorization. I have the honor of serving there again this year. I am committed to trying to find a way to get a reauthorization and get a reliable stream of funds for Amtrak so its future can be certain and so this does not have to depend just on annual appropriations.

We are going to get that done. This puts the cart before the horse, before we get a reauthorization. We are going to designate more money for it.

To make matters worse, the $1.2 billion, while it is significant, will just continue the drip, drip, drip of funds for Amtrak but yet not enough for them to do what they need to do in track improvements and capital improvements.

I believe this is the wrong place to do this amendment.

Last but not least, it does it by raising unspecified taxes.

Mr. JEFFORDS. Mr. President, I stand today to speak in support of Senator BYRD’s amendment to restore Federal funding for Amtrak to this year’s budget.

Mr. JEFFORDS. Mr. President, I stand today to speak in support of Senator BYRD’s amendment to restore Federal funding for Amtrak. The amendment would provide $200 million over last year’s level of $1.2 billion.

Starving Amtrak into bankruptcy may appear to be the quick and easy solution to the bleak picture that some members have painted of Amtrak. But let’s look at the bigger picture, at the role of passenger rail in this country and guarantee Amtrak the opportunity to secure its future in the 21st century.

In just over three decades, Amtrak has grown to encompass a passenger rail network that connects 48 States, including my home State of Vermont. Through the years Amtrak has stood resilient in the face of financial peril and today it carries 24 million passengers annually and employs 22,000 Americans.

Amtrak serves a diverse ridership that depends on the continued existence of safe and reliable transportation. Amtrak shuttles commuters to and from their jobs, brings college students home for the holidays, and increases the mobility for the elderly and the disabled. In urban areas, passenger rail relieves traffic on overcrowded highways. In rural States like Vermont, passenger rail ensures access to metropolitan centers and provides public transportation that we may otherwise be too costly or unavailable.

As fuel prices remain unstable and our Nation’s highways and airports suffer from the ever-increasing congestion and delays, Amtrak offers an invaluable alternative upon which Americans have come to rely.

I think one of my Vermont constituents expressed this sentiment best in a letter I recently received. Colby Crehan of Burlington, Vermont wrote of her Amtrak trip across the United States: “I was able to travel safely and comfortably on a train while seeing the beautiful landscape that covers so much of this country. Amtrak introduced me to the rest of America in a way that a car or plane trip could never do. These trips confirmed my feeling that train travel is the safest, most convenient and relaxing way to travel perhaps you can share my story.”

Our choice today is clear. We can forfeit our prior investments and the investments of State and local governments back home, or we can uphold our responsibility to ensure that passenger rail remains an integral part of our Nation’s transportation system. The future of passenger rail in this country belongs in the hands of Congress, not in the bankruptcy courts. I urge my colleagues to vote in favor of this amendment.

Mr. BIDEN. Mr. President, I am pleased to join Senator BYRD and my other colleagues to offer this amendment, to repair a major flaw in the budget resolution.

We are shocked when the President sent his budget here earlier this year, without a dime for intercity passenger rail. Not a dime. Not one red cent.

How could they possibly refuse to fund our passenger rail system, that carries 25 million passengers a year? What are they thinking? Where will those 25 million travelers go? Back onto our overcrowded highways? Should they take a place in the security lines in our airports?

We know what they are thinking, Mr. President. We have been told, in many public statements by the administration, that they intend to blackmail us in the Congress into accepting a plan to breakup Amtrak, in exchange for the funds the system needs to keep running.

Instead of fixing that problem, this resolution repeats the blackmail threat: breakup the system, or no funds.

No passenger rail system in the world operates without support. Almost no passenger rails system in the world operates on the low level of support inflicted on Amtrak over the years.

We have starved the system of one of its basic needs—capital. From the day we created it over 30 years ago, Amtrak has been put in the impossible position of trying to increase its ridership, to increase its own revenues, while we have refused to provide it with the resources needed to do the job.

Railroading is a classic capital-intensive industry. The huge costs for the right of way itself, which Amtrak owns all along the Northeast corridor, the costs of maintaining the locomotives and passenger cars—those are the costs that virtually every other advanced industrial economy in the world undertakes today.
They don’t do it out of nostalgia for the golden age of rail. They don’t do it because they lack other kinds of transportation. They do it because modern economies need a full mix of transportation options, a balanced system. They do it because it takes pressure off highways and airports, because passenger rail is clean and safe.

Here on the Senate floor, we are told: Don’t worry, we aren’t serious. We didn’t mean it when we refused to put a dime in this budget for passenger rail.

But the administration put it differently in its budget. They actually propose zeroing out Amtrak with the goal of causing a bankruptcy, which, and I quote, “would likely lead to the elimination of inefficient operations and reorganization of the railroad through bankruptcy procedures.”

That is their idea of reform. That is their idea of how to make transportation policy: Let a bankruptcy judge figure it out.

They are creating a crisis, and using the threat of bankruptcy to force changes on the system.

What is their plan? What do they propose?

First, they want to push more costs off onto the States. That is a theme we are seeing throughout the budget. It looks like saving money, but it simply shifts costs. Ask our mayors, ask our Governors what they think of the Federal Government shifting costs onto them. That is not a plan that will work.

They also want to break Amtrak up into capital and operating units. They tried something like that in Great Britain, and they regret it. Then they tried, with the help of Senators MCCAIN, HOLLINGS, CARPER, SCHUMER, CLINTON, and others, to move legislation to upgrade rail security.

Over 3 years later, in the face of explicit warnings and evidence that terrorists are targetting passenger rail here in our country, a year after the tragic bombings in Madrid, we have done virtually nothing about Amtrak’s security needs.

It should be a scandal that this Congress and this administration have not even authorized, much less spent a dime for, a plan to secure our rail system.

More people pass through Penn Station in New York City than through La Guardia and JFK airports combined.

Union Station, just two blocks from here, is the busiest site in Washington, DC, with 25 million people passing through.

Amtrak is expected to patrol those sites with its own forces. In Penn Station, only six to eight security guards patrol on weekdays. And they have the weekends off.

Whatever you think of passenger rail, it is unconscionable to propose no money—zero, nothing—to increase the security of the 25 million Americans who ride Amtrak every year.

This amendment by itself will not take care of those security needs, but it will address the basic needs of passenger rail in our country. I urge my colleagues to support it.

The PRESIDING OFFICER. Who yields time? The Senator from West Virginia.

Mr. BYRD. Mr. President, for fiscal year 2006, the President’s budget seeks the complete elimination of direct subsidies for Amtrak. The budget resolution preserves enactment of the budget proposals for transportation which would result in bankruptcy for Amtrak. My amendment, which has co-sponsors on both sides of the aisle, would increase Amtrak funding by $1.05 billion in fiscal year 2006.

If Senators really desire all Amtrak services to come to an immediate and grinding halt for lack of a Federal subsidy in 2006, they will vote against the amendment. Across the Northeast corridor, the busiest urban transportation corridor in the Nation, elimination of Amtrak’s premier service would be a transportation disaster. Elimination of Amtrak service would have disastrous results in both rural and urban America.

The elimination of an Amtrak subsidy is not a recipe for a streamlined railroad; it is not a recipe for a more efficient railroad. It is a recipe for a dead railroad—a dead railroad, dead, dead, dead railroad.

I urge Senators to vote for my amendment.

I thank the Chair.

The PRESIDING OFFICER. The question is now on agreeing to the Byrd amendment No. 158.

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

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

The clerk will call the roll.

The assistant journal clerk called the roll.

Mr. DURBIN. I announce that the Senator from Arkansas (Mr. PRYOR) and the Senator from Rhode Island (Mr. REED) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 51 Leg.]
The amendment (No. 168) was rejected.

The amendment on the budget. The amendment to extend the current surplus is the most recently adopted concurrent resolution on the budget. Mr. CONRAD. I move to reconsider the vote. Mr. BENNETT. I move to lay that motion on the table. The motion to lay the table was agreed to.

The PRESIDENT pro tempore. The amendment from North Dakota is recognized. Mr. CONRAD. May we have order in the Chamber?

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deficit or causes an on-budget deficit when taken individually, it must also increase the on-budget deficit or cause an on-budget deficit when taken together with all direct spending legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that direct spending or revenue legislation enacted in net deficit reduction pursuant to reconciliation instructions since the beginning of that same calendar year shall not be available.

(b) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(c) APPEALS IN THE SENATE FROM THE DECISIONS OF THE CHAIR RELATING TO ANY PROVISION OF THIS SECTION.—Any appeal to the Senate from the decision of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of each annual budgetary estimate made by the Committee on the Budget of the Senate.

(e) SUNSET.—This section shall expire on September 30, 2011.

Mr. FEINGOLD. Mr. President, I am pleased to offer this amendment with the Senator from Rhode Island, Mr. CHAFEE, and a bipartisan group of other Senators. Our amendment is the same amendment we offered last year and that this body passed with bipartisan support. It would simply restate the pay-as-you-go rule that had been such an effective restraint on the fiscal appetites of both Congress and the White House.

Over the past 4 years, we have seen a dramatic deterioration in the Government’s ability to perform one of its most fundamental jobs, and that is balancing the Nation’s fiscal books.

We are all familiar with the history. In January of 2001, the Congressional Budget Office projected that in the 10 years thereafter, the Government would run a unified budget surplus of more than $5 trillion. Little more than 4 years later, we are now staring at almost a mirror image of that very positive, 10-year projection, except that instead of healthy surpluses under any reasonable set of assumptions, we are now facing immense deficits and a bankrupting debt.

That has to stop. We have to stop running deficits because they cause the Government to use the surpluses of the Social Security trust fund for other Government purposes rather than to pay down the debt and help our Nation prepare for the coming retirement of the baby boom generation. We have to stop running deficits because every dollar we add to the Federal debt is another dollar we are forcing our children to pay back in higher taxes or fewer Government benefits.

What the Government and this generation choose to spend on current consumption and then to accumulate debt for our children’s generation to pay, it does nothing less than rob our children of their own choices. We make our choices to spend on our wants, but we saddle our children and our grandchildren with the debts that they have to pay from tax dollars, their tax dollars, and their children’s tax dollars. We all know that is not right. That is why I am offering this bipartisan amendment to fundamentally restate the pay-as-you-go rule. We need a strong budget process. We need to exert fiscal discipline. Mr. President, I remember when the pay-as-you-go rule was in effect, tough fiscal discipline governed the budget process. Under the current approach, it is pretty much the opposite, it is the other way around. What happens now is the annual budget resolution determines how much fiscal discipline we are willing to impose on ourselves. This just hasn’t worked. When Congress decides it would be nice to create a new entitlement or enact new tax cuts and then adjust its budget rules to permit it, those are really inviting a disastrous result, and that is just what we have seen happen.

As an example, if somebody wants to lose weight, you set the total number of calories you are allowed to consume first. First, you make sure the meals fit under that cap—not the other way around. Imagine if you tried to lose weight by deciding what you want to eat first and then setting a calorie limit to accommodate your various cravings. If you want a piece of cake, fine, you just dial up that calorie intake limit and you are all set. If you want a couple of extra beers, that is fine, too, under this kind of system: you just raise the calorie limit accordingly. It may taste pretty good at the time, but you will probably end up gaining weight, just like this Nation is racking up debt because this ill-advised diet is exactly how the current mutated version of pay-go works, and we have seen that. We are now leaving our children and our grandchildren has been putting on massive amounts of weight. This amendment would simply return us to the rule by which Congress played for the decade of the 1990s, and that was instrumental in balancing the Federal budget.

Let’s remember, that was not an era where one side had control of all the Government or the other side did. For most of the nineties, most of this time, we had Democratic control of the House, and Republican control of both Houses, and we all agreed and we all worked together on the principle that the pay-as-you-go rules were helping us move toward the goal—in fact, the achievement—of having a balanced budget by the year 2000, by the time President Bush took office.

Many of us here lived under that rule, and we know just how effective it was. If this budget does nothing else, it should reinstate the classic, the old pay-go rule. If we do that, maybe we can begin to turn these annual budgets around and stop racking up these deficits and adding to the already enormous Federal debt.

I urge my colleagues to support this commonsense, time-tested fiscal discipline.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Arizona.

Mr. KYL. Mr. President, I ask the Presiding Officer to let me know when I have spoken for 5 minutes. I would appreciate that.

This amendment should be opposed purely because there is a big difference between requiring offsets for spending increases and requiring offsets for tax cuts. They have dramatically different effects on economic growth. The goal here should be a strong private sector economy.

Let’s go back to basic principles. Money does not belong to the Government, so we should not be concerned about how much a particular policy "costs" the Government. Money belongs to the people and when allowed to work in the private sector economy it can become a powerful engine for economic growth and job creation and a better standard of living and productivity for all Americans. And one more thing: it could really help the Federal Government because the more wealth that is produced, the more that is taxed, and the more revenues go to the Federal Government as taxes. So a growing, vibrant economy not only helps us all as individuals and families, it helps the Federal Government, too, because there is more economic growth and revenue and wealth to tax.

The key here is to keep economic growth going strong. We are also concerned about the size of the deficit, and that is why we have the so-called pay-go rule for spending. If we are going to raise spending in one area, what the budget says, and correctly so, in another area we need to reduce it someplace else because we need to net it out at an even amount. We don’t want to go above the spending level in the budget that the President and the Budget Committee have set. That makes sense.

But with respect to tax cuts, what is the purpose of a tax cut? The purpose of a tax cut is to ensure that we can continue to sustain economic growth, to create jobs, basically to provide more capital to be invested into businesses which can hire more people, can produce more goods, can create more revenue. And again, what happens with that growing economy—revenue increases to the Treasury.

The purpose of the tax cut is to keep all of that going.

Suppose you had a pay-go rule that said you have to "pay" for tax cuts by giving the Federal Government an equivalent amount of money that you are reducing as a result of the tax cuts; in other words, that somehow the money belongs to the Federal Government, and if you are going to let people keep more of their own money somehow you have to make up to the Federal Government.

That makes no sense at all. That is basically robbing Peter to pay Paul by...
taking money out of one pocket and putting it into another pocket—basically saying if we reduce taxes in the private sector in order to stimulate economic growth, somehow we have to go back in that private sector and pull an equivalent amount of money out to give to the Federal Government to make up the difference. It makes no sense at all.

All you have done in that case is reduce the amount of money in the private sector, producing revenue by reducing the amount that goes to the Federal Government in revenues. This has been demonstrated. As a matter of fact, since the tax cut of 2003, if you judge the year from 2003 to 2004 in the same period, we saw an increase in revenues to the Treasury from taxes of 10.5 percent compared to the same time in 2003. The aftertax revenues to the Government were more than before we cut the tax rates.

How could that be? In economic theory, we know this to be true—take the case of capital gains taxes. Since both dividends and capital gains tax reductions are presumed to be included in this budget cut, we know that when the tax rates on capital gains were high, people didn't sell their assets. They didn't turn them over because they would have to pay a big tax. As soon as we reduced the tax rate on capital gains, it had an unlocking effect in the economy, and then people were willing to sell their assets because they didn't have to pay nearly as much taxes on the gains.

Conversely, it is also true that the higher the rate, the less economic activity.

There was a direct relationship between reducing the taxes and increased revenue to the Treasury. The Nobel Prize economist, Dr. Edward Prescott, who teaches at Arizona State University, got his Nobel Prize for pointing out that it isn't true with respect to individual income tax rates. It is not true that the higher the income tax rate, the more revenue you bring in.

Suppose you had a 100-percent tax rate on your income. How many people would work? You are working the entire amount of time for the Federal Government. The highest possible income tax rate produces the least possible income tax revenue.

Instead, what you need is a rate at which people would feel they can continue to work and make enough money for themselves so it is worthwhile to continue to work. But at a certain point, you are taxing that next dollar earned at a point at which people will no longer work.

That is what has happened to the European economy. Their higher tax rates over there have resulted in less work, less productivity, less income to their treasury as a result of their taxes.

Pay-go works perfectly fine for the increment spending that need to be offset, but it doesn't work at all—in fact, it is counterproductive—with respect to reductions in taxes, which is what we are trying to preserve by the budget by the reconciliation construction.

I reserve the remainder of the time on this side.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I yield 2 minutes to the Senator from Colorado who cosponsored this amendment.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 2 minutes.

Mr. SALAZAR. Mr. President, I rise in support of the classic pay-go amendment and commend my colleagues, especially Senator FEINGOLD for his leadership on this issue.

We took the first step in opening one of the country's most pristine areas for potential development. I would have preferred to have given my daughters Melinda and Andrea that choice to make in the future. Let me put it plainly. I do not want to let my daughters down again. When we pass budgets with enormous deficits, that is the same as taxing our children and our grandchildren. They will be taxed to pay for our spending. They will be asked to pay for our unwillingness to say that enough is enough.

Our kids and grandkids don't get to vote for the Senators and Congressmen who are imposing these future taxes on them. It is up to the representatives, and that is something the leaders of our War for Independence had some thought about.

It is wrong and it is un-American to impose taxes on our children and our grandchildren to pay for the spending spree of the Federal Government. It is long past time to restore to Congress the same commonsense budgetary approach that every family in America has to live by. That approach is simple. If you can't pay for it, don't spend it. I yield the floor.

Mr. FEINGOLD. Mr. President, I thank the Senator from Colorado who made an important connection between the last vote on the Alaska refuge and this amendment.

On the Alaska amendment, one side became frustrated, so they decided to change the rules. We are going to decide that instead of having 60 votes for a normal procedure on an energy bill, we will go with 51 votes using the budget process, which I think is inappropriate. They won. Now we see a different attempt to deal with the rules.

We had rules on paying in the 1990s that worked, and worked very well. Both parties came together. We balanced the budget.

When the rules get in the way, apparently, they do not want to have any rules, any procedure, any discipline when it comes to either mandatory spending or tax cuts. They want to make sure they achieve their objective, regardless of rules.

That is a serious problem. It is a serious problem for this institution, it is a serious problem for this country, and as the Senator from Colorado said so eloquently, it is going to be a serious problem for our kids and grandchildren who will be bound by the kind of decision we make about the Arctic Refuge and how we're going to acquire this huge debt which this Congress is refusing to address.

This Congress is, frankly, becoming openly hostile to the principle of fiscal discipline—openly hostile. Thank the Senator from Colorado very much for his remarks.

I yield 5 minutes to the Senator from North Dakota and thank him for his great leadership on these issues.

Mr. CONRAD. Mr. President, I thank the Senator from Wisconsin. He has been the leader on pay-go and budget discipline that says no spending and no tax cuts. You can have them, but you have to pay for them. There is a novel idea around here. You have to pay for them.

Our colleague from Arizona indicated this concept—that if you cut taxes, you get more money. The only problem with that concept is it doesn't work in the real world. It is a wonderful idea. I wish it were true. But it isn't true.

Here is what happens with revenues as a percent of our national income. In 2000, we were getting 20.9 percent of gross domestic product in Federal revenue. We passed a series of tax cuts, and what happened to revenue? It plunged to the lowest.

That is what happened when we cut taxes. We got less revenue. The revenue side of the equation simply dropped out. That is why the deficits have exploded.

I can remember so well back in 2001 when the Congressional Budget Office told us the range of possible outcomes on the deficits was expressed by this chart, which I call the fan chart. This was what would happen on the low end of the forecast, and this is what would happen on the high end. They chose the midrange, as did the President, which told them we were going to get $5.6 trillion of surpluses over the period.

When I said to my Republican colleagues, let's not be so sure of that, let's not bet the farm on that, they assured me: Kent, you are being much too conservative. Don't you understand with the tax cuts we are putting in place we will get much more revenue? We are not going to be at the midpoint of the range, we will be above the midrange of the range.

We can go back now and look at what actually happened. Here is what actually happened. We are not at the bottom of the range, we are below the bottom. Here is what happened in reality: we are way below the bottom.

All these tax cuts, what did they lead to? They led to less revenue and coupled with the increase in spending for defense and homeland security as a result of September 11, the deficits exploded.
Here is what has happened: our Republican colleagues, who used to be fiscally conservative, have now become borrow-and-spend advocates. They have no intention of doing anything about these budget deficits except add to them. But what policy has achieved: record budget deficits.

The question of pay-go, which is the budget discipline we had back in the 1980s and 1990s that helped us turn record deficits at that time into record surpluses, pay-go is a budget discipline that was worked, and the budget discipline that was in effect then is the budget discipline being offered by the Senator from Wisconsin now.

This is the Federal Reserve Chairman on the question of restoring real pay-go. Congressman Spartz on the House side asked:

Is it still your position that if we renew the paygo rule it should apply only to: that if we have tax cuts including the renewal of the expiring tax cuts in 2010, that these should be fully offset?

Chaiman Greenspan:

It is still my position. That we have some form of paygo system, which is agreed upon by the President and the judgment, is the overriding consideration here, because, as you point out, it’s been quite effective in actually stemming budget inefficiencies and expanding during a period that it was law.

Federal Reserve Chairman Greenspan:

All I’m saying is that my general view is I would like to see the tax burden be long as possible. And in that context, I would like to see tax policy, has produced revenue-neutrality. We have used pay-go on taxes, but we do it outside of the budget. Two kinds of tax relief bills have come out of the Finance Committee in the last 4 years: one set of bills contained widely applicable tax relief. Those bills, if you take them together, and they were done under reconciliation, were bipartisan. I emphasize that because everyone around the country thinks everything is happening. But the tax cuts were bipartisan and they were net tax cuts for virtually every American taxpayer. Those bills enacted in 2001 and 2003 did not contain offsets.

The secondary category of bills our committee works on would cover all other bills coming as part of our committee business. Those bills dealt with specific categories of tax relief. I will give some examples: A charitable giving tax bill, the bill to deal with expiring tax cuts for manufacturing, a bill to deal with the Armed Forces tax relief for our folks in Iraq putting their lives on the line—there are many other examples of tax relief fully offset by our committee.

In a few rare cases, such as the energy tax relief, for example, bills were partially offset. Now, this pattern is applicable during my chairmanship of this committee, and it is fair for me to say there was a similar pattern occurring when my Democratic colleague and I were in charge. Senator Baucus, was chairman of the Senate Finance Committee.

By and large, then, the Senate Finance Committee, when dealing with tax policy, has produced revenue-neutrality. The exceptions occurred when there was bipartisan support for widely applicable tax relief. And I emphasize the word “bipartisan.”

By the way, had we not responded with that bipartisan tax relief, there would have been no widespread economic stimulus that resulted. In other words, the economic depression that set in with the NASDAQ losing half of its value in the year 2000, and then with the September 11 attack on New York City and the resulting downturn in the economy, we would not have had in place an economic stimulus to bring back economic growth to where we are now.

Chairman Greenspan said tax relief was responsible for the economic turnaround.

Also, we had the most recent Nobel economic prize winner tell us that our tax relief in 2001 and 2003 was not as big as it should have been to get the maximum economic stimulus. But we have had an economic turnaround justifying, without question, those tax relief packages.

So let me be clear. With tax policy outside the budget, the Finance Committee has, in effect, operated on a pay-go basis. The exceptions were built into the budget, and those exceptions have fiscally conservative.

I would like to challenge any of the critics of this budget to show the same record on the spending side. No, it seems like others want to spend. And all of these amendments that are being offered are adding up. If proof that the same people who are against tax relief do not want to reduce the deficit. What they want to do is spend more money.

If I could ever find from the other side how high taxes had to be, how high they had to be to satisfy their appetite to spend money, I might go that high, if I knew I never had to go any higher. But I cannot ever get any consensus about that. So the only conclusion you come to: taxes can never be high enough.

The other point is, I might be willing to vote for some increase in taxes if every dollar increase in taxes resulted in the bottom line to lower the deficit. But, no, every time we raise $1 of taxes around here, it is a license to spend $1.10, $1.20, and sometimes more. So we need out of the other side the same concerns about spending.

The Feingold amendment is not realistic about current tax relief. Senator FEINGOLD’s amendment would undo the tax policy resources in the budget. Let me explain why. The budget’s tax cut number covers expiring tax relief. It extends all widely applicable tax relief. It includes all the number covers dividends and capital gains. It also covers, through the year 2010, provisions that say they support: tuition deduction, low-income savers credit, small business expensing. The number also covers for 1-year provisions critics say they support: business extenders such as R&D, sales tax deductions, the alternative minimum tax hold harmless.

The number includes offsets that will get us $20 to $30 billion. So we are talking about $70 billion net. I repeat, that is $70 billion net. It covers a gross tax cut of $90 to $100 billion. The tax cut number covers all of the items that folks, particularly on the other side of the aisle, say they are for.
Now, critics cannot say they are for these items and not provide room in this budget for those tax cuts. You cannot have it both ways. So a vote for the Feingold amendment is a vote against expiring tax relief that a lot of these folks fought to pass.

Realistically, there is probably around $30 billion in offsets. Realistically, there is about $100 billion in costs. That is a realistic position. For instance, we have heard a lot about the alternative minimum tax. "When are you going to do something about it?" No, sir. It is a question from the other side. The cost of a 1-year hold harmless on the alternative minimum tax is $30 billion. That is $30 billion for AMT for 1 year alone. So don't tell people back home you are for AMT relief if you vote for the Feingold amendment.

Let's go through some of these other expiring tax relief provisions. Deduction for State and local sales tax: It is covered in the number in the budget. It is important to States such as Nevada, Washington, Florida, and South Dakota.

Mr. President, could I have more time?

Mr. GRASSLEY. Thank you.

Mr. President, we have a savers credit, an incentive for low-income savers. It is covered in the budget number. Deduction for college tuition: It is covered in the budget number. Extension of research and development tax credit—it is important to the States—It is covered in the budget number. Extension of wind and alternative energy tax credit: It is covered in the budget. I know that is important to a lot of people, a lot of people who are critics of this budget.

So you cannot have it both ways. If you exclude room in the budget for tax relief, you cannot say you support that same tax relief. The two positions are not in sync. The budget resolution provides room for tax relief. So a vote for the Feingold amendment is a vote against expiring tax relief. You cannot have it both ways. Either you are for a budget that has a realistic plan to maintain current tax relief—and this budget has that realistic plan—or you are for the Feingold amendment, which means you are not serious—not serious—about maintaining current tax relief levels.

Now, the Feingold amendment is also a stealth tax increase. The premise of the Feingold amendment is that tax relief should be treated less favorably—less favorably—than spending. How can that be, you might ask? Well, here is the answer. Entitlement spending such as Social Security and Medicare and discretionary spending can grow under the pay-go regime. If this regime, as they call it, prevents tax cuts, how did that happen? These rules were in place at the 1997 tax cut bill? If this regime, as they call it, prevents tax cuts, how did that happen? These rules were in place at that time.

These rules don't prevent tax cuts. These rules just say, either you pay for them or you get 60 votes. Last year, there were a number of middle class tax cuts I supported. They received something like over 90 votes. We didn't prevent those tax cuts. They simply met a standard that was easily met of 60 votes.

The Senator from Iowa has mischaracterized this amendment grossly when he says it doesn't affect spending. It is my amendment that puts some rules back on mandatory spending. It is my amendment that controls mandatory spending. The reason why we had a $400 billion unfunded Medicare bill last year is because the current rules were in place rather than the amendment I have offered. This relates to spending as well as taxes.

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FEINGOLD and me to restore integrity to the current pay-go process. According to CBO estimates, the national debt increased by $600 billion between 2003 and 2004 and will increase by at least the same amount before October 2006. This is a $1 trillion increase in Federal debt in just 2 years.

Raising the debt limit has become an annual ritual. This chart shows where we are. It is interesting that some of the charts I have seen from some of my colleagues on my side of the aisle, all they show is that over the next 5 years we are going to bring down the deficit. But they never talk about the fact that our national debt is escalating up like a rocket. We are in trouble. Where is it going to end?

I am in favor of controlling spending. My votes in the Senate reflect that. This is a very tight budget when it comes to spending, and I support that. In fact, I commend Senator GREGG for producing the most fiscally responsible and balanced budget resolution I have seen in 7 years in the Senate. I would like to point out, with all due fairness to my colleague from Wisconsin, that the fact is, in that budget are provisions that were in the Truth in Budgeting Act that Senator FEINGOLD and I introduced a week ago: Three-year discretionary spending caps; a new 60-vote point of order against legislation that would cost more than $5 billion in any 10-year period between 2015 and 2055; a 60-vote point of order against unfunded mandates—I particularly appreciate this provision because I worked very hard to get unfunded mandate relief passed when I was Governor of Ohio and active in the National Governors Association—a 60-vote point of order against legislatively exceeding appropriations spending limits; a $23.4 billion cap on advance appropriations; limits on the use of emergency designations. All of these provisions were in the Voinovich-Feingold Truth in Budgeting Act. So we have those in the budget.

I only wish the budget resolution also forced us to make equally difficult choices about tax policy. None of us like to take tough votes on programs we believe in, but most of us are willing to cast the difficult vote if that is what it takes to get Federal spending under control.

I say to my colleagues, how can I or any of us justify this tough vote if we have at the same time say to people who are complaining: Senator, you are saying you want to do something about the deficit, but at the same time you voted to extend tax reductions. How do you justify these two positions?

I was interested to hear the chairman of the Finance Committee indicate that we are going to deal with AMT. I would like to remind my colleagues that that is not in the budget. AMT will be on the floor of the Senate before the end of this year. And the allegation that the Feingold-Voinovich amendment is going to prevent us doing anything about AMT is poppycock. What it will require is that a budget point of order would be made against it. We would debate it, and if there are 60 votes to waive the point of order, that would go into effect.

Another point is that I know is going to be on the floor of the Senate where we are going to have to borrow money is in dealing with Medicare reimbursement. We all know that today Medicare reimbursement, if we don’t do anything, will be reduced by 5 percent. None of us want to do that. But I hope, that will be brought to the floor of the Senate.

This amendment does not prevent that from happening. It says: Pay for it or, in the alternative, debate it on the floor and get 60 votes.

Last but not least, this budget sets out $50 billion for the war in Iraq and Afghanistan, doing things in Afghanistan. In my opinion, if you are realistic, it is not going to be enough. And when you look at what the cost of this war is going to be to the American people.

One other aspect I have to point out is that this is against a backdrop in which most experts agree that by 2009, Medicare, Social Security, Medicare, and Medicaid alone will consume 18 percent of our GDP, about the same amount of money we are spending today for all operations of Government combined. That is why folks should read David Walker’s pamphlet. It lays it out for us.

What does pay-go do? Pay-go forces us to stop and think before proposing legislation or amendments that will increase the deficit. Pay-go demonstrates the Senate is serious about reducing the deficit. Pay-go will provide a chance to stop and more carefully consider all alternatives before increasing spending or cutting taxes. Pay-go ensures that programs that will impose additional costs on our children and grandchildren must gain an overwhelming level of support.

Some of my colleagues wanted to ensure increased spending now or cut taxes now and hope that somehow the economy will save us or Congress will simply fix the problem. This would be a major mistake. Depending on the economy to save us from the impact of fiscal irresponsibility is like hoping that a hurricane misses your house. Over the last 3 years, we have gone from having deficits to having surpluses and back to having deficits.

This is what has happened on this chart. During this period of time, we were running surpluses. We came here and then in 2003 we started to come down. Here is where we are now. The predictions are that they could go that way or that way.

I think all of us who are conservative would have to say that we have to prepare for this hurricane that may hit us and not take the rosy picture that everything is going to be all right; just keep reducing taxes, everything is going to be fine. We are going to grow our way out of this problem. I remember that during the 1980s when we saw the deficit climb substantially, which required in 1991 and 1993 that the fact that we had to raise taxes. Borrowing money to run the Government is the equivalent of a future tax increase for the American people.

I urge my colleagues to look at this from a fairness point of view, to eliminate from the budget resolution the $70 billion that we have put in there to exclude one of the taxes that are now in place. Let’s pay for them. Alan Greenspan, David Walker, and Pete Peterson have all said the reduction on capital gains, on dividends, has helped the economy. But they all say pay for it. If you cannot pay for it, let’s put it on the floor of the Senate, as we did last year when we debated whether we were going to continue the marriage penalty relief, the lower marginal rates, the refundable child tax credit. But why put it into the situation where we are only going to need 51 votes to get the job done? I think it is not fair.

I appeal to the common sense of my colleagues in the Senate. Here is where we are. We are putting this money in our budget resolution, instructions to the Finance Committee, to say $70 billion, and you can extend these tax reductions. At the same time we are doing that, we are telling the American people that we are going to have a flat-funded budget.

My feeling is, let’s just clean it out of there. Take these extensions that everyone thinks are wonderful for the country and let’s debate them. See if we can get 60 votes. If they are so good, they will get 60 votes. If they are not, we will pay for them. I just don’t understand how we can continue to go this way. I think we are living in a dream world. The deficit continues to grow. We are the highest debtor Nation in the world. Our trade deficit is one of the worst we have ever seen. Unless we start to understand the seriousness of the situation we have, we are in deep trouble.

Mr. President, I think we all care about our families. We have to think about our legacy. I am 68 years old and I am running out of time. I think this country is running out of time. It is up to our generation to leave a better legacy than what it appears we are going to be leaving. There has to be some Republican who says: George, I agree with you. Let’s do it.

If they vote for this amendment, they are simply saying we are not going to pay the money in the budget resolution to give the instructions to the Finance Committee to go ahead and extend tax cuts up to $70 billion. What will it say? Hey, guys, you are not going to do that. If we want to extend these, let’s bring them up and debate them and let’s either pay for them or waive the budget resolution and do it that way.

Thank you, Mr. President.

Mrs. FEINSTEIN. Mr. President, I rise today to join my colleague from
I believe that this amendment poses a crucial question to this body: Do we recognize that decreased revenues increase the deficit? I, for one, will not turn a blind eye to the real budget picture.

If we are to balance the budget—as we did during the Clinton administration—we should not do so solely through draconian cuts in critical programs. This budget cuts back on programs for working Americans and local governments that cannot run budget deficits as the Federal Government can.

I do not believe that fiscal responsibility necessarily requires us to shift the financial burden to our towns, cities and States as this budget does through cuts to Medicaid and the Community Development Block Grants, to name just two. As a former mayor, I know the value of these programs in California and throughout the United States.

Tax cuts for the wealthiest Americans should not take precedence over the needs of law enforcement, our children, the elderly, and veterans. If my colleagues agree, then I ask that they join me in supporting this amendment.

I believe that reducing the deficit is critical for our Nation’s fiscal health. We should not pass down a legacy of debt to our children. At the same time, we should do no less than to meet our obligations to our uninsured children and their families, senior citizens, and individuals with disabilities.

My home State of Maine is a relatively poor state which relies heavily on Medicaid matching funds. Maine’s Federal match is roughly 65 percent, compared to the national average of about 57 percent. That means for every dollar in State funds spent on Medicaid, the State receives nearly $2 in Federal matching funds. Of the $7.7 billion spent on health care in Maine in 2004, $2 billion—26 percent—came from the Medicaid program. Of the $2 billion in Medicaid spending nearly two-thirds, or $1.4 billion, came from Federal Medicaid dollars.

Maine has suffered disproportionately from a loss of manufacturing jobs—and the health insurance coverage that goes with them. Medicaid has helped cover, those uninsured, allowing our overall rate of uninsurance in Maine to stay even or improve for those with income below 200 percent of the poverty level.

Medicaid is also an essential program for providing health services to children and other vulnerable populations. Children are nearly half—44 percent—of Maine’s Medicaid clients yet they require less than one quarter of the funding, clearly a very cost-effective use of our health care dollars. Children need health care before they go to school, and to do well in life, and Medicaid plays a key role in narrowing the “achievement gap.” Children who are
in pain, or sick, are not able to pay attention and learn, and those with untreated illneses can develop long-term disabilities, such as hearing impairments, that require expensive special education and make it harder for them to do well in school.

It is crucial that we continue to provide sufficient Federal funding for Medicaid, a program which has worked extremely well since it began providing care for some of our most vulnerable populations 40 years ago. That’s why I believe we must proceed cautiously before making meaningful changes that could damage the program.

As we debate the budget resolution and consider the instructions for spending cuts that the Finance Committee would be required to produce with Medicaid squarely in its sights—we must recognize that the Federal Government cannot simply abandon its responsibility to help states provide health care to our most vulnerable citizens. Viability solutions on the financial sustainability of Medicaid will take time, expertise, and bipartisan consensus and are more appropriately the province of a bipartisan medicaid commission than a budget debate. I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Mr. President, how much time do we have?
The PRESIDING OFFICER. The majority has 24 minutes 40 seconds. The Senator from Wisconsin has 14 minutes 20 seconds.

Mr. KYL. Mr. President, I yield 15 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTTT. Mr. President, we have had this debate before. Here we go again. This is an important debate and we need to think very carefully about it.

I certainly agree with Senator FINGOLD and Senator VINOVIICH that Congress has been spending money recklessly over the past few years. We need to restore fiscal discipline. Unfortunately, this amendment does very little to address that problem.

I cannot help but remember that during the late nineties and the early part of this century, we had a balanced budget. We actually had surpluses. How did that happen? There was some fiscal responsibility. We forced President Clinton to join us in a balanced budget amendment in 1997. But we also cut taxes in a way that encouraged growth in the economy. We grew bigger.

One of the interesting things to me about this is that the focus is on, by the way, you cannot let people keep more of their money unless you cut spending. The focus should be on how we control spending. Year after year, this administration, previous administrations, and we have spent more and more and more. I will be glad when we get to the point where you can cut spending in Afghanistan or Iraq, and we spent a lot of money on homeland security. We wasted a lot of it, in my opinion. But we are doing a better job and we are doing some things that had to be done. We got some people to have to spend money to try to make America safe against terrorists.

But the combination of overspending in the beginning of the century, a failing economy in 2000 and 2001, and 9/11, has led us to the deficits we now have. One of the interesting things to me about this is that the focus is on, by the way, you cannot let people keep more of their money unless you cut spending. The focus should be on how we control spending. Year after year, this administration, previous administrations, and we have spent more and more and more. I will be glad when we get to the point where you can cut spending in Afghanistan or Iraq, and we spent a lot of money on homeland security. We wasted a lot of it, in my opinion. But we are doing a better job and we are doing some things that had to be done. We got some people to have to spend money to try to make America safe against terrorists.

On the floor this week, there have been amendments offered on the budget—mostly by Democrats, with the complicity of some Republicans occasion—ally to add $50 billion more in spending—just so far. By the time the smoke clears this week, there will be amendments that would add $400 billion or who knows how much more than what the President budgeted, which is a significant budget; $343 billion is not chicken feed. Then you add entitlements on top of that. So we have a problem.

Here is the real kicker. If we pass this amendment, this is really a tax increase. If we don’t have the ability to extend some of these tax cuts that we have had in recent years, we are going to lose vital economic growth. You are going to get to do that.

Well, could we get 60 votes for it? Are we going to do that? Can we be assured we are going to get that accomplished? This would lead to tax increases of $70 billion on working Americans and families with children. That is why I cannot support it. You might say, well, I can go down the list and say one after another, why don’t we go down both sides. Do you think we ought to do something about the AMT tax relief problem, the fact that 9 million Americans are being forced into higher tax brackets because of the AMT that we got into years ago?

Do my colleagues think we should not address that? Why, the Senator from Ohio would say, we are going to have to do that; why, absolutely we are going to do that, and we should do that.

Does this mean we should not have money for the tax extenders for such things as R&D tax credit, the work opportunity tax credit which helps busi working Americans, or would a generic who might not be employed otherwise? Oh, no, everybody says, no, I am for that.

Does this mean my colleagues do not want dollars for small business expensing, which is really a tax increase on small businesses? What about millions of Americans now who do receive dividends, and they are not wealthy Americans, either.

If we do not extend these, the result is going to be we are going to have a tax increase on millions of these Americans. It would have a devastating effect on the economic growth that we are encouraging. There would be fewer jobs and even more dependency on the Government. What about capital gains and dividends? Well, I guess some people in the Senate might say: I do not want to do that; that is the middle income or upper income people. Tell that to the millions of Americans now who do receive dividends, and they are not wealthy Americans, either.

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We do not want it. We finally got up off our knees and said: We are tired of being poor. We want to grow the economy. We want our people to have an opportunity to get a good education, have jobs, and create jobs.

There are Nissen, Textron, International Harvester, and FedEx in my State. Northrop Grumman has two different new plants in my State to build unmanned aerial vehicles. That is why we talk about Martin, Boeing, and Eurocopter, and now the newest steel mill in America is in Mississippi, because we quit trying to spend our way out of poverty. We started trying to figure out ways to attract people and create wealth and allow people to make more money, have a decent paying job, and keep more of their own money. Yes, we cut taxes, and we started growing. Hallelujah. We also had tort reform to get those frivolous class action law suits working people being able to keep their money, and instead we want to force tax increases and spending cuts? I like the spending cuts idea. That is the only tax increases and spending cuts? I like tax cuts, and we started growing.

This is a responsible budget that we have come up with. We should not put this provision in. Let me understand this. We want to discourage tax cuts on working families with children; the problem have enough money for highways? We want to discourage tax cuts on working families with children; the problem have enough money for highways? We want to discourage tax cuts on working families with children; the problem have enough money for highways? We want to discourage tax cuts on working families with children; the problem have enough money for highways? We want to discourage tax cuts on working families with children; the problem have enough money for highways? We want to discourage tax cuts on working families with children; the problem have enough money for highways? We want to discourage tax cuts on working families with children; the problem have enough money for highways? We want to discourage tax cuts on working families with children; the problem have enough money for highways? 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We want to encourage growth in the economy.

I urge my colleagues, vote against this so-called pay-go provision, and let us go with this resolution the way it was written. It is time we can get a conference report, too, because if we do not, we are doomed around here. If we cannot do these little tiny cuts, some minimum reforms, wait until we have come to deal with the big ones. These tough days are coming down the road, and it is a Mack truck. Unfortunately, the roads are not in very good shape. I hope it does not fall into a pothole or a bridge before it gets here.

We need to pass a highway bill. As much as I would like for that highway bill to be $318 billion, $350 billion—we cannot come up with enough highway money to suit me—I am going to vote for some restraint. If it is over $184 billion and it is not paid for in an appropriate way, I will vote to sustain a veto. We have to all do this. We talk about it.

The Senator from North Dakota knows we need to do this. He wants to do it. We have to come up with some “followership” and courage. Now is the time to do it. This amendment is not the way to do it. I thank my colleagues.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I am going to yield to a couple of colleagues, but first I will say that the Senator from Mississippi indicates we need to sober up. The Senator from Wisconsin indicates that anybody who believes this is a responsible budget needs to sober up. In the 12 years I have been here, this is the most obviously outrageous and irresponsible budget I have ever seen. The notion that this is a tough budget that seriously addresses our deficit in the coming years is, frankly, absurd. The Senator from North Dakota has done a wonderful job of making that point.

I will turn to my Republican colleagues who support this amendment because of my grave concern about our budget deficit. We in Congress have an obligation to put and keep this Nation’s fiscal house in order. By passing this tough pay-go amendment, we can send a signal that we do not intend to shirk this duty. I think all of the Members of the Senate know what this amendment does. It simply imposes a budget rule that requires any new tax cuts or entitlement spending to be offset. If no offset exists for new tax cuts or entitlement spending, then 60 Senators will need to vote to override the rule. In short, this amendment forces Congress to make the tough budget choices. There is no doubt that we would all like to provide the American people with more tax cuts. Many would also like to provide better and more efficient entitlement programs. Under the current budget rules, we are not forced to make many, one-by-one, difficult decisions about our priorities. If we want more entitlement spending or tax cuts, we simply provide for them in the budget. That is no way to ensure fiscal discipline. I wonder what effect a true pay-go amendment would have on the debate regarding the new Medicare prescription drug benefit. Would Congress have thought the new benefit was so important that we were willing to re-prioritize and actually pay for it? The PRESIDING OFFICER. Mr. President, I will correct the impression that my good friend, the Senator from Mississippi, shared with us. The fact is that this amendment would subject tax continuation to the same 60-vote point of order. We have for other words, why should we not subject continuing tax reductions, two of which are not going to even be up until 2008, to a lesser vote than we do when we are talking about spending more money than what the budget provides?

Let us apply the same standard to tax extensions that we do to trying to spend more money on the Senate floor. It is not a tax increase. It absolutely is not. All it does is say that 51 votes can extend it. All we are saying is: If we want to do that, then subject it to the same test that all of us are going to have to adhere to when someone tries to spend more money than what the budget provides. Fair is fair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I yield to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for up to 5 minutes.

Mr. CHAFFEE. Mr. President, I rise today as a proud cosponsor of the amendment offered by the Senator from Wisconsin. I am a cosponsor because of my grave concern about our budget deficit. We in Congress have an obligation to put and keep this Nation’s fiscal house in order. By passing this tough pay-go amendment, we can send a signal that we do not intend to shirk this duty. I think all of the Members of the Senate know what this amendment does. It simply imposes a budget rule that requires any new tax cuts or entitlement spending to be offset. If no offset exists for new tax cuts or entitlement spending, then 60 Senators will need to vote to override the rule. In short, this amendment forces Congress to make the tough budget choices. There is no doubt that we would all like to provide the American people with more tax cuts. Many would also like to provide better and more efficient entitlement programs. Under the current budget rules, we are not forced to make many, one-by-one, difficult decisions about our priorities. If we want more entitlement spending or tax cuts, we simply provide for them in the budget. That is no way to ensure fiscal discipline. I wonder what effect a true pay-go amendment would have on the debate regarding the new Medicare prescription drug benefit. Would Congress have thought the new benefit was so important that we were willing to re-prioritize and actually pay for it?
of the economy are improving does not mean that our Federal budget is in good shape. Forsaking measures that require budget discipline is the wrong policy. With all due respect, it is the type of thinking that got us into the current mess in the first place.

In 1990, Congress, which at that time included many of the same Senators here today, realized that Federal spending was out of control. Congressional will to control spending was not enough to put the country on the path to fiscal responsibility. So, as part of the Omnibus Budget Reconciliation Act of 1990 Congress enacted some tough budget measures—including pay-go. Pay-go was extended in 1993 and again in 1997. Senators realized then that pay-go was a good idea and it was actually working.

We went from deficits and red ink “as far as the eye can see” in 1990 to an actual $236 billion budget surplus in 2000. It was at this point that Congress thought the need for budget discipline had ended. So, when pay-go expired in 2002, it was not extended. This has led us to the point where we find ourselves today. In 2004, the Federal deficit was $412 billion. In just short years, we have gone from a $236 billion surplus to a $412 billion deficit.

Pay-go is not perfect. Congress has found, and will continue to find if it is included in this budget, ways to get around it. But, despite its flaws, it does have a proven track record. It tests policies of both parties in the same way—pay for your priorities, or find 60 Senators willing to override the rule. This is the way it should be. At a time when our budget is awash in red ink it only makes sense to bring discipline and accountability back to the budget process. If new tax cuts or entitlement spending is so important, shouldn’t we be able to find a way to address the costs? Including pay-go in the budget makes good fiscal sense. The stock market was at historic highs and unemployment at historic lows, and, it makes sense today.

The PRESIDING OFFICER. Who yields time? The Senator from North Dakota.

Mr. CONRAD. Mr. President, we should follow the advice of the chairman of the Budget Committee on the matter before us. The chairman of the Budget Committee in a floor debate on June 5 of 2002 said this: The second budget discipline, which is pay-go, essentially says if you are going to add a new entitlement program or you are going to cut taxes during the period, especially of deficits, you must offset that event so that it becomes a budget neutral event.

He went on to say: . . . if we do not do this, if we do not put back, piece by piece, and pay-go mechanisms, we will have no budget discipline in this Congress and as a result we will dramatically aggravate the deficit which, of course, impacts a lot of important priorities but especially impacts Social Security.

That is the chairman of the Senate Budget Committee in 2002, saying pay-go ought to apply to both spending and to taxes. He was right then. And it is the right position now. Pay-go should apply to both spending and taxes. That is what the amendment of the Senator from Wisconsin does. It deserves our support.

I want to say a word about the remarks of the Senator from Mississippi, who said it is time to get serious, it is time to get tough on deficits. He is right. But he is badly mistaken if he thinks this budget does anything about the deficit. The budget does about deficits is to make them worse.

This budget before increases the deficit by $130 billion in excess of what would have been a reduction. If we put this economy on autopilot, we would reduce the deficit by $130 billion compared to this budget.

I see my colleague is holding up a chart over there that shows the deficit in Page 1, page 5, and I have to take a look at their own budget document on page 5 where it reveals how much the deficit increases if this budget passes. This is not my estimate. This is their estimate. It says the debt is going to increase by over $500 billion each and every year of this budget resolution. This is not a budget that does anything about reducing the increases in the debt, except to extend budgets that explode the debt.

They can put up all the fancy charts they want. This one shows the deficit being cut in half. The problem with it is it just leaves out things. The only reason they put in the deficit under this plan is they just exclude things we all know are going to cost money.

I heard the Senator from Mississippi say we ought to do something about the alternative minimum tax. Indeed, they want. This one shows the deficit under this plan is they just exclude things we all know are going to cost money.

The PRESIDING OFFICER. Who yields time? The Senator from Wisconsin.

Mr. CORNYN. Mr. President, I yield myself 5 minutes. The PRESIDING OFFICER. Without objection, the Senator from Texas is recognized.

Mr. CORNYN. Mr. President, I want to speak briefly against this amendment. Really, what we are looking at is a tax increase unless this budget resolution passes. In other words, what they are saying is we are either going to have to find further cuts—and, of course, our friends on the other side of the aisle continue to oppose reductions in the rate of increase of entitlement spending like Medicaid or Medicare—but at the same time they say, in essence, you have to pay for these tax cuts. What they mean is that is you have to raise taxes so do.

While I hate deficits as much as the next person, this budget actually works to reduce the Federal deficit by half, over the next 5 years.

We are taking a constructive approach to reduction of the deficit.

But let me point out that over the last 21 months since the last tax cut, we have seen 3 million new jobs in this country. Frankly, what our opponents are opposing is so we would raise taxes on the average American worker and kill the job creation engine that put America back to work.

Finally, in the short time we have, I want to speak briefly in support of an amendment that the Senator from Wisconsin and Senator GINGRICH and others offered yesterday that would increase the number of Border Patrol agents to 1,000 per year for each of the next 5 years. Unlike some other amendments, this one is an actual number. It actually happens because we find setbacks to cuts to pay for it. Our security in this country ought to be and ought to remain our highest priority.

The fact is, our borders are uncontrolled and porous. While we know our Border Patrol agents do their job in a highly professional way with what they have, the fact is, they are under-equipped and outnumbered. The fact is, our 2,000-mile southwestern border is porous for anyone who wants to try to come across, notwithstanding the good work that is being done. We have a lot more to do, but we are not there yet. We need the Border Patrol agents and the equipment to get it done.

The fact is, these porous borders not only admit people who want to come to the United States and work, people for whom I have a great deal of compassion and sympathy, and we need to find a way to deal with that in a realistic way, and we will—this also allows entry into this country of people who want to come here to kill us.

Deputy Homeland Security Secretary Admiral James Loy said it is so no secret that al-Qaida and other enemies of this country are going to try to take advantage of our porous borders. Our lack of personnel and equipment to protect our borders, to try to infiltrate this country and commit another heinous attack on civilians as we experienced on 9/11.

Mr. President, it is absolutely critical that the Federal Government live up to its responsibility and not foist upon State governments that happen to have large
borders, such as Texas, Arizona, New Mexico, and California—it is absolutely essential that the Federal Government live up to its responsibility.

Only by adequately funding Border Patrol personnel, and only by continuing to deal with the porous nature of our borders can we be assured that we are doing everything humanly possible to protect America and to keep us safe.

I yield the remainder of my time to the manager.

The PRESIDING OFFICER. Who yields time?

The Senator from Arizona.

Mr. KYL. Mr. President, let me make a couple of comments, and then I think the other side will want to close the debate. I will reserve just a couple of minutes, if anyone else would like to speak on our side.

I think there is an important point that needs to be made. When we talk about the budget cuts we want to continue, the taxpayers of this country. This budget as- sumes the tax cuts we want to con- nue to budget. That is what the budget as- sumes, that is why we should adopt the budget, and that is why we should re- ject the amendment that has been of- fered by the Senator from Wisconsin.

I reserve the remainder of the time.

Mr. KYL. Mr. President, let me re- spond to two other issues that have been raised by the proponents of the Feingold amendment. I think these are the same rules we had back in the 1990s. The fact is, though, they didn’t work the same way. In the 1990s, Congress passed spending increases, and we also passed some tax cuts. The result of that under the rule was we were supposed to sequester or to spread those spending increases and tax cuts out over the remainder of the budget at the end of the year. But it turned out that at the end of each year we passed a bill that said forget about it, and the President signed it.

The fact is, while the rule was in place, we violated that rule. We cannot say this is the same rule we have had forever.

Second, my colleagues, particularly the chairman of the Finance Com- mittee, made the point that there are a lot of things people on both sides of the aisle would like to accomplish this year that they will not be able to do if the Feingold amendment is agreed to.

I am not going to be able to do the leasehold improvement depreciation, by the way, which is a great idea. The Senator from North Dakota sponsored the bill, S. 621, to make the 15-year life for qualified leasehold improvements permanent. I cosponsored that bill.

We are not going to be able to accom- plish that, if this pay-go rule is adopt- ed.

There are other things we wouldn’t be able to do, such as the R&D tax cut. The cost of that, over 5 years, is almost $7 billion.

There are simply not enough loop- holes to close or revenue to generate in order to pay for that.

The small business spending, so- called section 179 spending, allows small businesses to elect to deduct all or part of the cost of certain qualifying property in the year that it is placed in service instead of over a specified re- covery period. This immediate exten- sion has been critical to supporting economic growth and job creation by small businesses. They will not be able to do it.

By the way, the cost of that is over $10 billion over 5 years.

The AMT relief we talked about be- fore, there is enough within the budget to do some relief on AMT if we want to do it. Most of us would like to do that. We wouldn’t be able to do it under the pay-go rule.

The State sales tax deduction that the chairman of the Finance Com- mittee mentioned, the line deduction for college tuition costs, the welfare- to-work and work opportunity tax credit—if you want to do those things this year, you have to vote against the Feingold pay-go amendment because we wouldn’t be able to do that.

I encourage my colleagues to appre- ciate that every one of us wants to en- sure that we have the smallest deficit possible. Under this budget and under the President’s budget, we are going to cut the deficit in half within 5 years. The chart I showed a moment ago dem- onstrates that. Those are the budget figures. Those are not made up. Those are not the CBO numbers.

As a result, if we stay on this path, we are going to achieve deficit reduc- tion. Part of the reason for that is be- cause we assume the tax cuts are per- manent. We assume we have continued to generate job creation, economic growth, more wealth in this country which, when taxed even at the lower rates that currently exist, produces more revenue.

I hope my colleagues will not get into this notion that somehow all of the money belongs to the Government and if we are ever going to give it back to the people, we have to have 60 votes to do that instead of a mere majority vote. The reason we let people keep more of their money in the way of tax cuts is because we understand not only that the right thing to do, but it is the most important thing for the econ- omy. We cannot have a rule around here that you can never have a tax cut, you always have to make the money up some other way, so you never can change the amount of taxes paid by the American public. We have put in place a rule that would be grossly unfair as unwise to tax, as unwise to have tax cuts, and as unwise in wanting more revenue to be collected by the Federal Government because a smaller economy produces less revenue to be taxed.

I urge my colleagues to vote against the Feingold amendment.

I yield back any time that remains on this side.

Mr. FEINGOLD. First, let me ask Senator CARPER of Delaware be added as the 13th sponsor of this amendment.

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

Mr. FEINGOLD. Mr. President, it is false as speaker after speaker claims this pay-as-you-go rule prevents tax cuts. It is an absolute red herring. That is not what it does.

It says, if we are going to do addi- tional tax cuts, either pay for it—and you do not have to pay for it through tax increases, you can pay for it with tax increases or spending cuts—or get 60 votes to allow it.
How can speaker after speaker come out and say this requirement of 60 votes to go beyond the budget is preventing a tax cut? That is not the fact of what has happened.

In 1997, under these very rules, significant tax cuts were enacted. I correct the Senator from Arizona regarding his statement that the rule was different then. That is untrue. He was talking about the statute. This is the rule. It does not have sequestering.

Last year, when the question was, Do we continue the middle-class tax cuts, we voted on it, and I think it got 90 votes for the middle-class tax cuts, well over 30 votes over the 60-vote requirement. How can someone say a rule of 60 votes for tax cuts somehow prevents tax cuts.

The Senator from Mississippi talks about the need to deal with the alternative minimum tax. He is absolutely right. The Senator from North Dakota has pointed out that is critical for middle-income families. How many votes do you think that would get? Do you think it would be close? Do you think you would get 50 or 55 votes? That would get 90 or 100 votes.

There is no barrier whatever in this pay-go rule to tax cuts as long as you get enough votes or, better yet, if you pay for it.

What has happened in the leadership on the other side is they have become openly hostile to fiscal discipline; openly hostile to balancing the budget; openly hostile to anything that gets in the way of tax cuts regardless of what the consequences are for our budget and our economy. That is a sad moment. To paraphrase an old song, “where have all the deficit hawks gone.”

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, it is now our plan to vote on four items in the following sequence: The first will be Senator Ensign’s amendment on pay-go; the second will be Senator Ensign’s amendment on pay-go; the third will be Senator Conrad’s amendment on pay-go; and the fourth will be Senator Specter on NIH education. I ask unanimous consent that the time will run during the pendency of those votes.

Mr. President, I ask unanimous consent that the yeas and nays be deemed to have been ordered on all four amendments.

The PRESIDING OFFICER. The yeas and nays have been previously ordered on the Specter amendment.

Is there objection to ordering the yeas and nays on all three en bloc? Without objection, it is so ordered.

Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. CONRAD. Mr. President, reserving the right to object, and I shall not object, I just want to make sure we have a couple of refinements to this. If we could; one, give people 2 minutes equally divided to describe their amendment before the vote; second, that after the first vote, the subsequent votes be 10-minute votes. And can we send a very clear signal to our colleagues. Some colleagues have been missing votes. We have to ask people to stay in the Chamber. Cast your vote. Make sure you do not miss a vote. Let’s try to get these votes off quickly.

We have had a couple of votes that took 28 minutes. That just slows down the work of the body. We should make our colleagues understand that at this moment we have 150 amendments that have been noticed to the leaders—150 between the two sides. At three votes an hour, that would be 50 hours of straight voting.

Now, if we want to subject ourselves and our colleagues to that, we will just stay on the current course. If, instead, we want to bring some discipline and some order, then we have to agree to a series of short time limits on votes.

That is what I would like to do is try to conclude work on the budget resolution by some reasonable hour tomorrow night, like maybe 10 o’clock tomorrow night. That could be done, but it is only going to happen if people cooperate. It is only going to happen if we show some discipline.

I urge my colleagues, if you sent a notice that you have an amendment, please, if there are amendments that are on a similar topic, join with others. Let’s try to remove substantial number of these amendments so that we can conclude at some reasonable time.

Mr. GREGG. Mr. President, let me enthusiastically second the fine comments of the Senator from North Dakota.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. FRIST. Mr. President, on the floor right now we have the Republican leader, the Democratic leader, and the managers of the every body. We should have said is absolutely critical. We have the opportunity—but it is going to be very difficult and challenging to do—to complete this bill at a reasonable hour tomorrow night. But it is going to take the absolute discipline and cooperation of our colleagues.

Right now what that means is the next vote is going to be a 15-minute vote, but thereafter in this series of votes they will be 10 minutes, and we will be cutting the votes off. Therefore, stay in the Chamber. With that, we are going to be able to finish this bill at a reasonable time tomorrow night. Each time—even after 25 minutes we have been cutting off the votes—people complain, saying: You shouldn’t be cutting off the votes.

The message being sent from the leadership of both sides of the aisle and the managers is: We are going to adhere strictly to these time limits.

Mr. REID. Reserving the right to object, Mr. President, I ask unanimous consent that the request by my friend from New Hampshire be modified that there be no second-degree amendments in relation to the Feingold amendment and that all votes be 10 minutes after the first one.

The PRESIDING OFFICER. Does the Senator so modify his request?

Mr. GREGG. Yes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 186

The PRESIDING OFFICER. The question is on agreeing to amendment No. 186 offered by the Senator from Wisconsin. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 50, nays 50, as follows:

[Vote Count]

YEAS—50

Akaka  Durbin  Mikulski
Baucus  Feingold  Murray
Bayh  Erskine  Nelson (FL)
Biden  Inouye  Neilson (NE)
Bennet  Jeffords  Obama
Byrd  Johnson  Pryor
Cantwell  Kennedy  Reed
Cassidy  Kerry  Reid
Chafee  Kohl  Rockefeller
Collin  Landrieu  Salazar
Collins  Lautenberg  Sarbanes
Corzine  Leahy  Schumer
Dayton  Levin  Snowe
Dodd  Lieberman  Stabenow
Dorgan  Lincoln  Voinovich
McCain  Wyden

NAYS—50

Alexander  DeWine  Martinez
Allen  Dole  McConnell
Allen  Domenici  Markowitz
Benett  Ensign  Roberts
Brownback  Ehrlich  Santorum
Bunning  Graham  Sessions
Burns  Grassley  Shelby
Burr  Gregg  Smith
Chambliss  Hagel  Specter
Colburn  Hatch  Stevens
Coehran  Hutchinson  Sununu
Coleman  Inhofe  Talent
Correa  Isakson  Thomas
Craig  Kyi  Thune
Crapo  Lott  Vitter
Crum  Lugar  Warner
DoMint

The amendment (No. 186) was rejected.

Mr. GREGG. Mr. President, I move to reconsider the vote.

Mr. ENSIGN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 171

The PRESIDING OFFICER. Under the previous order, there is 2 minutes of debate on the ENSIGN amendment.

The Senator from Nevada is recognized for 1 minute.

Mr. ENSIGN. Mr. President, very simply, the amendment I have offered

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Mr. CRAIG. Mr. President, I move to reconsider the vote.

Mr. CHAMBLISS. I move to lay that motion on the table.

The amendment (No. 171) was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The amendment (No. 149) was rejected.

Mr. CRAIG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.
to 7:30 on a Wyden amendment on bargaining, followed by debate from 7:30 to 7:45 on a Harkin amendment on education, followed by debate from 7:45 to 8:05 on a Hutchison-Ensign amendment on Border Patrol, followed by debate from 8:05 to 8:20 on a Landrieu amendment.

Mr. CONRAD. National Guard.

Mr. GREGG. National Guard, followed by debate from 8:20 to 8:35 on a Santorum amendment on HIV, followed by debate from 8:35 to 8:50 on a Voinovich sense of the Senate on budgeting, and followed by debate from 8:50 to 9 o’clock on a Dorgan amendment on

Mr. CONRAD. Dorgan amendment on runaway plants.

Mr. GREGG. Dorgan amendment on runaway plants.

Mr. WYDEN. Will the Senator yield?

Mr. GREGG. For?

Mr. WYDEN. For a question.

Mr. GREGG. Mr. President, I ask unanimous consent that be the order of the amendments.

The PRESIDING OFFICER. Is there objection?

Mr. WYDEN. Reserving the right to object.

Mr. CONRAD. If I have time.

The PRESIDING OFFICER. Is there objection?

Mr. WYDEN. I just heard in the cloakroom the amendment that I am involved in is the Snowe-Wyden amendment dealing with bargaining power with respect to holding down the cost of prescription drugs.

Mr. GREGG. That is the amendment we are presuming the Senator is going to be offering.

Mr. WYDEN. If it would be clear so colleagues understand that my colleague from Maine is the lead author of this amendment and I am her partner on our side. It will be the Snowe-Wyden amendment.

Mr. GREGG. All right. I will identify that from 7 to 7:30 the Snowe-Wyden amendment on bargaining relative to Medicare will be in order.

The PRESIDING OFFICER. Is there objection to the Senator’s request?

Without objection, it is so ordered.

Mr. GREGG. At the end of this time, we will determine whether we are going to vote on these amendments tonight. I certainly hope we will.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, might I offer one other refinement, that we agree to no second-degree amendments. That is the agreement we already made between us. Maybe that would give people some comfort.

Mr. GREGG. I think we have to see amendments first, but I presume there are going to be no second-degree amendments.

Mr. CONRAD. I think one thing we could say to people is, to make clear what we are trying to do between us, the managers. We are operating in some ways on faith here, faith of trust between us.

Mr. GREGG. There will be no second-degree amendments. We may have a side by side.

Mr. CONRAD. If we have a situation that requires a side by side, then the chairman and I will work it out so we get a side by side.

Mr. GREGG. Right.

Mr. CONRAD. All right.

Mr. REID. Has the unanimous consent been agreed to?

The PRESIDING OFFICER. The minority leader.

Mr. REID. Has the unanimous consent request been approved by the Chair?

The PRESIDING OFFICER. It has been approved by the Chair. Who yields time?

The Senator from Pennsylvania is recognized.

Amendment No. 172

Mr. SPECTER. Mr. President, I ask unanimous consent to add Senators LINCOLN, TALENT, and CANTWELL as co-sponsors of my amendment.

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

Mr. SPECTER. Mr. President, this amendment provides for an additional $1.5 billion for the National Institutes of Health. Unless this funding is provided, more than 400 applications will have to be rejected.

In 1972, President Nixon declared war on cancer, and we still have not made sufficient progress. In a budget of $2.6 trillion, $28 billion for NIH is not enough.

The amendment also adds $500 million to education which would bring education up to level funding from last year. The Subcommittee for Labor, Health, Human Services, and Education has taken a reduction of $2.2 billion. When you figure in inflation, it adds up to a cut of about $6, $7 billion.

Most everybody in this Chamber, if not everybody, comes to the subcommittee with special requests for programs and for funding on matters relating to safety, worker safety, health, and education. This is minimal.

The PRESIDING OFFICER. The Senator’s time has expired.

Mr. SPECTER. I ask for your support.

The PRESIDING OFFICER. Who yields time?

The Senator from Wyoming.

Mr. ENZI. Mr. President, I ask Senators to oppose this amendment. It is something we would all like to do. Of course, we are in a budget crunch and need to make some small decisions on restraining the rate of growth. This is one of those places where we need to start. It is always nice to give away money, but $1.5 billion on a fund where it is one of those places where we need to double it is inappropriate at this time.

The PRESIDING OFFICER. The managers, we have taken a look at all of the funding that is needed. Of course, there are a lot of things we would like to do. I appreciate the Senator from New Hampshire allowing us a $5 billion reserve for higher education reauthorization as well as some obligations in the budget process.

This amendment uses a little different process than the rest of them. It is the first amendment we have had that balances out of account 920, which means there is no money in 920. It takes money from every other account and puts it in 920 so it can be used for this. So it would actually be stealing from every other priority you might have in the budget. I ask that Members vote against it.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 173.

Mr. GREGG. Mr. President, if I could just alert colleagues, if we could hear from Senator Lieberman’s office and Senator Clinton’s office about their being able to discuss their amendments tonight, that would help us reach a conclusion on tonight’s activity.

I ask Senator Gregg if it would not be wise for us to alert colleagues with respect to votes tonight before we start on this hour of discussion?

Mr. GREGG. Mr. President, if I could just alert colleagues, if we could hear from Senator Lieberman’s office and Senator Clinton’s office about their being able to discuss their amendments tonight, that would help us reach a conclusion on tonight’s activity.

The amendment (No. 173) was agreed to.

Amendment No. 284

The PRESIDING OFFICER. Under the previous order, there will be a period of debate equally divided until 6:15 p.m. on the Smith amendment.

Who yields time?

The Senator from North Dakota.

Mr. CONRAD. We are in a quorum call.

The PRESIDING OFFICER. No, we are not in a quorum call.

Mr. CONRAD. Mr. President, if I could just alert colleagues, if we could hear from Senator Lieberman’s office and Senator Clinton’s office about their being able to discuss their amendments tonight, that would help us reach a conclusion on tonight’s activity.

I ask Senator Gregg if it would not be wise for us to alert colleagues with respect to votes tonight before we start on this hour of discussion?

Mr. GREGG. Mr. President, I ask Senators Lieberman’s and Senator Clinton’s office to get in touch.
with us if they are able to proceed tonight, which I think they are. With respect to votes, if we could alert colleagues as to that, I think that would be useful before this discussion starts.

Mr. GREGG. Certainly. It is our expectation that we will run through these amendments this evening. We have had a very vigorous debate on all of them, hopefully add a couple of other amendments, Senator LIEBERMAN and Senator CLINTON, and on our side hopefully from Senator FISHER and Senator ALLEN will speak on their amendments. As a result, we will not have any further votes this evening, but my colleagues can expect that we will have a large number of votes tomorrow and plan to be here for awhile voting.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH. Mr. President, it is not easy for me to come to the Senate floor and propose an amendment that I know makes little or no difference for my budget chairman. It is not easy for me to oppose the President of the United States, Secretary Leavitt, Dr. McClellan, or all those in the administration who are grappling with a budgetary tsunami approaching our country related to Medicare, Medicaid and others here as a matter of conviction, conscience, passion, on a matter that I hold as a principle, that in good times and bad, the people we do not abandon or put at risk are those who are most needy in our society.

Twelve years ago, I first won public office as an Oregon State senator. By chance, I was given a seat on the Senate Health Care and Bioethics Committee. I went into that role knowing little about medicine and its many intricacies, knowing it only as a consumer and as a businessman trying to meet a payroll. I came to that committee at a time when Oregon was leading the country in many ways as a medical pioneer.

Oregonians are used to blazing new trails, and the Oregon trail, in the spirit of my State, led to the creation of the Oregon health plan. The basis of that was to take the Medicaid resources, plus State revenues which we raised, to provide for the needy, the disabled, the chronically ill, the children of working but uninsured, preventive health medicine, and the most medical care available for the dollars available in our society.

In the course of my service on that committee, I came to know quite a bit about Medicaid and about the plan that Oregon was developing. It has been with some consternation that I have watched, during the recent recession, Medicaid budgets all over this country pushed to extremes, and for that reason I was one of the Republicans on the Finance Committee last Congress to pre-condition my vote for tax relief with a provision to help try to find Medicaid so that we do not take the most vulnerable of our citizens, push them out of nursing homes, deny them the basic vaccines of preventive medicine, take the chronically ill and particularly the mentally ill whose lives are often imperiled at their own hands, and put them in a position where their only recourse is the emergency rooms of our hospitals, where the care might be well meaning but the costs incurred and the costs incurred then shifted on to the plans of private employers, further making it difficult to expand health care and provide for the uninsured. So we grow the uninsured population at the expense of the insured and we impede their access to care.

I speak to this from personal experience—trying to meet a payroll that provides health care that is growing at unsustainable rates.

Now comes along a proposal in this budget from men I care for and admire, for whom I have deep personal affection, and I understand that Medicaid is a $300 billion annual bill. I understand that in the course of the next decade it is going to double. I also understand some Senators here understand wealthy people transfer their assets to their kids so they can get $60,000 in Medicaid in a nursing home at our expense. I understand there are all kinds of abuses. I am committed to Medicaid. I am committed that I am not prepared to do is to put the budget ahead of the policy, and that is what is going to happen if this budget contains this provision.

I already mentioned 60,000 Oregonians—Medicaid recipients under the Oregon health plan—already lost their coverage last year. Who are they? They are the most vulnerable Oregonians, with a few exceptions of those who defraud the system. They are people who have no other recourse. So when it comes to saying to this Senator, let us just close our eyes, hold our nose, and vote for this budget, it will be okay, there will be an agreement with the Governors, I have talked to the Governors, I have talked to them on this issue, among them than there is among us. Most of them do not know where they are going to go, except to push people into the ranks of the uninsured. What that means is private insurers, employers, will continue to withdraw health care coverage from employees. About 3 percent a year do that. And the Medicaid rolls will grow by 3 or 3.5 percent.

I have to say again publicly, I know President Bush's heart, I know Governor Leavitt, I know Dr. McClellan. These are good men. I know they do not mean ill to these people. But I have no assurance that ill will not occur to these people.

Some say we are just slowing the rate of growth, I agree, we will get the reform. But I would rather do this right than do this fast. I believe, given that we have had not a serious Medicaid commission since its creation in 1965, that we ought to have one so that the policy determines the budget. I do know that the proposed $14 billion cut is too large or too small. Maybe it is too small. But I don't know that. And I don't know where the $14 billion came from. But I know what it is going to mean: Another 60,000 Oregonians maybe losing health care, pressuring private plans, overwhelming emergency rooms.

I would rather let the policy determine the budget. I pled with my leader, we should do this right, to create this commission, but take this number out of reconciliation. Put in there a number that puts pressure on the commission to do its job before our next budget cycle so we in the Finance Committee can respond quickly to the ideas that they agree upon, and let us get working on this, making reforms that everyone can agree with. But I can't in good conscience vote aye and watch what happens, because I have seen what happens.

I plead with my colleagues, Republican and Democrat alike, to do this right and not just fast. We can do it right. We can help to mitigate this entitlement tsunami, and we can weed out the waste, the fraud, the abuse, the gaming of Medicaid. But we can do it with an eye to those who it is designed to serve. They are the elderly in nursing homes; they are the children of the working uninsured; they are the chronically ill, those too poor to deal with cancer, HIV/AIDS. They are the disabled.

I think if we are going to say Medicaid is off the table—I didn't do that. They said Medicaid is off the table; no touching it. That is fine. Social Security is all in the fight here. So let's go to the only thing that is left, and that is the most vulnerable Americans. I am simply saying: Not so fast and not in a way that will do real human damage to people who cannot fend for themselves.

What do I do with this commission? The commission consists of the following: It will establisheight members: One member appointed by the President; two House Members, current or former, appointed by the Speaker and minority leader; two Senators, current or former, appointed by the majority leader and minority leader; two Governors, one designated by the NGA; two legislators designated by NCSL, two State Medicaid directors designated by NASMD; two local elected officials appointed by NAo; two consumer advocates appointed by congressional leadership; four providers appointed by congressional leadership; two program experts appointed by the Comptroller General. They will have, hopefully in this budget cycle with other budgetary pressures that are already on Medicaid, all the impetus in the world to fix this program. But to include these people.

I ask unanimous consent to have printed a list I have of over 130 organizations that support the Smith-Bingaman amendment that are scratching their heads about what this means in human terms if we do not do this right.

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

March 16, 2005  CONGRESSIONAL RECORD — SENATE  S2809
CONGRESSIONAL RECORD—SENATE

March 16, 2005

Senator GORDON SMITH, U.S. Senate, Washington, DC.

Mr. SMITH. Mr. President, first, I am pleased to rise in support of the amendment offered by my colleague from Oregon, Senator SMITH, as well as Senator BINGAMAN. I appreciate the challenges faced by the Budget Committee. Finances are tight. Tough decisions have to be made. We understand that.

My dad is a carpenter. He builds with his hands. He is very good at it. I think in this case I am not so good and I think greatness skipped a generation. I am a ready, willing and able dad but I don’t have his hands. Early on he tried to teach me. Measure twice before we cut once.

Medicaid is the Nation’s single largest payer of children’s health services. Medicaid accounts, on average, for nearly 50 percent of the patient care revenue in children’s hospitals. One out of every four children in the United States relies upon Medicaid for health coverage. It is an essential partner in providing high quality care to all children.

Before we start restructuring or talk about cutting growth—which is what my colleagues who support the chairperson’s mark will say, that we are just cutting growth—I suggest that we measure twice and cut once. Medicaid is a safety net program that is intended, as my colleague from Oregon talked about, to protect vulnerable children as well as adults struggling with severe chronic illness and disabilities and mental illness. I suggest that we need to measure twice and cut once.

Minnesota’s Medicaid Program is the largest health care program, providing

Mr. BINGAMAN. Mr. President, 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 create a reserve fund for the establishment of a Bipartisan Medicaid Commission to consider and recommend appropriate reforms to the Medicaid program, and to strike Medicaid cuts to protect states and vulnerable populations)

On page 4, line 7, increase the amount by $1,784,000,000.
On page 4, line 8, increase the amount by $2,479,000,000.
On page 4, line 9, increase the amount by $2,522,000,000.
On page 4, line 10, increase the amount by $3,589,000,000.
On page 4, line 11, increase the amount by $3,922,000,000.
On page 4, line 16, increase the amount by $1,784,000,000.
On page 4, line 17, increase the amount by $2,479,000,000.
On page 4, line 18, increase the amount by $2,522,000,000.
On page 4, line 19, increase the amount by $3,589,000,000.
On page 4, line 20, increase the amount by $3,922,000,000.
On page 18, line 16, increase the amount by $1,784,000,000.
On page 18, line 17, increase the amount by $1,784,000,000.
On page 18, line 20, increase the amount by $2,479,000,000.
On page 18, line 21, increase the amount by $2,479,000,000.
On page 18, line 24, increase the amount by $2,522,000,000.
On page 18, line 25, increase the amount by $2,522,000,000.
On page 19, line 3, increase the amount by $3,589,000,000.
On page 19, line 4, increase the amount by $3,589,000,000.
On page 19, line 7, increase the amount by $3,922,000,000.
On page 19, line 8, increase the amount by $3,922,000,000.
On page 29, strike beginning with line 23 and all that follows through page 30, line 3.
On page 40, after line 8 insert the following:

SEC. 2. RESERVE FUND FOR THE BIPARTISAN MEDICAID COMMISSION

In the Senate, the Chairman of the Committee on the Budget shall revise the aggregate, functional totals, allocations, levels in section 404 of this resolution, and other appropriate levels and limits for fiscal year 2006 and for the period of fiscal years 2006 through 2010 by up to $1,500,000 in new budget authority for 2006 and the amounts of funds flowing therefrom for an appropriations bill, amendment, or conference report that provides funding for legislation reported by the Senate Finance Committee authorizing and creating a bipartisan Medicaid Commission and striking Medicaid cuts to protect states and vulnerable populations.

As a result, I am pleased to be here today with my colleague Senator Smith in support of the bipartisan Medicaid amendment to strike the Medicaid cuts and to replace it with a bipartisan Medicaid Commission.

Senator Smith and I strongly believe that Medicaid needs reform and improvement. For years, Medicaid has been neglected. Democrats are often trying to push for universal coverage and neglect fixing issues with Medicaid. Meanwhile, Republicans have proposed block granting the Medicaid program without addressing reform. Just 2 years ago, this proposal was defeated on the Senate floor.

Sadly, we are here again with a proposal to cut Medicaid, but no thoughts
about how to reform and improve the Medicaid program. We are imposing cuts on Medicaid at twice the level the President proposed, as scored by CBO, with little more guidance than rhetoric about cutting “waste and fraud in the system.”

According to the Budget Committee staff document, “at least 34 States are estimated to be receiving up to $6 billion a year in Federal Medicaid dollars inappropriately.”

What is our goal? I think we all deserve to know who they are and what they are doing before going to cut funding to them. In the Senate Finance Committee, a bipartisan group of Senators asked the Secretary for that list and we still do not have it.

However, anybody that asks is being assured not to worry because their State is not the problem. How can we cut $15 billion to the States without it seriously impacting any State or any of the $3 million people served by Medicaid including the ham circus elephant or donkey cannot pull off such a feat.

To get scored savings, the Finance Committee will be forced to make major cuts in funding to the States. Let me emphasize, no State is protected.

Also, while some of the proposals have some detail that we have no idea about the impact on individual States, we do know the budget assumes saving $1.5 billion by dropping the matching rate for targeted case management in Medicaid from the current matching rate to 50 percent Federal and 50 percent State. Again, there is nothing about reform here. It is simply about cutting Federal funding to States. And, in this case, we do know which States, and they are the poorest States in this country.

It may come as somewhat of a shock to some in the Senate, but the cuts would fall disproportionately on the 28 States: Alaska, Montana, Arkansas, West Virginia, New Mexico, Utah, Idaho, Louisiana, Alabama, South Carolina, Kentucky, Oklahoma, Arizona, North Dakota, South Dakota, Tennessee, Iowa, North Carolina, Indiana, Maine, Missouri, Oregon, Texas, Georgia, Kansas, Ohio, Nebraska, and Florida. President Bush carried 26 of the 28 States and those States have 43 Republican Senators and 13 Democratic Senators.

Simple mathematics tells us that will not fly in the Senate. So, two of the largest proposals for savings truly have nothing to do with Medicaid reform and one does not have enough detail to allow CBO to provide scored savings and the other has enough detail that we know it will never be enacted.

So, what we have here are proposed Medicaid budget cuts in search of a policy.

It is with that in mind that Senator SMITH and I have come to the floor today to actually attempt to reform and improve the Medicaid program in a systematic way. Our proposal is to strike the arbitrary cuts in the budget before us and replace them with the establishment of a bipartisan Medicaid commission.

Why a Commission? Just like Social Security, just like the 9/11 Commission that looked at our intelligence system, and just like Medicare, we believe that Medicaid deserves a comprehensive and thorough examination of what is working and what is not by all stakeholders—federal officials, state leaders, experts, providers, consumer representatives, and experts.

Medicaid is a very complicated program. In fact, it is not one program. It is really four programs.

First, it is a program that provides health insurance for 25 million low-income children.

Second, it provides a safety net of coverage to 14 million adults, primarily low-income working families that play by the rules and work but do not have access to or cannot afford health insurance.

Third, 42 percent of Medicaid spending is actually for what are known as “dual eligibles,” which are over 7 million elderly and disabled citizens that have both Medicare and Medicaid coverage. Therefore, Medicaid fills the holes in both Medicare and private insurance by providing acute and long-term care services that neither Medicare or the private sector is able or willing to cover.

And fourth, Medicaid serves as a critical payment system for our Nation’s health care safety net. Without that funding, many of these critical community services would end. Medicaid is a critically important health care safety net of four different programs that provides services to over 50 million of our Nation’s most vulnerable children, pregnant women, the elderly, and people with disabilities.

In New Mexico, Medicaid is, in fact, the single largest payer for health care. All told, Medicaid covers the health care costs of more than 300,000 New Mexicans—nearly one-quarter of our State’s population.

It is why I believe firmly we need to make sure that we do whatever we do right rather than quick. Medicaid is the back-stop to Medicare, the back-stop to Medicare, and the major funding source for our Nation’s safety net providers. Medicaid is, as Health Affairs has called it, “the glue that holds our Nation’s health care system together. Therefore, we must make sure reform is done right and not done quickly, rather than quickly and without being thought through.

I would like to take a few moments to emphasize the importance of Medicaid to our Nation’s children. Again, over 25 million children receive health care through Medicaid. This includes an estimated 42 percent of our Nation’s black children and 36 percent of our Nation’s Hispanic children.

Children covered by Medicaid are far less likely than uninsured children to lack a usual source of medical care or have an unmet medical, dental, or prescription drug need.

During the last presidential election, the President recognized that 11 million children lacked health care coverage and made a proposal that he called “Cover The Kids.”

In his own words:

We’ll keep our commitment to America’s children by helping them get a healthy start in life. I’ll work with governors and community leaders and religious leaders to make sure every eligible child is enrolled in our government’s low-income coverage program.

We will not allow a lack of attention, or information, to stand between millions of children and the health care they need.

The President put that proposal into his budget, but I do not see it in this budget. We should not be going backwards on children’s health, but we will in this budget unless this amendment is offered today.

We should take time and “first do not harm” to our Nation’s health care safety net. We have tried to enact reform quickly before and it has created many problems. For example, in the Balanced Budget Act of 1997, Congress cut funding for disproportionate share hospitals and Medicare physician payments in rather indiscriminate ways.

As a result, the Congress has come back in 1999, 2000, 2001, and 2003 to make what are known as “provider give-backs.”

The cumulative pages of legislation to correct the Medicare and Medicaid changes from 1997 now far exceed the original legislation, the problems continue and, in some cases, even grow.

In fact, we have a crisis with Medicare physician payments that everybody acknowledges will now cost billions and billions of dollars to correct.

Unfortunately, these “fixes” are not reflected in this budget, but all of us know that the Congress will have to address the problem. I fear the budget, as currently proposed, will create more problems that need fixing rather than correcting the current problems.

Therefore, Senator SMITH and I call for a process by which we can enact reforms to Medicaid but do it correctly, rationally, and in a bipartisan fashion. For example, we should ensure that people have more access to home- and community-based care in Medicaid. Don’t you know that we would have more cost-effective and appropriate settings for many Medicaid patients?

However, despite a lot of rhetoric about how this is one of the reasons Medicaid needs reform, the budget proposal before us does not address this problem.

There are those that believe Medicaid is “flawed and inefficient” and that costs are spiraling out of control so the program needs overhaul. At the same time, those that believe there is absolutely nothing wrong with Medicaid. I firmly believe neither point of view is correct.
First, Medicaid is far from broken. The cost per person in Medicaid rose just 4.5 percent from 2000 to 2004. That compares to just over 7 percent in Medicare and 12.6 percent in monthly premiums for employer-sponsored insurance. While the growth rate for Medicare seems to be about the most efficient health care program around, even more so than Medicaid.

The overall cost of Medicaid is going up largely not because the program is inefficient but because more and more people find themselves depending on this safety net program for their health care during a recession. While nearly 5 million people lost employer coverage between 2000 and 2003, Medicaid added nearly 6 million to its program. Costs rose in Medicaid precisely because it is working—and working well—as our Nation’s safety net health program.

Currently, Medicaid now provides care to 53 million low-income Americans, including nearly one-quarter of all New Mexicans.

On the other hand, it is also not true that Medicaid is not in need of improvement. The administration is rightly concerned about certain State efforts to “maximize Medicaid revenues” via “enhanced payments” to certain institutional providers. Secretary Leavitt, in a speech to the World Health Care Congress on February 3, 2005, referred to State efforts to maximize Federal funding as “the seven harmful habits of highly desperate States.” As a result, he called for “an uncomfortable, but necessary, conversation with our funding partners, the States.”

I would agree. However, Medicaid cuts driven by a budget reconciliation process is not a dialogue or conversation. It is a one-way mechanism for the Federal Government to impose budget cuts on the States. The administration’s budget calls for $60 billion in cuts to Medicaid over 10 years, including $34-40 billion that would directly harm States.

Where is the conversation in that? In fact, I believe the States would have quite a lot to say to the Federal Government in such a conversation. While I do not speak for the National Governors’ Association, the National Conference of State Legislatures, or the National Association of Counties, some of their grievances are rather obvious and I share them.

For one, these cuts are merely a cost-shift to State and local governments that simply force State Medicaid programs to enact cuts in coverage to our Nation’s most vulnerable populations or require tax increases to make up for the funding lost. It is pretty simple. If the Federal Government cuts $15 billion out of Medicaid, New Mexico will likely lose over $100 million in Federal funding for Medicaid. Either some of our State’s most vulnerable citizens will lose coverage or benefits, or taxpayers will be asked to pay more.

Governor Richardson is a pretty impressive guy, but he cannot magically produce the $100 million that the Federal Government would cut to our State under this budget proposal.

Second, as figures from the Kaiser Family Foundation indicate, 42 percent of the costs in Medicaid are a result of so-called dual eligibles—people who are both on Medicare and Medicaid. These dual eligibles are also a major driver of health costs in Medicaid and this is a prime example of where the Federal Government pushes costs on to Medicaid. Instead, better coordination between Medicare and Medicaid could improve both programs and delivery of care to “dual eligibles.”

States have been calling for better coordination for years to no avail.

Third, for all the rhetoric about being concerned about what States are doing in drawing down Federal funding, we should acknowledge that the Federal Government passes the buck on to States in other ways. For example, in the Medicare prescription drug bill that was passed by the Congress in 2003, the Federal Government imposed what is referred to as a “clawback” mechanism which forces the states to help pay for the federally-passed Medicare prescription drug benefit. Although States were expected to derive some financial benefit from the prescription drug bill, they are now finding that it will cost them millions of dollars more annually through what is referred to as the “clawback provision” than if the bill had never passed.

Furthermore, the states had expected that States had $5.8 billion in new enrollment of dual eligibles in Medicaid due to what they refer to as a “woodworking” effect on dual eligibles trying to sign up for the low-income drug benefit. They are now finding that it will cost them millions of dollars more annually through what is referred to as the “clawback provision” than if the bill had never passed.

States have no ability to “have a conversation” with the Federal Government about the imposition of such costs on them, but they should and will have that ability in our bipartisan commission on Medicaid.

Further, due to a recent rebenchmarking done by the Department of Commerce’s Bureau of Economic Affairs with respect to the calculation of per capita income in the States and the application of that data by the Centers for Medicaid Services, or CMS, the Medicaid Federal Medical Assistance Percentage, or FMAP, many States, including New Mexico, will see a rather dramatic decline in their Federal Medicaid matching percentage. In fact, due to the rebenchmarking and other factors, 29 States will lose Medicaid funding in 2006 by an amount of in excess of $800 million. Again, this occurred with no dialogue or conversation.

I agree with Secretary Leavitt that there should be a conversation among all the stakeholders about the future of Medicaid and about what are the fair division of responsibilities between the Federal Government, States, local governments, providers, and the over 50 million people served by Medicaid. It is for this reason that the bipartisan commission on Medicaid includes all of those stakeholders at the table to have a full discussion and debate about the future of Medicaid.

It is our intent that the recommendations would not only be focused on spending inefficiencies but about improving health care delivery systems that are too often fragmented and fail to deliver the care to our Nation’s most vulnerable citizens. However, they are not mutually exclusive. In fact, both can and should be done.

Before closing, I thank Senator Smith for his leadership on this issue and the over 100 organizations—State and local governments, providers, and consumer groups that have endorsed this amendment. We have the attention and support of all these groups to come to the table and to make Medicaid more efficient and effective and to make the delivery of care to our Nation’s most vulnerable citizens. We should not pass up that opportunity.

The policy needs to drive the budget. As Senator Smith said, and as Senator Cole said, we cannot just take a figure out of the air and say we are going to cut Medicaid because we need to make up some money in the budget in order to get to the number that we predetermined we ought to get to. That kind of arbitrary cut in Medicaid, when we are doing nothing to constrain the growth of Medicare, when we are doing nothing to constrain the growth of spending in a lot other areas, would be irresponsible. Exactly as Senator Smith pointed out, it is important that we do this right, that we do this fast.

This first chart I wanted to point to shows the States in red which are going to suffer these cuts. There is $4 billion proposed for cuts in these States that are depicted in red on this map. It turns out that most of those are the States that supported the President’s reelection in large numbers.

We have a couple of other charts which I very briefly would like to point out. One is a chart that points out that Medicaid is not the great inefficient program that everyone is pointing to. Medicaid has grown 4.5 percent per year the last few years. Medicare has grown over 7 percent. The private sector health care expenses have grown over 12 percent. There is enormous growth in Medicare spending and more people are depending on Medicaid. That is the simple point.

This last chart points out that 42 percent of the cost of Medicaid is because of the “dual eligibles.” These are people who are covered by Medicare, but Medicaid is having to pay up a substantial portion.

We need to understand these programs better before we begin cutting them. The Senator from Oregon has provided a real service to us in the Senate by focusing attention on this.

I hope my colleagues will support this amendment.
I yield the floor.

Mr. SMITH. Mr. President, I yield time to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. CORZINE. Mr. President, I appreciate the opportunity to argue the tough choices that Senators SMITH and BINGAMAN are showing with regard to Medicaid.

I rise today to speak in support of the pending bipartisan amendment offered by Senators SMITH and BINGAMAN to eliminate the $15 billion in cuts to the Medicaid program mandated under this resolution. Instead of letting the budget process drive Medicaid reform, this amendment directs the creation of a bipartisan Medicaid commission to investigate and consider possible improvements to the Medicaid program. In other words, this amendment would ensure that policy drives Medicaid reform, not the arbitrary and unjustified cuts in this resolution.

Last week Senators WYDEN, MURRAY, JOHNSON and I offered a successful amendment during markup of this resolution. The sense of the Senate was offered, which was agreed to unanimously by the Budget Committee and is a part of this resolution, states that the Finance Committee shall not achieve any savings under reconciliation that would cap Federal Medicaid spending, shift Medicaid costs to the States or providers, or undermine the Federal guarantee of Medicaid health insurance.

It simply is not possible to cut $15 billion from the Medicaid program without violating this agreement. Cutting $15 billion from Medicaid means taking $15 billion directly from the States. It means that States will be left with the tough choices of decreasing reimbursements to providers, eliminating services like prescription drugs and specialized services for the mentally retarded for families and elderly, closing Medicaid now for these services, or raising taxes to preserve these services.

These cuts come at a time in which States are already struggling with the escalating costs of the Medicaid program. In 1985, 8 percent of State budgets went to Medicaid. Today, on average, 22 percent of States' budgets are spent on Medicaid. In New Jersey, fourteen percent of the State budget is spent on Medicaid. States are having to make wrenching decisions about whether to cut critical health services for their most vulnerable or reducing funding for education programs.

What this resolution says to States and the 53 million children, pregnant women, elderly, and disabled who would be uninsured without Medicaid coverage is that they are simply going to have tough decisions. We are in tough budget times so you are going to have to choose between cutting health care for the poor.

I would like to share with my colleagues a couple of charts that demonstrate the tough choices that Chairman GREGG and the President are asking us to make. This first chart compares the $15 billion in Medicaid cuts that the Chairman has assumed to balance the budget along with the $204 billion cost of making the President's tax cuts for millionaires permanent. These are the tough choices we are serving across the country for millions of poor Americans or handing out hundreds of millions in taxes to the wealthiest in our country—which this budget poses. Frankly, I don't think this is a tough choice. It is an easy one. We must preserve access to health—preserving our Nation's most vulnerable and we must maintain our Federal obligation to the States to pay our fair share for these services.

I would like to point out that States are also facing massive costs as they work to transition their Medicaid beneficiaries who are dually eligible for Medicare into the new Medicare prescription drug benefit. States like New Jersey that have State pharmacy assistance programs Medicaid eligible seniors will also have to bear significant new costs to ensure that these programs coordinate with the new Medicare drug benefit.

Not only are States going to have to bear enormous costs to transitioning these beneficiaries, but if they choose to provide more generous benefits than offered under the Medicare law they will have to finance those benefits with State dollars. My State of New Jersey, which does wraparound the Medicare benefit to ensure that those on Medicaid have access to the prescription drugs they need, has estimated that the State will spend an additional $92 million in 2005 and 2006 to pay for these costs.

Now, under this resolution, New Jersey would lose $90 million a year in Federal Medicaid funding. How much more money is the Federal Government going to demand from the States? It is an abdication of our Federal responsibility to force these costs on the States.

I asked my State to tell me what kind of impact that a $90 million loss in Federal funding would have on New Jersey's Medicaid program. The Medicaid director in my State gave me two options: the State will either have to eliminate health insurance for more than 20,000 low-income children and pregnant women, considered “optional” beneficiaries because they earn just above 133 percent of the poverty level, which is $20,000 for a family of four. Or the State could eliminate so-called “optional” services, including dental care, pediatric and optometric care, hearing aid services, optical appliances, psychological services, hospice care, and medical day care for individuals with Alzheimer's and dementia. And of course, there is a third option—increasing taxes to maintain these services.

We simply can't address the underlying problem of escalating health care costs, which are driving up the costs of the Medicaid program, by asking States to cough up more money or by forcing them to eliminate critical services. We need meaningful, long-term solutions that will control health care costs across the board for Medicaid, as well as for Medicare and private insurance.

We need to change the fact that nationally 42 percent of Medicaid expenditures are spent on Medicare beneficiaries. This is because Medicare does not provide long-term care. So when we talk about a Medicaid crisis, what we really should talk about is the crisis in long-term care in this country. We are an aging population. As my generation retires, we will demand more long-term care services. Yet we have no long-term care system in this country. As it currently stands, the Medicaid program is our long-term care program.

The Smith-Bingaman amendment directs the creation of a bipartisan Medicaid commission to investigate these issues and to develop recommendations on how to decrease costs in the Medicaid program without burdening States or cutting services. A commission comprised of members of congress, governors, State Medicaid directors, and beneficiary advocates is necessary to develop real policies to strengthen Medicaid. It simply does not make sense to pull a number out of thin air like this resolution does. Policy should drive the numbers—not the other way around.

I urge all of my colleagues to adopt the sensible approach proposed by Senators SMITH and BINGAMAN. We don't understand how we can have a process of Medicaid reform driven by budgets without thinking through where that is going to come from. We heard our other colleague talk about where the burden of those cuts will fall.

I specifically asked what would happen if the proportionate deduction of cuts in New Jersey were to occur, which would be by the Senate's version about $90 million to the State, and the give-up would be $92 million. We are talking about Alzheimer's daycare for seniors. We are talking about hospice care. We are talking about basic dental, chiropractic care, hearing aids, and optical for our seniors.

It is impossible to understand how we want to take this hard cut without knowing the direction we are going to take.

The PRESIDING OFFICER. The time of the opponents has expired.

Mr. CORZINE. Mr. President, I ask my colleagues to support the intelligent and responsible approach that Senators SMITH and BINGAMAN proposed.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I will discuss for a few minutes this amendment and the Medicaid Program in our country.

I am glad I had a chance to hear the Senator from Oregon and the Senators
from Minnesota, New Jersey, and New Mexico. Their amendment would direct the Finance Committee to reduce the growth of Medicaid spending by $14 billion over the next 5 years.

Before I say anything else, let me point out, no cut—no cut—of any kind. Medicaid spending over the next 5 years will go up 41 percent if left alone. The Budget Committee recommends it go up 39 percent instead of 41 percent. Where I come from, that is education, that is a 1 percent increase in the amount of money.

The amendment also has a very good idea, which is to enact a commission to take a broad look at the Medicaid Program and report back to Congress in 1 year with its recommendations, which means in another year we might get around to doing something about it.

The Senator from Oregon talked about the tsunami coming. He is exactly right. He is talking about the tsunami in mandatory spending. We have all been talking about and how important it is to get spending under control. If I may respectfully say, I believe his position could be fairly characterized as saying we heard the tsunami is coming; let’s wait around a year, get out of the dock, and appoint a commission to study. My position is appoint the commission, but the prudent thing is to move to higher ground while we study all of this. And we can move to higher ground.

What I want to say in the next few minutes is that in order to restrain the growth of Medicaid spending from 41 percent over the next 5 years to 39 percent over the next 5 years, which is $14 billion out of $1.12 trillion, we know exactly what to do and we should move to higher ground and get going with this before we are drowned by this tsunami of mandatory spending. Social Security and Medicaid and Medicare that will make it impossible to fund pre-school education, to fund kindergarten through 12th grade, to fund our preschool education, to fund kindergarten through 12th grade, to fund our preschool education, to fund kinder-
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Medicaid and harder for courts and plaintiffs’ lawyers to do it. We should put term limits on the outdated consent decrees that keep Governors like the Democratic Governor of Tennessee from doing what he was elected to do. He would like to restrain the growth of Medicaid spending.

When I left the Governor's office, health care spending was 16 cents out of every State tax dollar, and education spending was 51 cents out of every State dollar today, because the growth of Medicaid spending in Tennessee, education is 40 cents out of every tax dollar, and health care is 26 cents out of every tax dollar, and going up.

We will not have great colleges and universities if we do not start today to restrain the growth of Medicaid spending. So I would respectfully suggest that a commission could be of some help. A commission could be of some help because it would tell us about it. I know its proposers are, but we are not going to be able to just move around the fringes. We are going to have to have a completely different view of health care in America. Then we are going to transform Medicaid. Then we are going to have to transform Medicaid. And along the way, we are going to have to do what is a relatively easy thing to do compared to the other two, Social Security.

Together, those unfunded liabilities, that mandatory spending is going to grow. This red on the chart is going to grow to make this a noncompetitive United States of America and drown our States in debt.

I suggest that it is correct that the tsunami is coming. I suggest that this budget that Chairman GREGG has worked on makes only modest steps in fiscal discipline. Yes, it reduces our deficit, but it stays on the track to grow. By the time President Bush goes out of office, our annual deficit will only be half as much as it is this year. But our debt still goes up every year. Senator CONRAD has made that point time after time after time.

This is the only proposal in this budget to restrain the most difficult part of spending growth, which is mandatory spending. This budget overall spends $2.6 trillion for next year, $100 billion more than last year. That whole $100 billion is mandatory spending.

So we are suggesting: Let Medicaid grow at 39 percent instead of 41 percent. See the tsunami coming. Appoint a commission to study it. But do the prudent thing. Take a few steps to higher ground that are perfectly obvious while we are studying it. We can easily do that this year.

I urge you reject the amendment and that we support the budget which takes a modest but important step toward controlling the biggest challenge we have budgetarily in Washington, DC, and that is controlling mandatory spending. I see the chairman of the Finance Committee in the Chamber. I wonder if he would like to speak.

Mr. GRASSLEY. Ten minutes, please.

Mr. ALEXANDER. Mr. President, how much time remains?

The PRESIDING OFFICER. Eleven minutes 20 seconds.

Mr. GRASSLEY. I probably will not use the full 10 minutes.

Mr. President, I have the utmost respect for the Senator from Oregon and the Senator from New Mexico. They are both members of the committee I chair. They are contributing members, very serious members of the Committee on Finance.

They are people who care deeply about providing health care coverage for our most vulnerable citizens. I have listened with interest as my friend from Oregon talked with great passion about providing mental health services for these fragile individuals receiving public health services.

I share the commitment of the Senator from Oregon and the Senator from New Mexico to providing the necessary care to individuals with disabilities, our senior citizens, and mothers and their children.

And yet, knowing all this, I also have a concern that if their amendment passes, we will fail to enact meaningful improvements to the Medicaid system. If we fail to do that, we could ultimately end up hurting the very same individuals for whom we show so much concern.

I understand that the key feature of the Smith-Bingaman amendment would create a bipartisan Medicaid commission. I have said for a while there needs to be a common language associated with Medicaid reform. Republicans and Democrats alike do not agree on what the word “reform” means when it is applied to Medicaid. Some believe it means curtailing costs. Others believe it means expanding coverage. A Medicaid commission could help bring us together in developing common themes and ideas of needed reforms.

However, the need to make some critical changes to Medicaid that would capture savings over the next few years and the creation of this commission are not mutually exclusive. We could do both. We could.

If we simply let the program function in the way that it has been over the next few years, States will continue to be squeezed and will have no choice but to begin curtailing services for the elderly and the disabled. To some extent that has been happening in some States.

Everyone needs to realize when a State makes a decision to not serve Medicaid people and to save State dollars, that saves money at the Federal level as well, and it is the only way to do this. The Federal Government should not be saving money because the States cannot do the things they need to do. What we need to do is give the States more leeway on serving their people in that particular State without assuming that we here in Washington have all the answers.

Quite frankly, we would be better off working together to do it this year. The only way we could save money, save money, save money, save money, save money, save money, save money, save money, save money, save money is not to design a Medicaid system that is not only flawed, but is seriously flawed.

A Medicaid commission could be of some help. A commission could be of some help while we are studying it. We can do that this year.

Now, I know that curtailing services for this class of people helped by Medicaid is not a scenario that Senators SMITH and BINGAMAN want to see unfold.

First, the Medicaid drug payment system is in significant need of reform. The average wholesale price system clearly overpays for drugs. Just as we took the average wholesale price out of Medicare in the Medicare bill 2 years ago, it seems to me we can and must take this payment system in Medicaid.

AWP, average wholesale price, is a flawed system, and we all know it. AWP is more known today as “Ain’t What’s Paid,” instead of what it really meant to say, “Average Wholesale Price.”

Capturing savings by making this commonsense improvement is not inconsistent with a commission. While there is much that we can learn from a commission, we do not need a commission to tell us that the average wholesale price system of paying for drugs is flawed.

A recent General Accounting Office study showed that the best price system was also significantly flawed. If States are not getting the best price, it costs both the Federal Government and the State governments.

There is another Medicaid problem that we know about, and that is a proposal to crack down on the schemes that are currently legal whereby seniors divert themselves of their assets in order to qualify for Medicaid.

Mr. President, there is a virtual cottage industry that instructs seniors on how to give away their homes, properties, cars, and other assets in order for them to qualify for Medicaid. Surely, no one would agree this is in the best interest of the Medicaid Program, and surely you don’t need a commission to tell us this.

The President has rightly put on the table new regulations that will govern asset transfers that allow a senior to go on Medicaid for long-term care. This commonsense proposal, as well, is not one that we need a commission to make. We could immediately save dollars so States can continue to spend the money on those who cannot afford care, as opposed to spending money on
people who can afford care. This would be serving the elderly and the persons with disabilities who are very low income.

While the change the President is suggesting is simple, we must, in addition, discuss the proper role of Medicaid and long-term care. The commission Senators SMITH and BINGAMAN are proposing would be very useful in that context. However, we should not let the perfect be the enemy of the good. There are things we can do this year to make improvements in the Medicaid Program, and we should do that.

We should eliminate wasteful practices and we should help States get the flexibility they need to better manage their programs, saving both Federal and State dollars.

We know Medicaid’s share of State budgets is growing at an unsustainable rate. Medicaid spending is growing so fast that it is beginning to rival education as a cost to States.

If we take no action this year, we will continue to put States in the position of having to choose between supporting education and providing services to vulnerable populations.

I will sum up in this way. There is talk about fiscal discipline, about reducing the deficit. This is the only significant opportunity we have in this whole budget debate to reduce the growth of mandatory spending. What we are suggesting is, instead of letting it go up 41 percent, we let it go up 39 percent over 5 years. I suggest if we cannot do that, we cannot do anything this year, and we should not go home and say we are interested in fiscal discipline.

I don’t believe there is anybody in this Chamber who is more of a defender of States than I am, but I believe that between March and October, we can take a few relatively minor steps, making an adjustment in the growth of spending, and give States important new flexibility.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I ask unanimous consent that we amend the pending order of amendments being considered and add to the list Senator LIEBERMAN, from 9 to 9:30, on a homeland security amendment; Senator VITTER, from 9:30 to 9:45, on a port security amendment; and that at 9:45, Senator BROWNBACK be recognized for up to 15 minutes for debate purposes.

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

Mr. GREGG. Mr. President, I appreciate Senator CARPER being here, as his time is starting for a discussion on his amendment. The time on these amendments is going to run. If the Members don’t show up when the time is still going to run. That will be their opportunity to put their amendment down and make their point. After Senator CARPER, I will note that Senators SNOWE and WYDEN will come on at 7 o’clock and then Senator HARKIN at 7:30, Senator ENZI and HUTCHINSON are at 7:45, Senator LANDREU is at 8:05, Senator SANTORUM at 8:30, Senator VOINOVICH at 8:35, Senator DORGAN is at 8:50. And we mentioned Senators LIEBERMAN and VITTER.

The PRESIDING OFFICER. There will now be a period of debate, equally divided, until 7 p.m. on the Carper amendment.

The Senator from Delaware is recognized.

AMENDMENT NO. 207

(Purpose: To provide for full consideration of tax cuts in the Senate under regular order)

Mr. CARPER. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. CARPER] proposes an amendment numbered 207: Strike paragraph (b) of Section 201.

Mr. CARPER. Mr. President, the amendment I offer this evening is actually fairly simple. It strikes the section of the budget resolution that gives reconciliation protection to some $70 billion in tax cuts. The amendment doesn’t prohibit those cuts. It simply says if we are going to cut our taxes by another $70 billion, we either need to come up with a way to pay for that or to sort of offset that with the Treasury or we need to be able to produce 60 votes here in the Senate.

At a time when deficits are already high, I, for one, believe we should not make it any easier to dig the hole deeper.

Sometimes I like to quote a former Chancellor of the Exchequer, a British fellow, who used to say this, talking about the theory of holes:

The theory of holes is based in part on that theory of holes made famous by the Chancellor of the Exchequer. Faced with the kinds of deficits that we face when we are cutting domestic programs, reconciliation should not be used for tax cuts that dig the deficit hole even deeper. Our Nation should be getting its fiscal house in order, not undermining the foundation of that house. The proponents of additional tax cuts wish to cut taxes further, they should pay for them. They should offset them, in my view. We already have that requirement on the spending side of the Federal ledger. I believe we need to apply the same principle to the tax side.

Now, the Senate voted on Senator FEINGOLD’s and Senator VOINOVICH’s amendment to reinstate pay-go requirements that require Congress to find offsets to pay for any new tax cuts or spending on entitlement programs. My amendment takes the area of this budget resolution where we are actually spending more money—and that is $70 billion in tax cuts—and applies the pay-go standard.

As demonstrated by my vote on the Feingold-Voinovich amendment, I favor applying pay-go standards universally, both on the spending side and on the tax side. My views are pretty basic. I think when we are faced with budget deficits that are in the area of $400 billion again this year, if I or anybody else wants to raise spending, in effect making the deficit larger, I would have to come up with an offset for it.

If I can, I have to muster 60 votes for that offset. Similarly, in an era of $400 billion deficits, if I want to cut taxes, as well intentioned as that might be, but if doing so simply raises the budget deficit, I should be able to offer that amendment. My amendment says that anyone seeking to do so would have to muster 60 votes to cut taxes in a way that raises the budget deficit even further.
The reconciliation process is a fast-track procedure that was designed to facilitate the passage of deficit reduction legislation in the Congress. The process was intended to protect hard-to-pass deficit reduction legislation from a filibuster and to ensure that such legislation would pass with 51 votes rather than 60 votes in the Senate. In recent years, however, Congress has used these special procedural protections to make it easier to cut taxes, to increase deficits, and to increase our Nation’s debt.

Tax cuts enacted in reconciliation bills in 2001 and again in 2003 cost the Treasury nearly $2 trillion over 10 years. The current tax reconciliation instruction would make it easier to pass an additional $70 billion in tax cuts without requiring that they be offset or paid for. This is the very opposite of the way these fast-track procedures were intended to be used, and the consequences for our fiscal situation have been mounting deficits and mounting debt.

When President Bush took office some 4 years ago, the Congressional Budget Office projected surpluses of $5.6 trillion over the next decade and that the Treasury nearly $2 trillion over 10 years. We were not as lucky when we took office in the mid-1970s, the notion was that budget reconciliation would be used to help make sure we made the tough decisions to cut spending or to raise revenues in order to balance our budget or to get us closer to a balanced budget. So keep in mind the initial idea, the reason we had reconciliation, was to ensure that the Congress made the tough decisions to reduce budget deficits—in fact, to try to balance our budget.

One of the great ironies today, is budget reconciliation has come to be used in an entirely different way. It is not used to help us make the tough decisions to reduce deficits, but, sadly, it is being used to make the deficits larger.

My point of view is this: Things are worth paying for whether they are veterans benefits, defense programs, education, or transportation. If they are worth extension or increase in tax relief proposals. Keep in mind that conference vehicle was opened a year earlier—a year earlier. You would think something that passed just before the election should have been considered over the course of a year, but it was not. You would think it would be simple, by how it finally passed, but there were obstacles put in the path of it all the time.

We were not as lucky when we took up the FSC/ETI legislation. That bill was trotted out several multiple arguments against the tax relief reconciliation instructions to the Finance Committee that I chair. Now, I am not going to get into any debate over whether budget reconciliation can, in fact, be used for tax legislation because there has been plenty of precedent established over the years in the Senate, whether the Senate has been controlled by Republicans or controlled by Democrats.

As an aside, though, I find it intriguing to consider the concern on the other side feeling so strongly, as they have indicated, that partisan tax increases such as the 1993 tax hike legislation should enjoy expedited reconciliation process, and somehow our using that this year is wrong. They care not a whit about raising $1 trillion in taxes as was done in the 1993 tax bill on a party-line vote under the process that is called reconciliation, but talk about bipartisan tax relief in reconciliation and somehow they get very irate. It seems to be a big double standard, so I come to the floor not to debate these points. Rather, I want to tell you why we should have a reconciled tax relief package.

Let’s look back just to the last Congress as a precedent. In that Congress, late in an election year, we passed a couple of tax relief proposals that were allegedly supported on both sides of the aisle. With an election facing them, many on the other side reluctantly supported extension or tax relief proposals. Keep in mind that conference vehicle was opened a year earlier—a year earlier. You would think something that passed just before the election should have been considered over the course of a year, but it was not. You would think it would be simple, by how it finally passed, but there were obstacles put in the path of it all the time.

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and those dissenting votes were Republican votes. Despite the bipartisan support, it actually took two cloture votes and the threat of a third cloture vote to break a Democrat filibuster on a tax relief bill Democrats claimed to support.

I have a chart behind me that represents goals posted on a football field. Tax relief bills have a way of becoming political footballs. We brought up the FSCCA on March 3rd, and did not complete it until May 11, more than 2 months later, the same year. That is over 2 months to do a tax relief bill that had unanimous support from Democrats on my committee. Members, sometimes for partisan reasons, sometimes for other reasons, decide to filibuster by amendment or other tactics.

Now referring to another bill, referring to the charitable tax relief bill that we call the CARE Act, let me point out that we were unable to go to conference because of Democratic leadership objections over the years 2003 and 2004. Also, do not forget that we were unable to get energy tax relief because of a stymied conference report.

So what happens? Reconciliation creates an opportunity for certainty. Reconciliation, obviously, is not my first choice. Reconciliation prevents must-do tax legislation from becoming political footballs, as you see the goalposts move from time to time. In this case, I had hoped that those who say they want to address issues such as alternative minimum tax hold harmless, would not filibuster. If you say you care about expiring provisions that are going to expire this year, such as the college tuition deduction, you should care about reconciliation—if you want to get that done. It will be tough enough to address expiring tax relief provisions. There is demand for revenue of about $90 to $100 billion in this budget, and tax relief numbers of $70 billion. That means I have to find offsets somewhere. Fourth of that, $90 billion to $30 billion over 5 years, just to keep taxpayers where they are now. Not more tax relief—stopping existing tax policy from ending and having automatic increases in taxes. That will be tough enough without political football tactics of filibusters by amendment or otherwise, as we saw over the course of last year, that I am just using for an example.

But it is important to be learned—to have a process in place where people who say they are for tax relief cannot say they are for tax relief and then stall the process forever and ever. Necessary, I have to have a reconciliation option in the Senate Finance Committee’s playbook. I appreciate the Budget Committee’s efforts of providing that option. I urge my colleagues to retain that option. Otherwise you are not being realistic when you tell the folks back home that you are supporting extending these tax relief provisions.

In other words, I would like to have us avoid the environment where people can say they are for something but then stall for 2 months to finally get it done, moving the football goalposts down the field. What reconciliation does is it gives us an opportunity to get done what people say they want done.

There are a lot of tax provisions that have to be worked on this year that have almost unanimous support. People can say they are for them but put roadblocks in the way, or move the goalposts to keep them from happening. Reconciliation is the only way to protect us from that sort of activity. I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CARPER. Mr. President, I would like to make a comment, and then I will yield time to Senator CONRAD.

For 8 years immediately before coming to the Senate I was privileged to serve as Governor of my State. During those 8 years our trade deficits out of 8. However, for 8 years in a row we also balanced our budget. Tonight, as we gather here, we face a budget deficit for the year probably in the range of $100 billion again. We spent money on last year’s deficit of over $400 billion. Our Nation’s trade deficit this year is expected to exceed $500 billion.

I say to my friends, that kind of lifestyle is not sustainable. We are not going to enjoy the standard of living that we do today if we continue down this path of spending more money as a country than we raise, and forever buying more from abroad than people buy from us—not by just a little bit but by a lot.

Our trade deficit for the month of January was, as I recall, about $60 billion. We can go back only as recently as 1990, and I think our trade deficit for the whole year was about $30 billion. We are on a dangerous path. For us to continue willy-nilly along the same course is playing with fire. Again, the principle that is part of this, that really underlies this amendment, is if you have a big budget deficit and you want to cut taxes further, and it has the effect of raising the budget deficit, you can do that. But when you have a budget deficit of over $400 billion and as far ahead as we can see there is more red ink, we ought to make it a little more difficult to cut taxes and, frankly, we ought to make it more difficult to raise spending.

I yield to my friend from North Dakota, Senator CONRAD, for however much time he wishes to consume.

Mr. CONRAD. How much time is remaining on this side of deficit for last year?

The PRESIDING OFFICER. Just under 8 minutes.

Mr. CONRAD. Would the Chair advise me after I have consumed 5 minutes?

The PRESIDING OFFICER. Certainly.

Mr. CONRAD. Mr. President, the more I listen to this debate about the budget, the more I feel as though I am in some time warp, or some sort of surreal out-of-body experience because the other side talks about the need for more tax cuts and more spending. They never talk about the fiscal condition of the country at this moment. They never talk about where it is all headed.

This is the circumstance that we face tonight as we meet. This looks back to 1980. The green line is the revenue line, and the red line is the expenditure line of the Federal Government. The last time our Republican friends were in control back in the 1980s, we could see the expenditure line is way above the revenue line as a result of the massive deficits.

Then a Democrat took office, and the spending line came down steadily. The revenue line went up, and the result was we balanced the budget, we stopped using Social Security money for other purposes. Then we got another Republican administration, and the revenue line collapsed, the spending line, and the deficits again opened up dramatically. That is a fact. That is undeniable. That is what happened.

Our Republican friends are plenty ready to spend the money, but they do not want to raise taxes to cover their spending, and they do not want to cut their spending to match their revenue. The result is deficits as far as the eye can see.

Here is what has happened since our Republican friends took over. The deficits have gone through the roof. It is not only the deficits, but the debt as well. The debt was $3.3 trillion—publicly held debt—and now it is headed for $9.4 trillion.

Our Republican friends come with a budget that they say is fiscally responsible, but their own numbers give lie to the rhetoric. If you look at their own budget document on page 5 where they estimate how much they are going to increase the debt because of the deficit for this year, here is what it shows. They are going to increase the debt $669 billion this year, $636 billion next year, $624 billion the next year, $612 billion the next year, and $611 billion the fifth year. They say they are cutting the deficits in half, but the debt goes up every year by over $600 billion, according to their own estimates.

The Senate from Delaware comes with an amendment that says you shouldn’t have special protection to further reduce the revenue base. You shouldn’t have special protection that says we take the revenue base that has already collapsed and reduce it further with special protections from the traditional way of doing business in the Senate. Instead, if somebody wants to have more tax cuts, they should pay for them. There is an old-fashioned idea—pay for it. That is what the Senator from Delaware is saying. You can have more tax cuts, but pay for them. If you reduce the deficit, they should pay for them, or increase revenue somewhere else to pay for it, but don’t tack it onto the debt. Don’t add it to the deficit.
Don’t shove this onto our kids. Don’t add this onto the already burgeoning Federal debt. It is a conservative idea. It says let us pay for what we do around here.

I thank the Senator for his comments.

The PRESIDING OFFICER. Who yields time?

The Senator from Colorado.

Mr. ALLARD. Mr. President, I happen to think we need to take care of those taxes where they are expiring. If we don’t deal with them, the rates are going to go up. We have a number of tax provisions that are within the 5-year window of the budget resolution that is before us. Three of them are what we refer to as economic growth, taxes reduced, investment and job creation incentive, and taxes we reduced.

I think one of the most effective taxes in stimulating the economy is reduction of capital gains. It is set to expire within this 5-year window.

If you look as far back as the Kennedy administration, he reduced capital gains to create more income during his administration so he could spend on other programs. Because you cut taxes doesn’t mean it is going to reflect a decrease in revenue to the Federal Government. We have seen that happen from time to time. It happened during the Reagan administration. It helped pay for defense spending. We have seen it in my State of Colorado.

Right now, we happen to have in my State of Colorado a modified national tax where we build off of the Federal tax bottom line form. One time we didn’t, and we reduced capital gains in the State of Colorado and, lo and behold, revenues increased to the State of Colorado.

We have seen this happen now under the Bush administration with the tax incentive we put in place, which included a 15-percent tax rate on capital gains income, and included a 150-percent tax rate on dividend income, and increased 100 percent the deduction for small business on employment tax. The Bush administration with the tax cut it created more revenue for the Federal Government.

We can tax things to the point where you get very little revenue to the Government. I think we have been through an era where spending and taxing both have been on the higher side. When that happens, you decrease production, and the result is you have less revenue. Just raising taxes doesn’t mean you automatically are going to get more revenue to the Federal Government. On the other hand, because you cut taxes doesn’t necessarily mean you are going to get less revenue to the Federal Government. It depends on where your tax rate is.

We have seen time and time again where we took a tax such as capital gains. In the Kennedy era, we reduced it in the Reagan era, we reduced it in local States, and we have seen the effects by the adjustments within the States. We have seen it happen recently with the budget tax incentives that we have. Jobs have gone up, revenues increased to the Federal Government.

That is why Members such as myself feel it is important that we keep in the reconciliation process the opportunity to begin to extend these taxes. Obviously, they are not going to be extended permanently. I prefer to extend them permanently. Obviously, that is not going to be possible around here. I am willing to go ahead and extend them again further on a temporary basis and, if need be, extend them permanently. If you are going to stimulate the economy, I think you have to turn to the small business sector. That is the real engine that drives this economy.

It is the small business sector. That is where innovation occurs. That is where individuals can own their own business and be motivated to produce. We see that time and time again in this country. I have seen it in my State of Colorado.

I am a small businessman myself, having had a veterinary practice. I understand the vital role small business will play in economies of cities throughout this country. We had a 100 percent deduction for small business on expenses. That had a phenomenal impact on revenues to the Federal Government in a positive way. It is one of the taxes that increased revenue to the Federal Government. We saw such a dramatic drop in the unemployment rate.

It is important we not do away with the goose that laid the golden egg. We need to look at what has worked historically and we need to continue that policy. If we do that, we will continue to see our economy grow.

The President is on the right track. This budget is on the right track to, at the very least, extend out those taxes. There are some Members that would have liked to have more in the reconciliation bill. The $70.2 billion that is in here that they are talking about is a bare minimum as far as I am concerned. I wish we had a lot more. I think we could have done much more to further stimulate the economy.

It is not the government that creates new jobs, it is the small business people out here that are working. They are the ones who really create jobs. It is the free enterprise system in this country that creates jobs. When you create jobs, you can hold down government expenses and you can generate more revenue to the Federal Government.

There are other expiring tax provisions that the Finance Committee can look at. They are not what I would classify necessarily as economic growth. They do not stimulate economic growth when you reduce them necessarily, but they help to contribute to the environment that helps our economy grow. I look at some of these that will expire within this window and I hate to turn my back on them, because they are popular, many of them, among the American people.

Relief from individual alternative minimum tax; the research and experimentation tax credit; the deduction for teachers’ classroom expenses; deduction for qualified education expenses; deduction of State and local sales taxes; cutting the welfare-to-work tax credit, work opportunity tax credit, credit for electricity produced from wind, biomass, and landfill gasses, tax credit for hybrid fuel cell vehicles; the first-time home buyer credit; and expensing of brownfields for mediation. Just a few of those taxes that will be expiring within the 5-year window that is provided for in this budget.

My view is if these are worthy programs, we are much better off to reduce taxes in a way that stimulates those programs to grow than to say we will spend Federal dollars and promote these programs and subsidize these businesses. That is the wrong way. We are better off to keep a competitive environment by reducing taxes on some of these programs that are vitally important.

I firmly believe the President is on the right track. I firmly believe the tax cuts we have put in place since the President was first elected to office are working, and it would be very disappointing to me and I think it would be a wrong track to somehow or other tax the backs of the businesses that have proved to do so much for improving the economy in this country and improving revenue not only to the Federal Government but the State governments. The figures are looking better among State and local governments.

I for one am going to stand and say, look, we need to have those provisions
in the budget because we want to continue to see economic growth so that we can continue to have a strong and competitive economy. If we just turn loose the free enterprise system, the American people will generate the revenue that we need to sustain our economy. If we do that, we have done that in the past, and we need to extend these out. It is very important.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Delaware.

Mr. CARPER. How much time remains?

The PRESIDING OFFICER. Three minutes.

Mr. CARPER. My friend from Colorado has reflected on the fiscal behavior of his State and I reflected earlier on the fiscal policies of my own State of Delaware. We like to cut taxes from time to time in my State. We also understand that at the end of the day we need to balance the amount of money that is coming in with the amount of money we are spending.

There was a time when Delaware did not do such a good job of reaching that kind of balance. We were best in the country at spending more than we anticipated and writing in less than we estimated. In fact, we were the best in the country in that and ended with the worst credit rating in the country in 1977. Whether it is Delaware, Colorado, or actually a country, we cannot forever live beyond our means. It is one thing to run budget deficits, which are a very small percentage of our gross domestic product, maybe for a short period of time. It is another matter when we run budget deficits which are a significant portion of our gross domestic product. When we look forward to the future, we do not see those deficits getting any smaller unless we assume we will not spend any money on Iraq or unless we assume we will not spend any money on Afghanistan and unless we assume things like we are not going to fix the alternative minimum tax.

We ought to fix the alternative minimum tax. I would like to extend the R&D tax credit. There are other provisions of the Tax Code I would like to extend as well. I am sure most of us would.

The point I am trying to make is this: If we elect to do those things, they have the effect of making our budget deficits larger and to increase our need to borrow money, then we ought to provide for an offset. We ought to provide for an offset by reducing the growth in spending in other portions of the budget or we need to collect more taxes, do a better job of collecting the taxes that are owed but not collected. We need to close some tax loopholes. If there are things that are abusive that are part of our Tax Code in order to come up with the offset.

We cannot sustain this forever. As a nation, we cannot continue going around the world and borrowing ever larger sums of money to fund our national debt. We certainly cannot continue to buy so much more from other places around the world. This month alone $60 billion more we will buy from the rest of the world than we will sell. It is not sustainable. We need to instill a bit of old-fashioned common sense and fiscal discipline.

I started earlier talking about the Chancellor of the Exchequer theory of holes; my friends, we need to stop digging.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, could we be updated on the time situation.

The PRESIDING OFFICER. Earlier the Senator from Colorado yielded his time so there is no time on either side.

Mr. CONRAD. So the next amendment up would be Senator Wyden; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. CONRAD. From 7 to 7:30 is the Snowe-Wyden amendment. We will put in a quorum call so they can prepare to offer their amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ALLARD. Mr. President, we will recognize Senator Snowe, and we will recognize her on the Democrats’ time.

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

The Senator from Maine.

AMENDMENT NO. 214

Ms. SNOWE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. Snowe], for herself, Mr. Wyden, Mr. Feingold, Mr. McCain, and Mrs. Feinstein, proposes an amendment numbered 214.

Ms. SNOWE. Mr. President, 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 ensure that any savings associated with legislation that provides the Secretary of Health and Human Services with the authority to participate in the negotiation of contracts with manufacturers of covered part D drugs to achieve the best possible prices for such drugs under part D of title XVIII of the Social Security Act, that requires the Secretary to negotiate contracts with manufacturers of such drugs for each fallback prescription drug plan, and that requires the Secretary to participate in the negotiation for a contract for any such drug upon the request of a prescription drug plan or an MA-PD plan, is reserved for reducing expenditures under such part.)

On page 40, after line 8, insert the following:

SEC. 1. RESERVE FUND FOR REDUCING EXPENDITURES UNDER MEDICARE PART D.

The Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, functional totals, and other appropriate levels and limits in this resolution upon enactment of legislation that provides the Secretary of Health and Human Services with the authority to participate in the negotiation of contracts with manufacturers of covered part D drugs to achieve the best possible prices for such drugs under part D of title XVIII of the Social Security Act, that requires the Secretary to negotiate contracts with manufacturers of such drugs for each fallback prescription drug plan, and that requires the Secretary to participate in the negotiation for a contract for any such drug upon the request of a prescription drug plan or an MA-PD plan, by the amount of savings in that legislation, to ensure that those savings are reserved for reducing expenditures under such part.

Ms. SNOWE. Mr. President, I rise today, along with my good friend and colleague, Senator Wyden, to offer this amendment, and on behalf, as well, of Mr. Feingold, Mr. McCain, and Mrs. Feinstein. The amendment would repeal the prohibition that we now have and was included in the Medicare Modernization Act that passed last year that would have prevented the Secretary of Health and Human Services from negotiating prescription drug prices.

I think, as we all know, prescription drugs are an indispensable part of modern medicine today. Drug coverage was not originally part of the Medicare Program. We deemed it, rightfully so, to be part of the new Medicare Program for the future.

As we all well know, not only do pharmaceuticals play a critical role, but also we have seen the dramatic rise in prescription drug prices as well. In fact, starting within weeks of passage of the Medicare Modernization Act that passed last year, we saw a vastly increased cost estimate for the prescription drug benefit. Mr. President, $334 billion from the administration was the reestimate. In fact, we cannot even get the Congressional Budget Office to project most of this benefit, which seems to be not only escalating but also changing from time to time since the passage of this legislation. And I think we can expect that to be the case in the future.

It is no surprise that the annual growth in the cost of the benefit will far outpace inflation. As this chart indicates, we see an upward trajectory of
drug prices that are two and three times the rate of inflation.

My good friend, Senator Wyden, and I received a report from the Government Accountability Office, and the news was not good, as this chart illustrates. Drug prices are going up two and three times the rate of inflation, especially so that this rate increased during the time of consideration of the Medicare Modernization Act. So you can see the major difference in the price changes that is two or three times the rate of inflation.

It is actually even worse than what this graph would indicate. Those with fixed incomes, for example, have seen the long-term effects of the price increases that seniors are experiencing all across America, certainly in my State of Maine. A senior with $250 in monthly drug costs, in 1999, would need to spend $238 to purchase those same prescription drugs in 2003—not newer, not better drugs, but the same products.

But this is the trend. This trend indicates that purchasing power is eroding, and beneficiaries are not going to realize the full value, the full benefit, and the full promise of the act that passed that added this Part D benefit. Now, Senator Wyden and I have introduced legislation repeatedly on the very question as to how we can maximize the value of this prescription drug benefit. It is in the interest of seniors. It is in the interest of taxpayers. It is certainly in the interest of good public policy.

One of the best tools we can give the Secretary of Health and Human Services is the ability to negotiate prescription drug prices. There was a prohibition in the Medicare Modernization Act, regrettably. There should not have been a prohibition. We should have been able to give the Secretary of Health and Human Services the same authority the Federal Government had, as utilized at the Veterans’ Administration, that is utilized by the Department of Defense, very effectively, very successfully.

So why is it that the Secretary of Health and Human Services cannot have that same prerogative and the ability to control prices on prescription drugs, something that is utilized all across America, most certainly by seniors? It can make the difference between life and death, the progression of a disease that ultimately could result in more costly illnesses.

So that is what this is all about: whether we are prepared to give the Secretary of Health and Human Services the authority to negotiate prescription drug prices. That is what our amendment does. It allows the Secretary to have that authority. It is permissive authority, but on the other hand, there will be two instances where it would be required. I think it would be in the interest of all of us to understand that this will be an improvement on the legislation that passed that provided the prescription drug benefit. One, as you know, there is a fallback provision in the legislation that passed. In areas of the country where there may not be competitive plans, we want to make sure those seniors, regardless of where they live in America—urban, rural, or anywhere—we have a fallback plan there to make sure they get the best prices, competitive pricing.

That is why it would require the Secretary, in our amendment, to negotiate prices such that they are not to become victims of high prices because there is a lack of competitive plans to be offered in that particular area of the country.

The second instance would be, if providers would request assistance because the manufacturers are not negotiating in good faith. Again, that is another instance which we think would be desirable in the interest of good public policy to ensure that the Government is negotiating the very best prices that are going to be the taxpayers. It will drive up the cost of the prescription drug plan that went from $400 billion up to $534 billion, and we don’t have any idea how high it is going to go. CBO is not even prepared to estimate at this time. I cannot imagine why there would not be a willingness on the part of the Senate to embrace this approach and give the negotiating power to the Secretary of Health and Human Services. In fact, former Secretary Thompson indicated that he wished he had had that authority. At his press conference, during the time of his resignation as Secretary, he indicated:

I would like to have had the opportunity to negotiate.

That is a very powerful statement coming from the former Secretary. He well understood that the vital ingredient for controlling the cost of prescription drugs was to have this negotiating power. Even to ensure that we could maximize this legislation, this benefit on behalf of seniors, most certainly, and also on behalf of taxpayers. We have seen the annual increased projections of about 8.5 percent and the cost of the Part D benefit. I don’t think any of us are under any illusion that if we, the Federal Government, don’t have this ability to use and exercise this prerogative at key moments in time, we will lose and devalue this benefit for seniors because their purchasing power will erode quickly over time.

With that, I would like to yield to my colleague, Senator Wyden of Oregon. I appreciate his leadership on this issue and working to make sure we have the very best initiative that would, hopefully, draw a majority of support in the Senate.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. Wyden. Parliamentary inquiry: I need to speak with the Senator from Colorado and the Senator from North Dakota. I haven’t had a chance to speak. Senator Snowe has done a superb job. In 3 or 4 minutes, I could sum up any additional comments. I know other colleagues want to speak and Senator Stabenow wants to speak. Could we work out something where we would have a few more minutes?

Mr. Allard. Before we work out that agreement, I would like to be able to give those Members in opposition an opportunity to speak. We had this time pretty well set between 7 and 7:30. The time was running when we were waiting. I would like to give them and see how our time runs. That might be possible.

Mr. Wyden. I think that is very fair. After Senator Grassley is done, maybe we can work it out where I can have 4 minutes and Senator Stabenow can have 4 minutes.

Mr. Allard. We will see how the time goes. I will yield to Senator Grassley first.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. Grassley. I would like to be notified when half of the time on this side is used. I want to reserve time for Senator Hatch. Will the Chair inform me?

The PRESIDING OFFICER. The Chair will do so.

Mr. Grassley. Mr. President, the amendment by the Senator from Maine and the Senator from Oregon about the noninterference clause will not result in savings, and it is going to undermine a drug benefit that is not even up and running yet. I don’t know how you can propose changes in that effectively doesn’t get started until January 1, 2006. How do you know things are not going to work until you have had some experience with it?

I have urged everybody to hold off on changing anything in the prescription drug bill until you actually see it functioning. It seems to me to be very difficult to work on a piece of legislation like this and try to change it before it has been operational.

First and foremost, let me be clear about something again. The Medication Modernization Act does not prohibit negotiations with drug companies. That could not be further from the truth. In fact, it requires the Medicare plans to negotiate with drugmakers for better prices. These negotiations are at the heart of the new Medicare drug benefit plan.

The absurd claim that the Government will not be negotiating with drugmakers comes from a noninterference clause in the Medicare law. This noninterference clause does not prohibit Medicare from negotiating with drugmakers. It prohibits otherwise the CMS from interfering with these negotiations that are provided for.

Let me be clear, the noninterference clause is at the heart of the bill’s structure for delivering prescription drug coverage. This clause ensures that negotiations will result from market competition, rather than through price fixing by the Center for Medicaid Services bureaucracy.
Here is what is so funny about what we are discussing today. The same noninterference clause language that we have in the law right now was in the Daschle-Kennedy-Rockefeller bill and the Gephardt-Dingell-Stark bill in 2000. The Daschle bill was in 2002, the Gephardt bill was in the year 2000.

I want to read for you what this says:

In administering the prescription drug benefit program established under this part, the Secretary may not (1) require a particular formulary or institute a price structure for benefits; (2) interfere in any way with the negotiations between private entities and drug manufacturers or otherwise interfere with the competitive nature of providing a prescription drug benefit through private entities.

Now, where did that language come from? It comes from the bill introduced by Senator Daschle and cosponsored by 33 Democrats, including Senator KERRY. They all thought their approach, which was incorporated in our legislation passed in 2003, and has now been included in a bill like it, including the sponsors of this amendment, as “preventing Medicare from negotiating,” was a fine approach when it was suggested from the other side of the aisle.

In fact, at the time, this is what Senator Daschle had to say.

Our plan gives seniors the bargaining power that comes with numbers. . . . Our plan mirrors the best practices used in the private sector. For beneficiaries in traditional Medicare, prescription drug coverage would be delivered by private entities that negotiate prices with drug manufacturers. This is the same mechanism used by private insurers.

Just for the record, opponents now also have claimed that Republicans insisted on including the so-called ban in the Medicare Modernization Act that somehow we “pushed through.” I re-emphasize these people—and they are here right now—that the whole concept was developed by Democrats.

The Congressional Budget Office has concluded that this market approach in the Medicare law will result in better, higher prescription drug cost management for Medicare than any other approach considered by Congress. That is the green eyeshade people in the Congressional Budget Office.

The PRESIDENT OFFICER. The Senator is at 6 minutes.

Mr. ALLARD. Mr. President, I believe we have two speakers on this side who want 4 minutes apiece. I ask unanimous consent that we have 8 minutes on this side extended out and that we give Senator GRASSLEY another 4 minutes to wrap up his speech, and then another 4 minutes on the time of Senator HATCH, if we might. There have been some cancellations, and we can take that up later on.

The PRESIDENT OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GRASSLEY. Okay. I quote the Congressional Budget Office. Here is what the Congressional Budget Office said about eliminating the noninterference clause in a letter just last year:

The Secretary would not be able to negotiate prices that further reduce Federal spending to a significant degree.

The letter went on to say:

CBO estimates that substantial savings will be obtained by the private plans.

That is the way we wrote this bill and what the Senator is trying to change.

Now, we also have an analysis from the Chief Actuary for the Medicare Program. The Chief Actuary is required by law to provide independent actuarial analysis on the Medicare program. The Chief Actuary’s report states that Medicare prescription drug plans will achieve average cost reductions of 15 percent initially, and that these cost reductions will rise to 25 percent over 5 years.

The Chief Actuary has concluded that he does not “believe that the current administration or future ones would be willing and able to impose price concessions that significantly exceed those that can be achieved in a competitive market.”

In fact, more astonishingly, the Chief Actuary points out that if Medicare establishes drug price levels, it will reduce competition, not increase it.

The report states: Establishment of drug price levels for Medicare by the Federal Government would eliminate the largest factor that prescription drug plans could otherwise use to compete against each other.

Further, their report points out that the past experience in the Medicare Program does not give one much, if any, confidence that Medicare will do a good job in setting prices. Far from it. As confirmed by the Actuary’s report, prior to the enactment of the prescription drug bill, drugs in Part B “were reimbursed at rates that, in many instances, were substantially greater than prevailing price levels.” So Medicare does not have a very good track record when it comes to price negotiations.

So let me be clear: Direct Government negotiation negotiations is not the answer. The Government does not negotiate drug prices. The Government sets prices, and it does not do a very good job at that.

The bill’s entire approach is to give seniors the best deal through vigorous market competition, not price controls. Again, a quote from Senator Daschle when he outlined the principles of his Medicare prescription drug benefit:

Fifth, we should take a lesson from the best private insurance companies: Cost-savings should be achieved through competition, not regulation or the price controls.

Even The Washington Post editorial page wrote on February 17, 2004:

Governments are notoriously bad at setting prices, and the U.S. Government is notoriously bad at setting prices in the medical realm.

The Congressional Budget Office said that such a proposal “could generate no savings or even increase Federal costs.”

So we did not rely on Government price-fixing but instead created a new drug benefit that relies on strong market competition, an approach relied upon by the MEND Act as introduced by Senator Daschle and cosponsored by 33 Democrats.

The new Medicare drug benefit creates consumer choices among competing, at-risk private plans. The Medicare plans will leverage the buying power of millions of beneficiaries to lower drug prices. I urge my colleagues to oppose efforts to repeal the noninterference clause and oppose efforts to get the Government involved in setting drug prices. It is a prescription for higher costs and undermining the competitive market in the Medicare bill that will result in lower drug costs. Let us not interfere with that with some sort of attempt to strike the so-called noninterference clause.

I yield the floor.

The PRESIDENT OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, every time one turns around, the costs of the prescription drug program go up and up. The bipartisan Snowe-Wyden proposal is the only proposal that is being considered in the Senate to take steps to protect taxpayers and seniors. This does not undermine anything. Nothing is going to change other than the Snowe-Wyden legislation provides an additional tool in order to hold down the costs and protect taxpayers.

Without this proposal, Medicare is going to be like a fellow standing in line at the Price Club buying toilet paper one roll at a time. Nobody in America shops that way. If one is buying a car or buying anything at a store, they try to get the best value. That is what this legislation is all about. In fact, the only areas where anything is required is when the private sector says an additional boost in bargaining power is necessary. The cause of what are called the fallback plans which are so important in the rural areas where there are no restraints at all in terms of what can be charged.

Given the mounting concern about the cost of this program, where it has gone up almost every couple of months since it was signed, I would think that the other side, the opponents of the Snowe-Wyden legislation, would say: All right, we are going to oppose the Snowe-Wyden, and our proposal. The fact is, the other side seems to say the status quo is just fine. The status quo with the costs going into the stratosphere is something that apparently they are not too upset about. Senator Snowe and I see it differently. We believe it is important to provide an additional tool, the kind of tool that is used in the private sector, and we think it will be meaningful.

Ultimately, this vote is a vote about what the Senators and their colleagues vote for this bipartisan legislation, they stand with taxpayers and seniors who would like this additional tool so that marketplace forces can be
used to hold down costs. If my colleagues vote against this, in effect they are voting for the status quo because, I would just emphasize, there is no other proposal being offered by the opponents. They seem to say everything is fine.

We do not. We think there is a bipartisan approach that makes sense. It is the approach that is used every single day in the private sector of this country. It uses marketplace forces to get the best possible deal, and ultimately what we are talking about, the more you buy of anything, the smarter buyer knows, that in the marketplace, the more you buy of anything, the smarter buyer knows, that in the marketplace, the better deal you get. That is what we are talking about.

Right now, today, the only entity in the country that cannot negotiate for lower group prices is Medicare. What sense does that make when we are talking about precious dollars going to seniors and the disabled to buy medicine in this country. What sense does that make? When 50 companies, large pharmacy chains, the Veterans Administration—they can all use bargaining clout to obtain lower drug prices for the patients they represent. In fact, the Veterans Administration has been very successful in negotiating lower prices; in some cases, as much as 65 percent.

I am told, and I have seen studies that show, if we gave the same bargaining authority to Medicare that the VA has, you could actually close the gap in the prescription drug benefit. There is enough savings that you could close the gap so that everyone would be receiving prescription drugs without what has been commonly called the donut hole.

These are huge savings. As a member of the Budget Committee, I have watched the numbers go up for the Medicare bill. We thought it was $400 billion. Now CBO says $593 billion and counting. The numbers are going to be outrageous.

We have to do something, provide the tools for Health and Human Services to be able to negotiate, to be able to lower those prices. Right now we have a situation where that is not allowed. It makes absolutely no sense.

When I talk to people at home and they ask me, why in the world Medicare is prohibited from using their full force to be able to negotiate, I say it is crazy. This makes absolutely no sense, unless you are one of those folks who does not want them negotiating, in terms of the prices.

So I urge the adoption of this amendment and thank my colleagues again for doing an outstanding job in putting together the Snowe-Wyden amendment giving the Secretary of Health and Human Services the authority to negotiate drug prices on behalf of seniors and the people of our country with disabilities be agreed to. It would be wonderful to see a very strong bipartisan vote in favor of this very important amendment.

The PRESIDING OFFICER. Who yields time?

The Senator from Utah.

Mr. HATCH. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 9 minutes and 43 seconds.

Mr. HATCH. For a minute there I was so out of it tonight when you were talking that I thought it was about the "Snow-White" amendment instead of Snowe-Wyden. It took me a little while to catch on here. I just couldn't resist that.

I have to say, I sat through all these meetings and I never once heard Secretary Thompson say that he wanted this authority. In any event, let me just speak about the Snowe-Wyden amendment, which they are trying to make into the "Snow-White" amendment, it seems to me.

In my opinion, this amendment guts one of the most important provisions of the Medicare Modernization Act of 2003.

Supporters of this amendment imply, wrongly in my opinion, that the price charged to beneficiaries is not subject to negotiation. That could not be further from the truth. The truth is, the prescription drug plan will be negotiating with drug makers. These negotiations are the very heart of the new Medicare drug benefit. We do not want to open the door to Government price controls for prescription drugs.

The noninterference clause in the Medicare Modernization Act does not prohibit Medicare from negotiating with drug makers. It prohibits CMS from interfering in those negotiations. That is a far cry from some of the earlier statements that have been made on this floor regarding this provision.

I happen to care a great deal for the two sponsors of this amendment. I have watched them very closely throughout their tenure and my tenure in the Senate. But they are simply wrong on this amendment.

Let me be clear, the noninterference clause is at the heart of the law's structure for delivering prescription drug benefits. This clause ensures those savings will result from market competition, rather than through price fixing by the CMS bureaucracy. That is what was behind this. Let's not distort those provisions.

What is ironic about what the other side is saying is that the same noninterference clause was in the Daschle-Kennedy-Rockefeller bill and the Gephardt-Dingell-Stark bills in the year 2000, has been explained by our distinguished chairman of the Finance Committee.

In administering the prescription drug benefit program established under this Act, the Secretary of Health and Human Services, in exercising the functions of the Secretary under this Act, No. 1, require a particular formulary or institute a price structure for benefits; No. 2, interfere in any way with negotiations between private entities and drug manufacturers, or wholesalers; or No. 3, otherwise interfere with the competitive nature of providing a prescription drug benefit through private entities.

What is the source of that language? It is from S. 2541, The Medicare Expansion for Needed Drugs, or MEND, Act, introduced in 2000. Think about it, some of the very people who are criticizing this provision in the Medicare Modernization Act tonight supported this language in 2000.

I must remind my colleagues that former Senator Daschle once said:

"Our plan gives seniors the bargaining power that comes with numbers. . . Our plan is the best practical plan in the private sector. For beneficiaries in traditional Medicare, prescription drug coverage would be delivered by private entities that negotiate prices with drug manufacturers. This is the same mechanism used by private insurers."
Think about that. I think those who advance these arguments that you cannot have competitive work with regard to drug pricing are wrong and ought to quit playing politics with a bill that is so important for senior citizens all over this country.

Those who suggest this non-interference language will drive up the cost of implementing the law simply do not have the facts or the legislation on their side.

This is what the CBO said about eliminating the non-interference clause in a letter last year:

The second fact is that the CBO isn’t even prepared to give a net cost of that legislation. We only expect that the price is going to go up, up. As Senator Wyden indicated, the only tool we have to negotiate prices is to keep those prices low, particularly in situations, for example, where the Congressional Budget Office indicated to us in a report that with sole-source drugs, where there are drugs that have no competition, we will realize savings. That is a responsibility we have to seniors and to the taxpayers with respect to this program. Finally, it is indicated that Secretary Thompson made this comment. He said, “I would like to have the opportunity to negotiate.” He was asked a question in his final press conference as Secretary of Health and Human Services. The question was, “You listed the drug benefit as one of your proudest achievements. Was there anything you really pushed for in that bill that didn’t get in or that you would like to see Medicare tackle in the future?”

Note the fact that the question didn’t even suggest negotiations. But his answer was, “I would have had the opportunity to negotiate.”

And for good reason, because the Secretary understood that the price of this program and the price of the benefit was only going to go in one direction, and that is up.

It defies logic that we would not allow the Secretary to have the ability to negotiate the very best prices in certain instances and in other instances which may not be as worthwhile.

A final point: In a recent poll, 80 percent of the American people believe the Secretary should have the ability to negotiate on their behalf.

In the final analysis, this is the amendment that is going to save money—save money in the drug program, save money to the taxpayer, save money to the seniors.

It is hard for me to believe anyone would ultimately reject it. I again thank Senator Wyden for all of his support and leadership over the last few years to make this happen.

I voted against the passage of MMA because I believe we can no longer afford to flagrantly spend taxpayer dollars and saddle future generations with the enormous burden of these programs, the cost of which is spiraling out of control. With the passage of that package, we missed a great opportunity to enact reforms that would have helped to ensure the Medicare program’s financial solvency. Congress has an obligation to remedy that mistake and the Snowe-Wyden amendment is a good first step.

I strongly urge my colleagues to supporting this important amendment.

Mr. ALLARD. Mr. President, I ask unanimous consent that we give time limits from 7:45 to 8 p.m. for Harkin on his education amendment; from 8 to 8:20 for Ensign-Hutchison on border security; 8:20 to 8:35 for Landrieu on National Guard; 8:35 to 8:50 for Bunning on the AIDS budget process; and, after that time, we are expecting that maybe some of the Republican speakers drop out and we can ask for additional time as we need it.

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

The Senate from Iowa.

AMENDMENT NO. 172

Mr. HARKIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. Harkin], for himself, and Mr. Kennedy, Mr. Levin, Mr.
Kohl, Mr. Dodd, Mr. Durbin, and Mrs. Murray, proposes an amendment numbered 172.

Mr. HARKIN. Mr. President, 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 restore the Perkins Vocational Education program and provide for deficit reduction paid for through the elimination of the phase out of the personal exemption limitation and itemized deduction limitation for high income taxpayers now scheduled to start in 2006)

On page 3, line 10, increase the amount by $1,400,000,000.
On page 3, line 11, increase the amount by $2,800,000,000.
On page 3, line 12, increase the amount by $4,800,000,000.
On page 3, line 13, increase the amount by $6,500,000,000.
On page 3, line 14, increase the amount by $8,500,000,000.
On page 3, line 19, increase the amount by $1,400,000,000.
On page 3, line 20, increase the amount by $2,800,000,000.
On page 3, line 21, increase the amount by $4,600,000,000.
On page 4, line 1, increase the amount by $8,500,000,000.
On page 4, line 2, increase the amount by $1,400,000,000.
On page 4, line 7, increase the amount by $1,380,000,000.
On page 4, line 8, increase the amount by $1,430,000,000.
On page 4, line 9, increase the amount by $1,490,000,000.
On page 4, line 10, increase the amount by $1,550,000,000.
On page 4, line 11, increase the amount by $1,610,000,000.
On page 4, line 16, increase the amount by $40,000,000.
On page 4, line 17, increase the amount by $1,040,000,000.
On page 4, line 18, increase the amount by $1,350,000,000.
On page 4, line 19, increase the amount by $1,480,000,000.
On page 4, line 20, increase the amount by $1,540,000,000.
On page 4, line 24, increase the amount by $1,360,000,000.
On page 4, line 25, increase the amount by $1,750,000,000.
On page 5, line 1, increase the amount by $3,250,000,000.
On page 5, line 2, increase the amount by $5,020,000,000.
On page 5, line 3, increase the amount by $6,960,000,000.
On page 5, line 7, decrease the amount by $1,360,000,000.
On page 5, line 8, decrease the amount by $3,120,000,000.
On page 5, line 9, decrease the amount by $6,370,000,000.
On page 5, line 10, decrease the amount by $11,390,000,000.
On page 5, line 11, decrease the amount by $18,350,000,000.
On page 5, line 15, decrease the amount by $1,360,000,000.
On page 5, line 16, decrease the amount by $3,120,000,000.
On page 5, line 17, decrease the amount by $6,370,000,000.
On page 5, line 18, decrease the amount by $11,390,000,000.
On page 5, line 19, decrease the amount by $18,350,000,000.
On page 17, line 16, increase the amount by $1,380,000,000.
On page 17, line 17, increase the amount by $40,000,000.
On page 17, line 20, increase the amount by $1,430,000,000.
On page 17, line 21, increase the amount by $1,040,000,000.
On page 17, line 24, increase the amount by $1,490,000,000.
On page 17, line 25, increase the amount by $1,350,000,000.
On page 18, line 3, increase the amount by $1,350,000,000.
On page 18, line 4, increase the amount by $1,480,000,000.
On page 18, line 7, increase the amount by $1,610,000,000.
On page 18, line 8, increase the amount by $1,540,000,000.
On page 18, line 16, decrease the amount by $1,400,000,000.
On page 18, line 17, decrease the amount by $23,800,000,000.
On page 18, line 18, increase the amount by $1,380,000,000.
On page 18, line 19, increase the amount by $40,000,000.
On page 18, line 9, increase the amount by $1,430,000,000.
On page 18, line 12, increase the amount by $1,490,000,000.

Mr. HARKIN. Mr. President, I understand I have 7½ minutes. I yield myself 5 minutes.

The budget resolution for 2006, which we are now considering, essentially calls for the elimination of funding for an enormously effective and popular education program called the Perkins Vocational and Technical Education Act, which we all know as Voc Ed vocational education. This amendment restores the funding to Perkins vocational education and also reduces the deficit by billions of dollars in the future.

The costs of these needed steps, restoring vocational education and reducing the deficit, are offset by rescinding two new tax cuts for the wealthy, tax cuts which have not even gone into effect yet, the so-called PEP and Pease phase-out provisions.

The budget currently calls, under the President’s proposal, for eliminating funding for vocational education while allowing these two provisions to go into effect next year, after they would fully be in effect, we then begin to save $146 billion over the next 10 years.

When the phase out of PEP and Pease, as they are called, were passed in 2001, the phase-out— I guess the case could be made that they were affordable. Thanks to the budget surpluses that President Bush inherited from President Clinton, we were looking at a cumulative surplus of over $5 trillion over the coming decade, enough to eliminate the national debt and then some. That was then and this is now. Now we are looking at projected deficits in excess of $200 billion a year for the first time in 2011, and every year after that, so we have to act.

It makes good sense to eliminate these two proposed tax cuts. We are not rescinding anything that has gone into effect. They start next year. There is no reason they should start next year.

Let us have some common sense here. This amendment says we will fully restore vocational education and we will reduce the deficit. And the people who are making over $200,000 a year I don’t think really need this tax cut. People making over $1 million a year don’t need it. But I will tell you who does need it—kids who need vocational education in the United States. And, the American people need to avoid an added $146 billion deficit explosion that will occur in the decade after these tax provisions take effect in 2010. That is who needs this.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. How much time does the Senator from Iowa have?

The PRESIDING OFFICER. The Senator from Iowa has 1 minute 54 seconds and the Senator from New Hampshire has 7½ minutes.

Mr. GREGG. Mr. President, this amendment is like a lot of other amendments that are being brought
forth. It is well-intentioned. I don’t deny that. But its practical implication is that it significantly raises spending and significantly raises taxes and it does not necessarily accomplish the goals which the Senator from Iowa wishes to accomplish.

The Senator from Iowa states he wishes to allocate more money to vocational education. The budget does not do that. The budget has virtually no impact on that other than to set a top-line number and then allow the committee of jurisdiction to make the decision as to how that money will be spent.

In fact, the history has been that although the Budget Committee makes suggestions as to how money should be spent, it usually has a number of different functions, those functions do not correspond to the various appropriating committees of the Senate and the Appropriations Committee, and the authorizing committees tend to generally ignore the suggestions of the Budget Committee relative to specific programs. If they did not ignore us, I would be much more specific, but I have learned it is a pointless exercise to try to tell appropriators or authorizers what to do relative to specific programs.

We give the Appropriations Committee a top-line number and we say to the authorizing committees they have to reconcile or you have this much money available under the mandatory accounts. But beyond that, we do not have a whole lot of impact on how they spend that money other than to say this is how much you have.

So it is the Appropriations Committee that makes that decision. The Senator from Iowa actually has a unique role relative to education because he has been both the chairman and he is now the ranking member of the subcommittee on Appropriations. I am sure he has the position, I am sure his ranking member has, because he has already offered an amendment that has been adopted, that there is not enough education money that is going to be allocated to his subcommittee for him to do everything he wants to do or for the subcommittee to do everything they want to do. I serve on that subcommittee. But that is our role around here. The priorities should be set by us, the different chairmen of the different appropriating committees and the ranking members, and we should move forward from there.

We should not, however, in my opinion, do a general raising of spending and a general raising of taxes which is what this does. Rather, we should live within the proposed levels of spending. In the area of education, it should be pointed out this administration has sent up their ideas and, yes, in their idea, considerably increased education should be adjusted in the way it is funding. But this administration has a unique position over education. They have dramatically increased funding for education over the last 4 years. They increased it over the Clinton years by something like 40 percent. They have chosen as an administration, and I think it is probably the right choice, to pick certain elements of Federal activity and fund those elements aggressively and recognize the Federal Government cannot be all things to all people, but it does have responsibility in specific areas and it should pursue those responsibilities aggressively. That is what they have done. They have increased funding for special education by somewhere around 60 percent; increased funding for title I by 45 percent. They have increased funding for No Child Left Behind by 46 percent, increased funding for the Pell grants, and I don’t remember the exact figure, but it is a double-digit increase. Those are the accounts they have decided to focus on.

This bill assumes they will continue that effort, but that is not necessarily what will happen. The Appropriations subcommittee of which the Senator from Iowa is ranking member will have the opportunity to do what they wish. They can put the extra money into title I, they can put the extra money into special education, they can put the extra money in No Child Left Behind, or they can put more money in the Pell grants or into the program they decide is appropriate and that they think is necessary.

This budget itself has significantly focused on education. We set a reserve for higher education with $33.5 billion made available to the Education Committee to allow them to put in place a new and more aggressive higher education bill.

We have proposed in this bill another $33.5 billion over what the President requested as the top line. In other words, instead of having a top line of $843 billion, we have a top line of $843.5 billion and the reason is because we expect that extra $500 million to be put into the Pell grants for next year and raise those grants from $4,050 to $4,150 in addition.

In addition, we suggested in this bill a proposal to the Education Committee—I hope they will follow it; they don’t have to—which would allow them to increase Pell grants by $5,100, a massive increase in Pell grants for students who go to school over 4 years either to a community college and vocational college and then move on to traditional college. Huge commitments which we have suggested can be accomplished under this budget.

The budget is aggressive in the context of a fiscally restrained effort in the area of education. This administration’s record on education has been strong and vibrant over the last 4 years, uniquely so compared to the Clinton administration before and the budget itself, and I have to reinforce the point that this administration:

So when you offer a bill, an amendment like this, you all are doing is spending more and taxing more. You are not necessarily in any way adjusting the budget. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I respectfully answer my friend from New Hampshire, first talking about priorities. This is priorities, all right. You want a tax provision that goes into effect, starts phasing in next year that 97 percent of the benefits go to people making over $200,000 a year; or do you want to fund vocational exercise? It is about as close as we get to the tax breaks? When fully phased in, those with over $1 million income, you get $20,000 a year, and if you are under $75,000, you get a big fat zero.

All about priorities. My friend from New Hampshire is talking about raising taxes. All we are saying is a tax that has been in effect for 15 years will continue and will not be phased out. We are not raising anyone’s taxes at all.

Third, I point out this is the first budget in 10 years that has a reduction in education. My friend from New Hampshire says, well, we can make the decision in Appropriations about what we want to do. It is like this. This is what my friend from New Hampshire has presented. It is like a puzzle as this chart shows. We have Pell grants, we have afterschool, we have title I, special education, bilingual, impact aid, all in this box. We have the money for the sake of saying, well, if you want to put voc in, put it in, but if you put it in, take a piece out.

Would the Senator from New Hampshire tell us which of these to cut? Ed tech or TRIO are all left out, but this is the box we are in.

The Senator from New Hampshire says, well, you can put it back in. But that means we have to take out special education or title I. The only way to do it, I say, is to enlarge the box. And that is what we do with this amendment.

The PRESIDING OFFICER. The next 20 minutes is devoted to the amendment of the Senator from Texas.

The Senator from Texas is recognized.

AMENDMENT NO. 218

Mrs. HUTCHISON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

'Mr. President, I, Mrs. Hutchison, for herself, Mr. Ensign, Mr. Domenici, Mr. Craig, Mr. Kyl, Mr. Voinovich, and Mrs. Feinstein, proposes an amendment numbered 218.
Mrs. HUTCHISON. Mr. President, 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 fully fund the level of Border Patrol as authorized by National Intelligence Reform Act of 2004 and as recommended by the 9/11 Commission)

On page 23, line 16, increase the amount by $352,400,000.

On page 23, line 17, increase the amount by $317,000,000.

On page 23, line 21, increase the amount by $35,400,000.

On page 9, line 15, decrease the amount by $352,400,000.

On page 9, line 16, decrease the amount by $317,000,000.

On page 9, line 20, decrease the amount by $35,400,000.

Mrs. HUTCHISON. Mr. President, this is an amendment cosponsored by myself and Senator ENSIGN. Senator Ensign has done so much work in this area on the intelligence reform bill, assuring there would be 2,000 authorized Border Patrol agents. We also have as cosponsors Senators DOMENICI, CORNYN, MCCAIN, KYL, and FEINSTEIN. Mr. President, I would like to be notified at the end of 10 minutes, after which I will yield the rest of the time to the Senator from Nevada.

Earlier this month, FBI Director Mueller told Congress that people from countries with ties to al-Qaida are crossing into the United States through our porous border with Mexico.

Deputy Secretary of Homeland Security James Loy recently said that intelligence reports suggest al-Qaida is considering using the Southwest border to infiltrate into the United States, either with falsified documents or by crossing the border in other illegal ways.

We have today 11,000 Border Patrol agents for the borders between Mexico, the United States, and Canada, as well as in the Border Patrol centers that are throughout our country. It is clearly not enough.

Mr. President, 97 percent of illegal intruders are filtering through the Southwest border. But they do not stay in the South. They go throughout our country.

The Border Patrol does an amazing job. We applaud their work. But we need to give them more help. Recent stories and intelligence reports show that terrorists are planning to use our border, and it should be a wakeup call.

Since 2001, 1,300 agents have been added to the force. But we have 8,900 miles of border with Canada and Mexico. My State of Texas alone has over 1,200 miles of border with Mexico. In most places there are no fences. In Texas, the Rio Grande River can sometimes be waded across or is completely dry.

We are seeing an increase of 137 percent in immigrants who are from countries other than Mexico. These immigrants, which are called OTMs, “other than Mexicans,” are coming into our country in the largest numbers we have ever seen. But due to a lack of resources, they are often caught and released, or they are not caught at all.

Recognizing our serious border vulnerability, and the need to infiltrate into the United States, either with falsified documents or by crossing the border in other illegal ways.

We need more Border Patrol agents and more detention facilities to make our borders secure. We need more Border Patrol agents that are in the unenforced portion of the border, equipping of 2,000 agents. This would be the full amount authorized and will have a dramatic impact on the security-related problems we have on the border.

In order to maintain a fiscally responsible bill, and not increase the top cap of discretionary spending, we are offsetting this increase with an equal reduction in the international affairs section of the budget because protecting our borders from foreign threats is an international affair.

Today, with my colleagues Senators ENSIGN, DOMENICI, CORNYN, MCCAIN, KYL, and FEINSTEIN, I am calling on Congress to do more than add 210 Border Patrol agents that are in the unenforced portion of the border. We need the full amount authorized of 2,000. This is still not enough. And I hope we will be able to come back next year and get up to the full 2,000 again.

But the warning flag has gone up. We must heed the warnings we have been given. Every incident I mentioned is a call to the United States to make sure that our borders with Mexico are secure. We need more Border Patrol agents and more detention facilities to make our borders secure.

The people of our country deserve this security, and our amendment will take one step in the right direction. I hope my colleagues will work with me on this in the Appropriations bill. We must do everything to heed the warning call we have gotten.

Mr. President, I yield the rest of our time to the Senator from Nevada, who has also worked very hard on this amendment. I appreciate very much his cosponsoring this amendment with me today.
The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. ENSIGN. Mr. President, I thank the senior Senator from Texas for all the work she has done to strengthen our borders. Living in a border state, she understands the dual threat of terrorists and illegal immigrants. And living in a border state, I understand the dual threat of illegal immigrants and terrorists.

Since 9/11, we have doubled the number of Border Patrol agents. We have spent several billion dollars on additional security at our ports of entry. We have funded additional cameras, additional lights, additional signage. But we need to do it on a large scale. This amendment allows Congress to do just that.

The amendment we are offering ties directly to one of the important 9/11 Commission Report recommendations prohibiting terrorist travel to our country.

Pre-9/11, INS had only 9,800 Border Patrol agents. With the priorities of the agency concentrated on immigration and narcotics, no major counter-terrorism effort was underway.

More than 3 years after the devastating attacks, the men and women who serve at the border's front line of defense are overwhelmed.

Statistics show that with current personnel levels, our agents only catch 5 percent of those who attempt to cross the border of the Rio Grande River, are just wake-up calls that we cannot avoid. So we are, hopefully, going to have the support of Congress to add a full 2,000 Border Patrol agents.

When I first came to Congress, we doubled our Border Patrol agents from 3,000 to 6,000. We were a country that could do it then, both on the borders of Canada and Mexico. But, clearly, we have had more and more influx of illegal aliens that have become a burden in many parts of our country, and now we have a security threat from people who do not live on our borders but are using our borders as a conduit to come into our country. The examples that Senator ENSIGN and I have just mentioned, where we are finding Muslim prayer rugs and instructions in Arabic on how to carry out these attacks from the Rio Grande to Colorado Springs, are just wake-up calls that we cannot avoid.

We are not dealing with rational actors. We are not dealing with people who respect life or freedom. We must continue to be diligent in our fight to defeat terror and to protect our homeland.

The amendment we are offering ties directly to one of the important 9/11 Commission Report recommendations prohibiting terrorist travel to our country.

We need the detention facilities. We need these Border Patrol agents. It is our responsibility to defeat terror and to protect our homeland.

I hope my colleagues will help us pass this amendment and do the right thing for homeland security. This is a priority, and it must be a priority accepted in this budget.

I yield back the remainder of my time.

The PRESIDING OFFICER. The next amendment is the amendment of the Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I send my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk reads as follows:

The Senator from Louisiana [Mrs. LANDRIEU] proposes an amendment numbered 219.

Ms. LANDRIEU. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To establish a reserve fund in the event that legislation is passed to provide a 50 percent tax credit to employers that continue to pay the salaries of Guard and Reserve employees who have been called to active duty)

On page 40, after line 8 insert the following:

SEC. 41. DEFICIT NEUTRAL RESERVE FUND FOR PATRIOTIC EMPLOYERS OF NATIONAL GUARDSMEN AND RESERVISTS.

In the Senate, if a bill or joint resolution, or if an amendment is offered thereto, or if a conference report is submitted thereon, that provides a 50 percent tax credit to employers for compensation paid to employees who are on active duty status as members of the Guard or Reserve in order to make up the difference between the employee's civilian pay and military pay and/or for compensation paid to a worker hired to replace a service member, the chairman of the Committee on the Budget shall adjust the revenue aggregates and other appropriate aggregates, levels, and limits to this resolution to reflect such legislation, to the extent that such legislation would not increase the deficit for fiscal years 2006 and for the period of fiscal years 2006 through 2010.

Ms. LANDRIEU. Mr. President, I come to the floor to lay down an amendment to provide a place in this budget for the men and women who are placing their lives on the line for us.

A couple of months ago, before we went on our break in December and January, I had the great privilege, actually, of holding this body in a filibuster for 3 days. It was not something...
that was planned, but it was something that evolved after I found out that the last huge FSC-ETI bill that we passed in the Senate managed to find tax relief, tax cuts, special tax considerations for seemingly everyone in America except for the men and women in uniform fighting for us. I know people listening tonight will really not believe what I am saying is true. But they can go to Web sites on this budget to look at the record, or talk to their Guard and National Reserve, to see that what I am saying is actually true.

We have passed trillions and trillions of dollars in tax cuts since 2001. It would be one thing if we were taking money out of the budget to do that, but we are actually borrowing money to give tax cuts. We are not just taking money that is just sitting there sort of giving tax cuts to people who arguably do not need it. Many Democrats have come to the Senate floor and tried to make that case again, and I hope that some of this is getting through.

But whether they are a Democrat, Republican, or Independent, or whether they were for the war in Iraq; whether they think the troops should stay there or whether they believe there were weapons of mass destruction and we went in for the right reasons or there were not and we went in for the wrong reasons, I think universally in America people believe, no matter what their political persuasion, that if we are going to continue to give tax cuts the first people who should get that if we are going to continue to give tax cuts the first people who should get any tax cuts at all. I mean, $1.2 billion is a lot of money, but relative to what we are giving out to everybody else in tax cuts, it is so small. When we did that bill, I went to them and said: Look, can we do better? Our men and women need this tax break. Their employers are trying to keep their paychecks whole. If we give a tax cut to their employers who are voluntarily continuing to pay their active duty Guard and Reserve employ- ees’ salaries, perhaps they could at least keep their paycheck. We are not talking about extra money; we are just talking about letting them get their paycheck that they got when they were firemen, policemen, an architect, a doctor, or a lawyer. Let them keep that paycheck.

This is not even really for the soldiers, because these guys and gals are making the sacrifice. This is to keep their obligations, and their children in their homes, in their automobiles, getting them to the doctor. For some reason—I do not know why—this Senate, particularly the Republican leadership, refuses to give a tax credit to the Guard and Reserve. So the last time a bill came through, I asked: Could you please attach this amendment to it?

Sorry, Senator LANDRIEU, we cannot afford it. We cannot afford to give the Guard and Reserve a tax cut. Do you not understand, we do not have any money. I do not know what they are talking about, because this budget is going to give another $70 billion in tax cuts. So please do not even argue with me on the point. I am not going to listen. There is $70 billion given away in this budget again, and I am going to ask for the $1.2 billion out of $70 billion—pennies, for the Guard and Reserve.

Let me tell you how this affects Guard and Reserve families. This is a letter from Kansas, the State of Sen- ators BROWNBACK and ROBERTS:

After 9/11 [my husband] was activated . . . He was deployed for health care in a hospital, and I was pregnant. We left our children in Louisiana, North Da- kota, Tennessee, all over the country, and went to the front lines to fight for us.

The sad thing about this is that 40 percent of those men and women who go from the Guard and Reserve take a pay cut to fight for us. It is inconceiv- able to think about this administration, or anybody in the Senate, would stand here tonight and argue for a budget that gives $70 billion in additional tax cuts to people who may or may not need them and yet at the same time need to go to the front line and take a pay cut.

When we come to the floor and go to the Finance Committee and beg and plead on their behalf, could they give them a few pennies, could they give them one? We are told over and over again, I am sorry, we cannot afford it.

The last “military tax relief” the Congress passed was a $1.2 billion bill. I wish I could say why, but I mean, $1.2 billion is a lot of money, but relative to what we are giving out to everybody else in tax cuts, it is so small. When we did that bill, I went to them and said: Look, can we do better? Our men and women need this tax break. Their employers are trying to keep their paychecks whole. If we give a tax cut to their employers who are voluntarily continuing to pay their active duty Guard and Reserve employ- ees’ salaries, perhaps they could at least keep their paycheck. We are not talking about extra money; we are just talking about letting them get their paycheck that they got when they were firemen, policemen, an architect, a doctor, or a lawyer. Let them keep that paycheck.

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After 9/11 [my husband] was activated . . .

His pay was significantly decreased, his health care was in jeopardy, and I was pregnant. We left our children in Louisiana, North Dakota, South Dakota, and South Dakota. I hope we will give them a tax credit. They deserve to be recognized as a great supporter of our military by receiving this tax credit. This tax credit would go to businesses that are doing the patriotic thing, helping the thousands of Guard and Reserve in Louisiana and thousands of Guard and Reserve in our country. It is unconscionable that the Senate Finance Committee, or this budget, would contemplate yet more tax cuts for everybody in America and leave out the men and women in uniform.

What is worse about it is every pic- ture we are in is taken with men and women in uniform, with that flag fly- ing, but when it comes to putting them in the budget—we can put them in our campaign pictures, all right, but we cannot put them in the budget.

That is what my amendment does. We are going to vote on it tomorrow. It gives $1.2 billion to the Finance Committee, go ahead and give away $70 billion again, but the first $1.2 billion is going to be given to the men and women in uniform. They deserve it. Shame on us if we do not put them in.

So we are not going to vote on this tonight, but for the Guard and Reserve in my State, for the Guard and Reserve in New Hampshire, for the Guard and Reserve in South Carolina, North Da- kota, and South Dakota, I hope we will get 100 percent of the Senators to vote on this. If anybody wants to debate it, I will stay here all night and debate it as long as anybody wants, but I think my time has been limited.

The PRESIDING OFFICER. The Sen- ator from New Hampshire.

Mr. GREGG. Mr. President, I have a unanimous consent request to get an order for some more proposed amend- ments. Tomorrow morning, we are going to convene at 9. Beginning at 9, we have four Members of the Senate who are going to be recognized. We are going to return to the Smith Medicaid amendment for 60 minutes, then we
will go to the Sarbanes CDBG amendment for 15 minutes, then to the Coleman CDBG amendment for 15 minutes, then Senator Cochrane will be recognized for 10 minutes. After that, there are a series of individuals whose amendment time we are confirming but not necessarily the order in which those amendments will come. Those individuals are Senator Kennedy on education for 15 minutes; Senators Baucus and Conrad, agriculture, for 30 minutes; Senator Biden, COPs Program, for 15 minutes; Senator Byrd, the highway program, for 15 minutes; Senator Snowe, the SBA domestic program, for 15 minutes; Senator Clinton, Prevention First Program, for 15 minutes; Senator Lautenberg, the debt limit amendment, for 10 minutes; Senator Conrad and I will reserve 15 minutes each, for a total of 30 minutes between us.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. Gregg. Mr. President, I now yield back the remainder of my time on this resolution, after the expiration of tonight’s debate and after the expiration of the agreement which was just reached.

Mr. Conrad. Mr. President, I will retain all of my time.

That was a joke. It would be a real interesting day tomorrow, wouldn’t it? I just could not figure that out. I just could not figure that out. I just could not make clear that at the end of this evening we will be yielding back on both sides all of our time with the exception of the time we have laid out in this agreement. Is that correct?

Mr. Gregg. Can we do it right now?

Mr. Conrad. Yes.

Mr. Gregg. We both yield back all of our time, as proposed.

The PRESIDING OFFICER. So ordered.

Mr. Conrad. If I could briefly describe to my colleagues the negotiation we have had this evening? I know there will be colleagues who will come tomorrow who will be disappointed. Senator Gregg and I apologize to them in advance. Here is the circumstance that we confront. We have over 70 amendments still pending, not counting the 20-some amendments we have in the queue. If we just do the math, that is 90 amendments. We can do three amendments a day and it would be a year of steady voting. If we start at 1 o’clock tomorrow and we have to go 30 hours, do the math.

What Senator Gregg and I have tried to do is to at least begin the process at 1 o’clock tomorrow afternoon or there about. Again, for those colleagues who are disappointed, I apologize. I know Senator Gregg feels the same way. We would like to have every colleague get all of the time they desire. It is just not possible and reach conclusion.

One should speak to my colleagues, for those who think, couldn’t we just go over into Friday morning? We have a number of colleagues who, because of funerals, because of health conditions, cannot be here Friday morning. That means if we do not finish tomorrow night, we are going to be here Friday night. I do not think anybody who has been through this process doesn’t understand if we are here Thursday night we are going to be here Saturday.

To colleagues who are disappointed, I am sorry, but we have done our level best to give people some amount of time to offer their amendments. I think we have done it in as fair and as equitable a way as is possible.

Mr. Gregg. Mr. President, I do not wish to take time off of Senator Salazar’s time, but I want to affirm what the Senator from North Dakota has said. I also want to thank the ranking member of the Senate committee and the Democratic leader and, of course, the Republican leader for working very hard to bring about this understanding as to how we are going to proceed. And I think it is the fairest way to proceed, and it does allow the Members to get many of the core issues up and debated. That has been the key here, to make sure the high-visibility issues and the issues that need to get up and get debated, in the context of the fact that we know these vote-athons take a huge amount of time.

Right now, if we start voting on the present number of amendments we have pending, we will have to vote for 30 straight hours. Obviously, we hope that will not happen, but that is a distinct possibility, that a large percentage of that time will have to be consumed in votes. So we need to get started fairly early tomorrow. That is the purpose of this agreement, so that we can get out of here very late, probably, or very early Friday morning.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 215

Mr. Salazar. Mr. President, I call up amendment No. 215, which I filed earlier this evening.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from Colorado [Mr. Salazar] proposes an amendment numbered 215.

Mr. Salazar. I ask unanimous consent that the amendment be dispensed with.

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

The amendment is as follows: (Purpose: To provide additional funding for rural education, rural health access, and rural health outreach programs)

On page 9, line 15, decrease the amount by $65,000,000.

On page 9, line 16, decrease the amount by $14,000,000.

On page 9, line 20, decrease the amount by $36,000,000.

On page 9, line 24, decrease the amount by $12,000,000.

On page 10, line 3, decrease the amount by $3,000,000.

On page 17, line 16, increase the amount by $29,000,000.

On page 17, line 17, increase the amount by $1,000,000.

On page 17, line 21, increase the amount by $17,000,000.

On page 17, line 25, increase the amount by $9,000,000.

On page 18, line 4, increase the amount by $2,000,000.

On page 18, line 16, increase the amount by $36,000,000.

On page 18, line 17, increase the amount by $13,000,000.

On page 18, line 21, increase the amount by $19,000,000.

On page 18, line 25, increase the amount by $3,000,000.

On page 19, line 4, increase the amount by $1,000,000.

Mr. Salazar. Mr. President, I rise tonight at this late date to talk about forgotten America, the rural parts of our United States, and to address the issues of education and health care in rural America.

Let me say I want to extend my appreciation and thanks to Senator Conrad and Senator Collins for their work on these issues in the past. I look forward to having their support as we move forward with these amendments.

My amendment will increase funding for the Rural Education Achievement Program, a program that, through bipartisan efforts that recognize that our rural schools need our help. REAP provides supplemental funding for rural school districts which face significant challenges.

I just say that as we look at the issue of education in rural communities and we look at the issue of health care in rural communities, we have to understand that there is a part of the United States of America that has been forgotten, frankly, under both Republican and Democratic administrations. Across the country, some 3,000 counties continue to wither on the vine, where the people who live in those counties, who are mostly agriculturally dependent, do not have the infrastructure or the capacity to address the real needs that are affecting them every day. Those include the issues of education and the issues of health care.

I come from what is one of the poorest counties in America, the County of Conejos. That county has been the poorest county in the United States for a number of different years, so I know firsthand the kinds of challenges that are faced by communities like those in rural America. Across rural America, no matter where you go, no matter what State you are in, you are going to find these kinds of counties.

The two areas we address here with the amendment, education and health care. First of all, with respect to rural education, a few facts about our rural school districts. Our school districts in rural America account for about one-half of the school districts in our Nation. Rural school districts tend to be the poorest in the Nation. They average less than 40 percent of the per pupil spending in our urban school districts. Rural school districts have less
access to technology, computers, and the Internet than their urban counterparts and, thus, are at risk of being left behind in our global economy.

Rural school districts tend to have higher dropout rates than their urban counterparts. Rural schoolteachers tend to make an average of 15 percent less than urban schoolteachers. Despite decreased pay, rural schoolteachers teach more subjects than their urban counterparts, and rural school districts face significant problems with teacher retention. We know that in rural schools they do not have the type and kinds of facilities that in urban schools. We know that educational opportunity being brought about for the students in rural schools is very different from that in urban schools. We know in many of these rural school districts, know that educational opportunity for the children of America who live in the rural parts of our country that have become the forgotten America.

My amendment also addresses the issue of rural health care, restoring funding for the Rural Health Outreach Program, and increases funding for the State Offices of Rural Health Program. These are two programs that are helping us address the health care issues that are faced in rural America. These programs enable the communities to partner with universities, with private practitioners, with hospitals and medical providers to make sure we address rural health care in the way that it is lacking in rural communities.

Let me say a word about the circumstances relating to rural health care. In Colorado, in many of my counties, there is only one nurse practitioner for the entire county. On the western part of our State, in Grand Junction, CO, veterans wait up to 5 months in order to see a doctor.

In Colorado, 756,000 of our citizens are uninsured, and a good majority of them live in rural areas. When they get sick, they either cannot afford to see a doctor or there is a shortage of physicians for them to see. Rural Coloradans tend to have more health care problems so that the lack of health care is life threatening.

We know health care access in our rural communities is in crisis. A few facts bear this out. Forty-five million Americans have no health insurance at all, but 10.2 million of those 45 million Americans live in rural America; 10.2 million of those 45 million Americans live in rural America.

Americans living in rural communities face some of the greatest challenges in obtaining and keeping health insurance.

There are many communities across my State—and I am sure across America—where families in rural communities simply cannot get health insurance, and when they get health insurance they have to pay anywhere from $1,000 to $2,000 a month just to keep that health insurance.

Rural residents are more likely to be covered by Medicaid than their urban counterparts. Residents in rural communities have less access to medical services because there is such a critical shortage of doctors in rural communities across our country.

My amendment will restore some of that funding so that our communities in forgotten America can continue to develop innovative programs to increase access to healthcare.

Let me conclude by saying this is a simple step to help us put the spotlight on the problems that are faced by rural America today. This is not a Republican or a Democratic issue. This is an issue where Democrats and Republicans should stand up and say that we value education in our rural communities and in our rural schools, that we understand the major problems of healthcare that are faced in our rural communities, and that we will stand up to make sure that we are addressing those issues of healthcare in rural America.

I ask unanimous consent that Senator CONRAD be added as a cosponsor.

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

Mr. SALAZAR. I yield the floor.

Mr. CONRAD. Mr. President, can you advise us of the time remaining on this amendment?

The PRESIDING OFFICER. There is 37 seconds in favor of the amendment, 7½ in opposition.

Mr. CONRAD. I ask my colleague if I could have 1 minute of his time on this amendment.

Mr. GREGG. You can have all of it, Mr. CONRAD. That is very kind. I will take just a minute.

I thank Senator SALAZAR for offering this amendment. This amendment is important to rural States such as mine. This amendment makes a real difference in States such as North Dakota and Colorado in rural education and in funding for rural healthcare outreach.

Senator SALAZAR has proposed an offset to take some of the very significant increase in international affairs and re-direct it to rural America. Rural America is hurting in many parts of this Nation.

Right at the heart of the need for revitalization is education and healthcare. Those are two of the areas that have been targeted by Senator SALAZAR’s amendment.

This is a very modest amount of money, but it sends a big signal. I hope my colleagues can find it possible to support this amendment.

I thank Senator SALAZAR for his leadership.
On page 26 line 14, decrease the amount by $1,800,000,000.
On page 23 line 17, increase the amount by $500,000,000.
On page 5, line 19, decrease the amount by $14,000,000.
On page 23 line 20, increase the amount by $3,200,000,000.
On page 16 line 15, decrease the amount by $2,500,000,000.
On page 5, line 16, decrease the amount by $1,100,000,000.
On page 5, line 18, decrease the amount by $500,000,000.
On page 5, line 17, decrease the amount by $1,800,000,000.
On page 16 line 16, decrease the amount by $2,500,000,000.
On page 5, line 19, decrease the amount by $3,200,000,000.
On page 5, line 14, decrease the amount by $102,000,000.

Mr. CONRAD. We now have that amendment in the queue and that is what we wanted to accomplish. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 220
Ms. COLLINS. Mr. President, on behalf of the Senator from Connecticut, Mr. LIEBERMAN, and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk reads as follows:

The Senator from Maine [Ms. COLLINS], for Mr. LIEBERMAN, for himself and Ms. COLLINS, proposes the following amendment:

Ms. COLLINS. I ask unanimous consent that the 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 American people from terrorist attacks by restoring $565 million in cuts to vital first responder programs in the Department of Homeland Security including the State Homeland Security Grant program, by providing $150 million for port security grants and by providing $140 million to hire 1,000 additional Border Patrol agents.)

On page 16 line 15, increase the amount by $715,000,000.
On page 16 line 16, increase the amount by $500,000,000.
On page 16 line 20, increase the amount by $250,000,000.
On page 16 line 24, increase the amount by $220,000,000.
On page 17 line 3, increase the amount by $339,000,000.
On page 23 line 16, increase the amount by $150,000,000.
On page 23 line 17, increase the amount by $112,000,000.
On page 23 line 21, increase the amount by $14,000,000.
On page 26 line 14, decrease the amount by $855,000,000.

Ms. COLLINS. Mr. President, I am pleased to join my friend and colleague from Connecticut in offering an amendment to restore funding for the Department of Homeland Security’s first responder programs to increase security at our country’s borders and to better secure our Nation’s seaports. The American people, unfortunately, would impose severe reductions in grant funding for our first responders, those who are on the front lines in the war on terrorism.

Our amendment funding by adding a total of $855 million for Homeland Security funding. This includes $565 million for State Homeland Security programs that support our first responders, $150 million for port security grants, and $140 million to hire 1,000 additional Border Patrol agents.

Our amendment does not provide excessive funding. In fact, it is modest in scope. It would simply restore funding to last year’s levels for Homeland Security. It starts with hometown security. Improving our preparedness is an investment that we must make to strengthen our ability to prevent, detect, and respond to terrorist attacks. After all, if the worst happens and we are subject to another attack from terrorists, our citizens are not going to dial the Washington, DC area code. They are going to pick up their phones and dial 9-1-1.

We should always remember who is first on the scene when disaster strikes. We have an obligation to help our first responders be prepared—as well prepared as we can be—because that strengthens the preparedness of our Nation.

Again, this is a modest amendment. There have been other proposals to increase Homeland Security grant funding by billions of dollars. I recognize we have to strike a balance, that we are operating in an environment of severe budget constraints. That is why Senator LIEBERMAN and I have joined forces to propose what truly is a modest amendment, to simply restore funding to last year’s levels.

I have an agreement, if the amendment is approved, that the Senator from Connecticut should be the Senator to move the amendment. That is why Senator LIEBERMAN and I have joined forces to propose what truly is a modest amendment, to simply restore funding to last year’s levels.

Mr. CONRAD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, I ask unanimous consent that under the prior agreement which was entered into by myself and Senator CONRAD the time be used in its usual form.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 230
Ms. COLLINS. Mr. President, I am honored to rise to speak on behalf of the amendment my distinguished colleague and friend Senator COLLINS of Maine has offered to this budget resolution. This amendment will make sure adequate funding is provided for key programs at the Department of Homeland Security.

I am very grateful to Senator COLLINS, who is the chair of the newly named Committee on Homeland Security and Governmental Affairs. I am privileged to serve as the ranking Democrat on that committee. I am very glad to join with Senator COLLINS in offering this amendment because it continues the statement that when it comes to security, whether in the world through the Armed Services Committee or here at home through the Homeland Security Committee, we ought to act in a bipartisan, non-partisan fashion.

This amendment is genuinely a bipartisan amendment. This amendment and the increases it provides would be paid for by reducing administrative expenses and would not increase the deficit. It would...
provide an additional $855 million that we believe is vitally needed to prepare our first responders, to secure our ports, and to strengthen our borders.

Our intelligence and security experts tell us the threat of terrorist attack here at home is more widespread than we are inclined to have to live with for some time to come. The Director of the Central Intelligence Agency, Porter Goss, recently said "it may only be a matter of time" before terrorists strike again within the United States with weapons of mass destruction. And new intelligence informs us that the Jordanian terrorist Abu Musab al-Zarqawi, now affiliated with Osama bin Laden, leading a group of terrorists in Iraq, may have conferred with bin Laden about attacks within the United States at nonobvious targets spread throughout this country of ours.

The fact is, we remain vulnerable. We are safer, as the 9/11 Commission said in its report last year, than we were on 9/11, but we are not yet safe.

In a recent letter to the Senate Budget Committee, looking at what I took to be the needs of our country with regard to homeland security, I recommended an additional $8.4 billion in homeland spending for the Department of Homeland Security, with $4.2 billion going to first responders.

In the current context, that is a large number, but I truly believe every dollar would have been well spent and would have improved and increased our sense of security from terrorism here at home.

The fact is, we have the best military in the world, in the history of the world, as we have seen in Afghanistan and Iraq in recent years. One of the reasons we do, in addition to the extraordinary commitment, skill, and bravery of our personnel, is we have been willing to invest money to provide that first-rate defense.

There is no defense here at home. We will not become secure on the cheap. I understand that the $8.4 billion I proposed in my letter to the Budget Committee is not going to find majority support here on the Senate floor. But surely we can agree not to go backwards. Although the administration has recommended increases, some of them targeted to homeland security programs, in its fiscal year 2006 budget, those increases are very modest and very few. And, unfortunately, the proposed budget would actually cut key Department of Homeland Security first responder programs by 32 percent.

It has been said before, and it cannot be said often enough, that our first responders are on the front lines of the war on terror here at home. In fact, they are more than our first responders. They can be hundreds of thousands of additional first preventers. We must give them the tools they need to do their jobs effectively for us. That means dollars to equip and train our local police, firefighters, and emergency medical technicians to be first responders, preventers, and to help detect or disrupt terrorist activity before an attack, and dollars to ensure that should an attack occur, these men and women who serve us will have the training and the equipment they need to respond, to save lives, to localize the damage.

State and localities across our country are using a lot of their own money and taking a lot of initiative on their own to prepare to defend against terrorist attack. But they cannot do it alone, nor should they have to. Therefore, Senator COLLINS and I are proposing this evening would provide $565 million to restore the administration's proposed cuts to Homeland Security Department first responder programs, to get us back to where we have been.

That would include State homeland security grants, firefighter grants, and emergency management planning grants. Maintaining these programs at their current levels is the least we can do given the demands on our first responders in our municipalities and States.

Mr. President, the Council on Foreign Relations Task Force, headed by our former colleague, Senator Warren International Relations, has recommended new national security grants, in its fiscal year 2006 budget, to make sure that in a moment of crisis those first responders from different agencies and different jurisdictions can, in fact, communicate with one another? Only a few States have achieved interoperability because it is so expensive.

Just last week, New York's Center for Catastrophe Preparedness and Response reported that emergency medical services personnel generally lack not only proper equipment but also proper training.

Without more support, our first responders simply will not be able to provide the help we need if terror strikes. Second, in our amendment, Senator COLLINS and I also provide for $150 million in dedicated funding for port security. The budget resolution provides for $50 million in 2006. The port security grant program is the only program to specifically aid ports, to stop the port security grants. Maintaining this program will allow the Department of Homeland Security to hire 2,000 new Border Patrol agents for this year. The President's budget funds only 210 new agents. These new hires, as I see them, would be enough to make a noticeable difference in our border defenses.

Mr. President, bottom line: This is a modest proposal. In large part, it is a status quo proposal, keeping us at least where we have been and not moving backward. The experts have told us that we need to invest billions more than we are. We are still learning of vulnerabilities all the time. We cannot afford to retreat in our efforts, when we know there is still a great distance to go before our first responders are well prepared and other gaps at our borders and ports are closed.

That is the intention of this bipartisan amendment. I urge my colleagues to support it. I thank the Chair and I thank Senator COLLINS for her leadership once again in proposing this amendment. I am proud to stand with her on this, as I have on so many other matters.

I yield the floor.

Mr. GREGG. Mr. President, what is the time situation on this amendment?

The PRESIDING OFFICER. That was 9:30. The PRESIDING OFFICER. That was not formally locked in.

Mr. GREGG. Mr. President, I thought we had a half hour from 9 o'clock to 9:30.

Mr. GREGG. I yield the floor. Mr. President, what is the time situation on this amendment?

The PRESIDING OFFICER. There is no time agreement on this amendment.

Mr. GREGG. I thought we had a half hour, how much time would be remaining?

The PRESIDING OFFICER. There would be 12 minutes left.

Mr. GREGG. So I would have 12 minutes, theoretically?

The PRESIDING OFFICER. Yes. 12 minutes is left in the total half hour. The Senator would control that entire 12 minutes.

Mr. GREGG. I notice that the Senator from Louisiana has an amendment. I think the Senators offering the amendment have completed their statements.

Ms. COLLINS. We are ready to rebut anything that might be said in opposition. But if there were no one speaking in opposition, I would be happy to conclude my remarks.

Mr. GREGG. I thank the Senator. I will give the Senator an opportunity to rebut briefly. I will speak briefly in opposition, so that we can move to the Senator from Louisiana.
Mr. President, this amendment is well-intentioned. Obviously, first responders and the homeland security issues are major issues for us as a nation. We have done a significant amount in this area and, of course, there is a supplemental budgeting around this that has a significant amount of increase for a number of homeland security initiatives.

Earlier this evening, we did an amendment offered by the Senator in the chair and the Senator from Texas, which is 920 border agents. This adds 1,000 border agents. I am not sure when we stop adding border agents tonight. I am thinking maybe there should be a budget point of order that you can only add up to, say, 10,000 or 20,000 border agents in any one given evening.

But as a practical matter, it seems to me that we are getting a little carried away with the border agent additions—even in the context of making political statements.

The amendment itself takes the money out of the 920 fund. I think it is important that people understand that the 920 fund—when you authorize funds out of the 920 fund, you are saying essentially that you will be an across-the-board cut in all other accounts of the Federal Government.

This amendment, which has approximately $800 million in it—or something like that—would mean that since it is a discretionary number, half of that would be assessed against the Department of Defense, which would mean you would be cutting DOD by $100 million, education by around $20 million, health care by about $140 million, $150 million. You would be cutting environmental protection by probably $100 million—and so on and so on because it is an across-the-board cut. It has to come from these other accounts on the discretionary side of the ledger. In fact, the education cut would be bigger, much bigger.

Obviously, we have to make choices, and this amendment has decided that homeland security and adding another 1,000 agents on top of the 2,000 already proposed is a priority. But I think it is important that people understand that this is not a situation where the money grows on trees. It comes from taxpayers, and we are trying to limit the amount of money that taxpayers have to spend. Therefore, choices have to be made.

This amendment essentially requires that other accounts of the Federal Government, which have some priority also, such as defense, education, health care, and environmental protection, will be reduced were this amendment to actually be carried to its natural fruition, which I hope it will not be. That being the case, I will reserve my time and, hopefully, we can move on to the Senator from Louisiana.

Does the Senator from Maine wish to comment?

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, if I could just make a couple of comments in response to the Senator from New Hampshire. I will be very quick because I know the Senator from Louisiana has been waiting.

It will be up to the Appropriations Committee to decide how to allocate the cuts that we are proposing in the allowances account. It would not necessarily cut across the board equally. In fact, almost certainly it would not, because the Appropriations Committee will set that edge, was not accepted this evening. It is still a pending amendment.

So this is about setting priorities, and surely we can provide funding just equal to last year's—we are not even proposing an inflation increase—to ensure that we continue to strengthen the preparedness of this Nation.

The PRESIDING OFFICER. The Senator from Louisiana.

AMENDMENT NO. 223

Mr. VITTER. Mr. President, I ask unanimous consent that the reading of the amendment numbered 223 is at the desk.

The PRESIDING OFFICER. The clerk who report.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. Vitter) proposes an amendment numbered 223.

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

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

The amendment is as follows:

(Purpose: To express the sense of the Senate that Congress should provide dedicated funding for port security enhancements.)

On page 63, line 24, after the second period insert the following: "In dealing with homeland security assistance grants that relate to port security, Congress should (1) allocate port security grants under a separate, dedicated program intended specifically for port security, rather than as part of a combined program for many different infrastructure programs that could lead to reduced funding for port security, (2) devise a mechanism to enable the Secretary of Homeland Security to both distribute port security grants to the Nation's port facilities more quickly and efficiently and give ports the financial resources needed to comply with congressional mandates, and (3) allocate sufficient funding for port security to ensure that authorities have mandated security improvements, ensure the protection of our Nation's maritime transportation, commerce system, and cruise passenger traffic to achieve the funds consistent with the needs estimated by the United States Coast Guard, and recognize the unique threats for which port authorities must prepare."

Mr. President, this amendment addresses the very important issue of port security which was spoken about a few minutes ago by another Senator. I am very concerned that the President's budget submission does not fully advance port security because it would merge the present support security grant program with other homeland security infrastructure programs. This amendment would address that.

Ports are vital to our Nation and our economy. There are 361 public ports in the U.S. handling over 95 percent of our overseas trade. That accounts for 2 billion containers, $900 billion in trade and international freight annually. Ports and their maritime industry partners currently make up 27 percent of the GDP, and within the next 15 years many predict the amount of cargo that U.S. ports will handle will double. At that rate, our port facilities would account for as much as one-third of our GDP.

Of course, ports do not only handle imports and exports but also 7 million cruise ship passengers and 5 million passengers on ferries every year. Ports play a vitally important role in the war on terror. Many of our ports are vital to the deployment of our troops, and all of our ports are needed for sustainment cargo. The ports themselves supply 4 million jobs.

In my home State of Louisiana they are particularly important. They are a vital part of our way of life and our economy. We have 5 of the 15 busiest single ports in the Nation. As a Nation, 50 percent of our agricultural products go through our ports.

For all of these reasons, ports are an enormous target for the bad guys, for the terrorists. Therefore, we have been focusing, with good reason, on port security.

The problem is, the President's current budget submission would merge a current and very important port security infrastructure program into other infrastructure programs. I think that would lose tremendous focus in the effort to beef up our port security and get the job done at our Nation's ports. My amendment would address that by devoting an entire line item to port security.

First and most importantly, it would state the sense of the Senate that port security grants should not be combined with those other infrastructure programs. Again, we would lose focus by combining port security with all of those other programs.

Secondly, my amendment would say that Congress should determine a
method to enable the Department of Homeland Security to more efficiently and more quickly deliver port security grants to our Nation’s ports.

Third, the amendment states that Congress should state funding levels that would strive to get the full job done, as estimated by the experts, the U.S. Coast Guard. The Coast Guard says that at least $7 billion is needed to make enhancements to our ports, although some experts say that might be as high as $16 billion.

So I encourage all Senators to support this amendment and help ensure that this important port security grant program is not merged and subsumed into a more general program.

I reserve any remaining time which I have, which I would like to use to talk about another amendment in a minute. The PRESIDING OFFICER. The Senator has 4 minutes remaining.

AMENDMENT NO. 224

Mr. VITTER. At this point I call up amendment No. 224, at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. VITTER) proposes an amendment numbered 224.

Mr. VITTER. I ask unanimous consent the reading of the amendment be dispensed with. The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To restore funding for Corps of Engineers environmental programs to fiscal year 2005 levels, and to offset that increase through reductions in general Government spending.)

On page 12, line 15, increase the amount by $130,000,000.

On page 12, line 16, increase the amount by $91,000,000.

On page 12, line 19, increase the amount by $130,000,000.

On page 12, line 20, increase the amount by $30,000,000.

On page 12, line 23, increase the amount by $30,000,000.

On page 12, line 24, increase the amount by $130,000,000.

On page 12, line 25, increase the amount by $130,000,000.

On page 13, line 2, increase the amount by $30,000,000.

On page 13, line 3, increase the amount by $130,000,000.

On page 13, line 6, increase the amount by $130,000,000.

On page 13, line 7, increase the amount by $30,000,000.

On page 14, line 16, decrease the amount by $130,000,000.

On page 14, line 17, decrease the amount by $97,500,000.

On page 14, line 20, decrease the amount by $30,000,000.

On page 14, line 21, decrease the amount by $30,000,000.

On page 14, line 24, decrease the amount by $130,000,000.

On page 14, line 25, decrease the amount by $130,000,000.

On page 15, line 3, decrease the amount by $130,000,000.

On page 15, line 4, decrease the amount by $130,000,000.

On page 15, line 7, decrease the amount by $130,000,000.

On page 15, line 8, decrease the amount by $130,000,000.

Mr. VITTER. Mr. President, this separate amendment numbered 224 is another vitally important part of the budget, which is the budget for the U.S. Army Corps of Engineers. This amendment would increase funding of the Corps of Engineers by nearly $130 billion from last year. Fortunately, the President has proposed a significant, $130 billion cut from last year’s levels. This would simply stay steady from last year’s levels, using full offsets so that it would not change the overall top-line number.

The Corps of Engineers’ mission is vitally important to the country in two areas in particular—first, for a lot of environmental purposes. This certainly affects Louisiana. In Louisiana, this Corps funding is critically important as we literally fight for our life in the fight against coastal erosion. As noted by the President himself, over the past 75 years more than 1 million acres of Louisiana coastal plain have been lost off of Louisiana. Another third of a million could be lost by 2050.

This is such a crisis that we lose a football field of land, which is a fair amount of land, every 38 minutes. That is about 153 square miles a day, 7 days a week, 52 weeks a year. This, of course, is just related to Louisiana. There are other vitally important environmental projects that the Corps is focused on outside of Louisiana, such as the Florida Everglades, upper Mississippi, and many other important projects.

The second area for which the Corps is vitally important is water projects that build and maintain waterways around the country. That goes directly to the maritime sector of our economy and our national economy and economic growth. The Corps builds and maintains projects in water projects across the country. We lose $500 million dollars a year if we lose 275 locks and dams, 75 hydropower facilities, and it manages 4,300 recreation areas. All of this is very important to our country, our way of life and our economy. An enormous part of the economy is maintained by that important work of the Corps.

That is why I believe cutting the Corps’ budget in real dollar amounts, by $130 million, is not the way to go. It would hurt our economy. It would hurt economic growth. So my amendment would simply propose to restore the Corps of Engineers’ funding to last year’s level—no more, what was actually appropriated last year.

It is important to note that my amendment contains a full offset and that would be a decrease in funding from the General Government account. This would be a 0.7 percent reduction in that account, an account which has been increased 8 percent, double the rate of inflation from last year.

I think this is the right thing to do. I urge all my fellow Senators to support this amendment. I yield back my time.

The PRESIDING OFFICER. The time of the Senator has expired.

AMENDMENT NO. 197, AS MODIFIED

Mr. ALLEN. Mr. President, I will be sending an amendment to the desk and will ask for its immediate consideration. But while a final modification is being made, I will speak on the amendment. Once its best form is crafted, I will ask to call up for consideration.

The amendment I am offering to the budget resolution this evening would provide additional funding for the Aeronautics Program at NASA. There has been much talk over the last 3 days about how Congress is for or against representation of our Nation’s priorities. If that is the case, I believe the priorities in this budget proposal are far out of place regarding our Nation’s commitment to aeronautics research and development.

Aeronautics is a very vital and important science to our country. It provides vital innovations and breakthroughs in military and commercial aviation. Our Nation, from the beginning of flight, from the Wright brothers until very recently has been unrivaled in military aviation power because of the research and development we have undertaken in the field of aeronautics.

My colleague from Virginia, Senator John Warner, and Senator DeWine of Ohio are joining me in offering this amendment, which will restore vitally needed funds for the NASA Aeronautics Program.

The administration’s 2006 budget proposes to cut over $700 million out of NASA’s aeronautics budget over the next 5 years—$700 million over the next 5 years. That will reduce the effective levels of NASA’s aeronautics investment to about half of the level that it is today. Today’s level is about half the level of funding that the funding, adjusted for inflation, was just a decade ago. So a decade ago there was an amount, that has been cut in half, and this proposal is to cut it in half again, which, in effect, means we have a quarter of the budget in research and development in aeronautics that we had just 10 years ago.

In fact, the fiscal year 2006 budget calls for eliminating NASA’s entire Vehicle Systems Program, the very initiative that over the last 5 decades has provided major technology advances that have been used on every major civil and military aircraft over that period of time. The Vehicle Systems Program is a vitally important aspect of NASA, aeronautics, and our country.

I am a competitive person. I think this country needs to be a leader in innovation and technology, whether that is nanotechnology, which is a key technology for the future in a variety of areas from life sciences to medical sciences to energy to microelectronics. Another key area for our country’s competitiveness needs to be a leader in innovation and technology, whether that is nanotechnology, which is a key technology for the future in a variety of areas from life sciences to medical sciences to energy to microelectronics.

Another key area for our country’s competitiveness needs to be a leader in aeronautics. The share of the United States of global commercial aviation sales has been declining for
the better part of the last three decades, dropping from 90 percent of market share in 1940 to just over 45 percent last year. In fact, last year was the first time the United States was not first in sales of commercial aircraft.

Despite this decline in market share, U.S. commercial aviation is one of the few areas of U.S. manufacturing where we actually have a positive balance of trade. The administration’s proposal is shortsighted, and the kind of “penny wise, pound foolish” idea that will hinder the United States’s economic growth and eliminate any chance that our commercial aviation industry will be able to regain market share against our global competitors.

Make no mistake, the European Airbus consortium has a specific, targeted, and funded effort to achieve overwhelming dominance of the commercial aviation market by the year 2020. My amendment sends a message. The message is that as this year’s budget process plays out, this Senator and my colleagues as colleagues from many parts of our country are going to fight the proposed unwise, harmful cuts to aeronautics research and development. I do not think Americans like losing in aeronautics. Our goal is not only to stop these cuts but also to build a national consensus towards investing even more in aeronautics at NASA.

Mr. President, I ask unanimous consent to have additional information printed in the Record on why aeronautics research is important to our Nation.

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

THE IMPORTANCE OF AERONAUTICS

1. Aeronautics is important to the safety of the nation’s flying public because:

   Air traffic will nearly double in the next decade and will triple in 20 years. If you calculate out today’s accident rate to the trauma we will have 20 years from now, we will have a major accident once per week, an unacceptable rate.

   Our interstate highway and railroad systems, which are already less safe than flying, are also already exceeding capacity and require a huge investment in infrastructure to meet anticipated demand.

2. Aeronautics is important to our national defense because:

   Every military aircraft design the U.S. military currently flies incorporates advanced technologies that were developed at NASA Research Centers.

   NASA engineers have developed military innovations such as shaping for stealth; multirole thrust vectoring exhaust nozzles integrated with aircraft flight-control systems; fly-by-wire flight control technologies; high-strength and high-stiffness fiber composite structures; and tilt-wing rotorcraft technology.

   Losing experienced NASA aeronautics engineers and discouraging young engineers from entering this field only harms our national expertise in cutting edge aviation systems.

3. Aeronautics is important to our economy because:

   The U.S. aerospace and aviation industry employed 2 million workers in 2001. These workers earn incomes that are 35% higher than the average income in the U.S.

   The U.S. is losing serious market share in aviation to Europe; U.S. market share has dropped from 70 to 30 percent in just a decade. The Europeans’ “Aeronautics Vision for 2020” plans include them gaining irreversible dominance in civil aviation manufacturing.

   Military aerospace and aviation industry segments have lost jobs since 1996, and the manufacturing sector of this industry has lost 67,000 jobs since 1998 alone.

   The aviation industry has the largest positive balance of trade of all U.S. industries ($33 billion in 1999).

Mr. ALLEN. Mr. President, this amendment would provide a relatively modest increase to the NASA program that has been proposed to be drastically cut in this budget. The Vehicle Systems Program conducts research on the feasibility of hypersonic flight. Hypersonic flight is speed beyond Mach 5, and also research on the development of zero emissions aircraft. The National Institute of Aeronautics is expected to release a report finding the need for increased aeronautics investment and specifically on greater focus on NASA’s vehicle systems programs.

The amendment I will be offering would meet these recommendations over the next 5 years.

As I stated, the increases are relatively modest. For fiscal 2006, the amendment calls for an additional $207 million for the Vehicle Systems Program. This additional funding would be offset by reduction in funding for administrative services across all accounts.

I urge my colleagues to consider the importance of aeronautics research, not only for the jobs and the commercial importance for our country but also for our continued national security. Aeronautics is important, because if you look at the R&D and the advancements that will be coming in aeronautics compared to what is going on with our European competitors, our aeronautics engineers are generally older. If we are going to have the next generation of young people involved in aeronautics engineering, we need to have this commitment to R&D.

Moreover, it is essential that our men and women in the Armed Forces have the best aircraft. We currently have air superiority. The reason that we have it is because of the R&D over the past 5 decades. For this country to continue to protect the freedom that we enjoy here on the floor of the Senate and in this Congress we must be able to project our power into areas where precision, stealth, and speed are required. To continue being able to do that, aeronautics R&D is absolutely essential.

I request that my colleagues to support this amendment.

AMENDMENT NO. 197, AS MODIFIED

Mr. ALLEN. Mr. President, I send the amendment to the desk with a modification.

THE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

The amendment is as follows:

(Purpose: To increase, with an offset, by $1,582,700,000 over fiscal years 2006 through 2010 funding for Transportation (budget function 400) with the amount of the increase intended to be allocated to the Vehicle Systems account of the National Aeronautics and Space Administration for subsonic and hypersonic aeronautics research)

On page 15, line 15, increase the amount by $207,700,000.

On page 15, line 16, increase the amount by $207,700,000.

On page 15, line 19, increase the amount by $313,200,000.

On page 15, line 20, increase the amount by $313,200,000.

On page 15, line 23, increase the amount by $321,900,000.

On page 15, line 24, increase the amount by $321,900,000.

On page 16, line 2, increase the amount by $355,100,000.

On page 16, line 3, increase the amount by $355,100,000.

On page 16, line 6, increase the amount by $384,800,000.

On page 16, line 7, increase the amount by $384,800,000.

On page 26, line 14, decrease the amount by $207,700,000.

On page 26, line 15, decrease the amount by $207,700,000.

On page 26, line 17, decrease the amount by $313,200,000.

On page 26, line 18, decrease the amount by $313,200,000.

On page 26, line 20, decrease the amount by $321,900,000.

On page 26, line 21, decrease the amount by $321,900,000.

On page 26, line 23, decrease the amount by $355,100,000.

On page 26, line 24, decrease the amount by $355,100,000.

On page 26, line 21, decrease the amount by $384,800,000.

On page 26, line 22, decrease the amount by $384,800,000.

Mr. ALLEN. Thank you, Mr. President.

I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. I yield the floor.

AGRICULTURE MANDATORY SPENDING

Mr. CHAMBLISS. Mr. President, I rise today to discuss the budget resolution and its impact on Agriculture Committee mandatory spending programs. Would the distinguished chairman of the Budget Committee engage in a colloquy with me on this subject? Mr. GREGG. I would be pleased to enter into such a colloquy.

Mr. CHAMBLISS. As I understand it, the budget resolution before us today assumes a total reduction in Agriculture Committee mandatory spending programs of $5.4 billion over the...
five-year period covering fiscal years 2006 through 2010. I further understand that $2.8 billion of this total is to be achieved by the Agriculture Committee by changing laws governing mandatory spending programs within its jurisdiction through the budget reconciliation process. Assuming the Agriculture Committee complies with its reconciliation instruction, this leaves an additional $2.6 billion in assumed, but un-reconciled, mandatory spending reductions in Agriculture Committee mandatory programs. Understanding is correct. The additional $2.6 billion in assumed reductions will not impact such programs if the Agriculture Committee chooses not to achieve them. Is my understanding correct?

Mr. GREGG. Yes, your understanding is correct. If the Agriculture Committee complies with its reconciliation instruction, the budget resolution contains no budget enforcement mechanism to achieve the additional $2.6 billion in assumed mandatory spending reductions.

Mr. CHAMBLISS. I would like to explore this a little further because it is an important point. It is possible that subsequent to the completion of the budget resolution process, the Agriculture Committee may wish to move legislation that affects programs within its jurisdiction. My understanding is that no budget points of order will lie against such an Agriculture Committee bill as long as it is spending neutral. Is my understanding correct?

Mr. GREGG. Yes, you are correct.

Mr. CHAMBLISS. This clarification is helpful. Unfortunately, there is a lot of confusion on this point. Yesterday, all Senators were sent a letter that among other things suggested that the budget resolution’s assumed additional, but un-reconciled, reductions in Agriculture Committee mandatory spending would generally allow a budget point of order to be raised against Agriculture Committee bills subsequent to the completion of the budget reconciliation process. Have you had an opportunity to read this letter?

Mr. GREGG. I have and the letter is very definitely incorrect on this point.

Mr. CHAMBLISS. While I would prefer to not alter any programs under the Agriculture Committee’s jurisdiction this year to achieve mandatory spending reductions, our committee has been willing to contribute its fair share to help restrain mandatory spending in previous efforts to reduce the budget deficit. I believe our committee will be willing to do that again this year. In my view, a $2.8 billion reduction over five years in Agriculture Committee mandatory programs is a reasonable contribution given the President’s proposal to reduce overall mandatory spending by $61.6 billion.

Unfortunately, the House budget resolution instruction to the House Agriculture Committee is to achieve $5.3 billion in mandatory spending reductions. I strongly request that you keep the Agriculture Committee’s reconciliation instruction in the final budget resolution conference report from rising above the Senate’s $2.8 billion figure during conference with the House.

I thank the Chairman. Mr. GREGG. I will do my best to maintain the Senate position in conference with the House.

Mr. VOINOVICH. Mr. President, the Senate is once again working late hours to enact a budget resolution to control more government spending and set major policy guidelines through the reconciliation process. So begins our annual budget process.

From now until September 30, Congress will conduct dozens of hearings and hold countless meetings, while Members of both Houses deliver innumerable speeches and spend long hours of debate over every subtle nuance of the Federal budget process.

Over the next 8 months, Congress will consider a budget resolution, a budget reconciliation package, and as many as 13 separate appropriations bills—the latter only if we do not combine those appropriations bills into one massive spending bill as has been the practice in recent years.

By the time Congress adjourns—hopefully in early October but more likely in mid-November—a majority of votes taken in the Senate will relate to the budget process.

Indeed, as my colleague, the distinguished chairman of the Budget Committee, Senator DOMENICI, has pointed out, 73 percent of the Senate’s votes in 1996 were budget process votes. In 1997, and 51 percent in 1998. It is no wonder each year it is quite common for the same subject to be voted upon three or four times during the course of the entire budget process. It is a heck of a way to run a railroad, but what is really unbelievable is this whole process is repeated each year.

I say enough is enough. It is time to bring rationality to our Nation’s budget process.

It is a fact that Congress spends too large a portion of its time debating and voting on items related to the Federal budget. Meanwhile, most other congressional functions are not given proper attention. CBO reports that last year Congress appropriated over $170 billion for 167 programs whose authorizations had expired. This is not the fault of the appropriators. No one expects them to not fund veterans health care or other critical programs due to the Federal budget. The real problem is the explicit nature of a process that simply does not leave us enough time to adequately review and reauthorize important Government programs.

We need to reestablish our priorities so we may effectively do the work of the people, make sure that the Federal Government is running at peak efficiency and deliver value, which is quality service for the least amount of money.

I believe we have an excellent opportunity to do that this year.

One of the first bills I cosponsored when I became a Senator was a measure introduced by Senator PETE DOMENICI that would establish a 2-year budget—just like we have in about 20 States, including the State of Ohio. I believe enactment of this bill would have provided an important tool in the efficient use of Federal dollars while strengthening Congress’s proper oversight role. Unfortunately, we were unable to pass that legislation and the issue has lain idle over the past several years. Now is the time to take it up again.

Because Congress produces annual budgets, Congress does not spend nearly as much time as it should on oversight of the various Federal departments and agencies due to the time and energy consumed by the budget resolution, budget reconciliation, and appropriations processes.

Not only is this a problem for Congress, but each executive branch agency and department must spend a significant amount of its time on each annual budget cycle.

Again, as my colleague, Senator DOMENICI pointed out in 2000, the executive branch spends 1 year putting together a Federal budget explaining that Federal budget before Congress, and 1 year implementing the budget eventually passed by Congress.

Even the most diligent Cabinet Secretaries cannot keep track of all the oversight hearings. The oversight role is supposed to accomplish if they are trapped in this endless budget cycle.

A biennial budget would help Congress and the executive branch avoid this lengthy process. Since each particular Congress lasts only 2 years, a biennial budget would allow us to consider a 2-year funding proposal during 1 year, while reserving the second year for Government oversight.

As chairman of the Subcommittee on Oversight of Government Management and Restructuring in the Governmental Affairs Committee, I have noted that even though the General Accounting Office produces numerous reports documenting Government inefficiencies that need to be corrected, most GAO reports sit on the shelf because there is no time to conduct detailed hearings.

When oversight hearings are held, nearly everyone in the executive branch knows—from career bureaucrats to Cabinet Secretaries—that they need only weather the immediate storm when they are asked to come to the Hill to testify.

That is because once they answer the criticisms that have been leveled in these GAO reports, and explain how they are going to improve the situation, it is over; the worst has passed.

Because they do not have to worry about followup hearings to make sure they have implemented the proper remedies because they know Congress just will not have the time to conduct future hearings.

A 2-year budget cycle gives Congress time to do that legislative oversight and makes it harder for agencies to avoid giving answers.
Two-year budgeting also gives Congress and agencies time to plan for the future instead of always reacting to the past. Federal agencies are required to have 5-year strategic plans but they need longer term budgets to match their funding to their planning.

For New Jersey, who is tired of the seemingly endless budget and appropriations cycles and are frustrated at the inability to devote enough time to the oversight duties of their committees, I urge them to join in cosponsoring this resolution. I also urge my House colleagues to review the merits of the biennial budget process and act upon legislation as expeditiously as possible for the good of America.

The point I am making is this. It is time for this Congress to adopt a 2-year budget cycle instead of the one we have had for too many years. It will help us do a better job in terms of budgeting; it will allow Congress and the agencies time to plan more effectively; it will certainly get us to do the oversight that is so badly needed by this Congress.

I sincerely wish we were about to vote on a biennial budgeting bill instead of merely a sense-of-the-Senate-resolution. Nevertheless, we can at least send a message to our colleagues telling them the Senate does not intend to let this issue simply fade away. I urge my colleagues to vote yes on this resolution. I ask that the text of my amendment No. 175 be printed in the RECORD.

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

(Purpose: To express the sense of the Senate that Congress should enact a biennial budget for the Federal Government.)

On page 65, after line 25, insert the following:

SEC. 5. SENSE OF THE SENATE SUPPORTING BIENNIAL BUDGETING.

It is the sense of the Senate that Congress should enact a biennial budget for the Federal Government.

Mr. CORZINE. Mr. President, the process of developing a budget each year provides an opportunity to take stock of our priorities as a nation.

The President outlines his priorities through his budget, but it is the Congress, with its control of the purse strings, that is ultimately charged with the responsibility of fashioning and enacting legislation.

Regrettably, the priorities reflected in this budget resolution—which mirror those in the administration’s budget proposal—are wrong for America and certainly wrong for the people of New Jersey.

In New Jersey, we are particularly sensitive to the choices made by this administration and its allies in Congress, since we provide the greatest contribution of taxes paid relative to what we get back from the Federal Government. Our return on the Federal dollar has fallen from 70 cents to a measer 57 cents under the Bush administration. This budget will only further increase the strain on New Jersey’s citizens, especially our most vulnerable: our children, our disabled, and our seniors.

According to the resolution before us, this administration and this Congress, whose priorities include underfunding No Child Left Behind by an astounding $12 billion next year, which means that 53,152 students in New Jersey will not be served by the title I program and 32,822 fewer kids in New Jersey will have a safe place to go during the after-school period, that this body on Monday rejected an opportunity to restore some of this funding.

According to this resolution, Republican leadership’s priorities include cutting $15 billion from the Medicaid Program over the next 5 years. If these cuts take effect, New Jersey would lose $90 million a year in Federal Medicaid funding.

I asked my State to tell me what they would do if they lost this funding. I was told there are two options: The State will either have to eliminate health insurance for more than 20,000 low-income children and pregnant women who are considered “optional” beneficiaries because they earn just above the poverty level, which is $20,000 for a family of four; or, the State could eliminate “optional” services, including dental care, hearing aid services, psychological services, and medical daycare for individuals with Alzheimer’s and dementia.

The Republican leadership’s priorities include cutting Amtrak’s entire operating subsidy. I doubt the 82,000 commuters who ride New Jersey Transit trains every day would agree with this policy choice, since their trains operate along Amtrak’s Northeast corridor rail. Neither, I know, would the literally millions who rely on Amtrak to travel interstate.

Let’s not forget cuts for our veterans and families weakened in investment in community development. The list goes on and on.

All in all, under President Bush’s budget, my home State of New Jersey stands to lose nearly $300 million next year, adjusted for inflation, according to the Center on Budget and Policy Priorities and that is before you even estimate his implied cuts to Medicaid. If Congress fails to act, cuts under our budget could be of a similar magnitude.

These cuts do not come as part of some shared sacrifice driven by tough fiscal times, as some would have us believe. Most of these program cuts are only a drop in the bucket compared to the size of President Bush’s tax cuts for the most fortunate.

In all, the Bush administration has reduced Federal revenues to their lowest level as a share of the economy since the 1950s. As a consequence, we no longer have the resources to deal with the priorities—that is why they want to cut funding for veteran’s and education and health care and community development.

Next year, people with incomes greater than $1 million will receive $32 billion from President Bush’s tax breaks. Compare this $32 billion cost to the $220 million that the President has proposed cutting from the Low Income Heating Assistance Program, which helps low-income families pay their heating and cooling bills. We would literally be throwing people out in the cold—405,000 of them, to be precise, or more than 7,000 in New Jersey—to pay for less than 1 percent of President Bush’s tax breaks.

This choice simply does not reflect our Nation’s fundamental values. I don’t think it reflects the values of even those benefiting most from it. Nor does it address the real needs of working families in New Jersey and across America.

That reality includes rising health care costs that are driving families into bankruptcy like never before and preventing businesses from creating jobs. It includes a growing wage disparity and a labor market that’s stayed weaker for longer coming out of a recession than any other time on record.

According to the Tax Policy Center of the Urban Institute and the Brookings Institution, more than 70 percent of the benefits of the President’s tax breaks enacted in 2001 and 2003 go to the 20 percent of taxpayers with the highest incomes. More than 25 percent of the tax cut benefits go to the top 1 percent.

I believe that America stays strong by investing in its people and its communities, not by abandoning them.

Let’s remember the context. Since President Bush took office, the Federal budget deficit has deteriorated every year. This year, we are expected to be $427 billion in the hole.

In light of this record, President Bush and his Congressional allies’ resolve to trim fiscal responsibility simply are not credible. This budget makes those claims even less credible by achieving much of its purported “cost savings” by passing the buck to State and local governments.

Lowering the numbers here in Washington is not the same thing as fiscal discipline if this is simply an exercise in shifting cost burdens to states and communities. That is hardly a plus for the American people and certainly not for New Jersey.

Our States are already stretched too thin. In New Jersey, we have a budget shortfall of $4–$5 billion and annual property tax increases of 7 percent. Much of the reality for States in budget and tax policy has been the result of cost burdens and unfunded mandates passed down from this administration and its allies in Congress.

We have heard claims from the other side that their tax cuts for the most fortunate are somehow responsible for providing a boost to our economy. But as any serious minded economist not on the Republican payroll will tell you, the real story of our modest growth has
been the longest sustained monetary expansion on record by the Federal Reserve.

Claims that the tax cuts are responsible for significant economic growth are reminiscent of a rooster taking credit for the Sun coming up.

The more noticeable result of the tax cuts has been an explosion in our Nation's debt, starting with the $1.8 trillion cost over 10 years of making the cuts permanent. If we continue along the path set by this administration, by 2015, each family's share of the national debt will be $73,563. This is simply unacceptable.

As we develop this year's budget, I hope we take a long, hard look at the priorities our Nation has followed under this President. Because, in my view, those priorities need major changes.

As I said earlier, it is the job of the President to reflect his priorities, but it is the job of Congress to reflect the priorities of America, of our families, and of our workers.

I hope we will not fail them.

Mr. THOMAS. Mr. President, as I listen to the arguments coming from the other side this week, I think it is important that we clear up a few misconceptions. A couple of common themes are being emphasized with which I fundamentally disagree.

First of all, it is being alleged that the President's budget is "unfunded" spending. In fact, we are not "cutting" anything. Defense spending under this budget would rise by 4.3 percent over last year. Other discretionary spending would also rise.

Mandatory spending will similarly increase—indeed, in some cases substantially. Medicare, for example, is slated to rise by 12.7 percent. So to say we are "decreasing" funding is just not true. The savings to which we refer result from slowing projected increases in spending. We should not assume that just because we go from one year to the next we should automatically be increasing all of our current obligations.

Secondly, it is alleged that we are "cutting" programs. In fact, what we are talking about here are overall budget numbers. Nothing about this resolution allocates specific dollars to specific programs. While it is true that the President's budget has made recommendations to cease Federal funding of certain programs, allocation of the final budget number is the job of the appropriators. In addition, the majority of the programs about which I have heard complaint are areas properly left to State and local authorities.

Medicare, for example, of course education is a priority. But specifics of education and available programs are not within the purview of the Federal Government. For example, the role of Congress, allocation of the final budget number is the job of the appropriators. In addition, the majority of the programs about which I have heard complaint are areas properly left to State and local authorities.

Thirdly, and perhaps most important, is that the President's budget reflects his priorities, but Congress is supposed to follow the President's lead. "The President proposes, Congress disposes." That is what the Constitution says.

I want to begin by complimenting Chairman GREGG, Senator CONRAD, and our leadership for bringing the budget resolution to the floor. Last week the Budget Committee reported out the resolution on a party line vote, after a full day of debating and voting on amendments. I am encouraged by the pace at which we are moving forward. It was only 5 weeks ago that President Bush sent his proposal to the Hill for Congress to review.

Last year we passed a budget out of the committee and on the Senate floor but were unable to reach an agreement on a Conference Report. That was unfortunate for a lot of reasons. The Budget Resolution sets a blueprint that Congress is supposed to follow for the President's budget. It sets mandatory spending limits, and procedural hurdles for the floor when we fail to live by these guidelines. Chairman GREGG and Senator CONRAD have worked tirelessly to get us where we are today. I commend them for that, and hope that this pace will continue so we can have a budget resolution conference report voted on quickly.

The budget process forces Congress to contemplate our legislative and spending priorities each year. However, I'd like to remind everybody we're not debating appropriations today. My colleagues from the other side of the aisle will try to make this budget debate about proposed cuts to individual programs and projects, but we're not cutting any individual programs today. Let me say that again, we're not cutting any individual programs today. We are not making the decisions this week as to which individual programs will be funded. We are setting overall funding levels that will hold our colleagues' spending in check down the road.

However, despite this fact, we are going to hear amendment after amendment that proposes to increase funding for one program or another by increasing taxes.

For example, an amendment that proposes to increase funding under function 750 for COPS grants by eliminating tax relief for working Americans does not guarantee that funding will actually find its way into those grant accounts. That decision will be made by the Appropriations Committee. When we fail to appropriately fund the Appropriations Committee, we are relying on the Appropriations Committee to make these decisions. That means much of the rhetoric we will hear throughout the debate is political, not practical. Right now, we can only decide the amount of money, not where it will end up.

Setting the overall funding level for fiscal year 2006 is especially challenging, because I think most of us agree that deficit reduction must be a top priority. When I read the Administration's budget request they presented in February, I saw that President Bush proposed the first budget since Ronald Reagan that cut non-security discretionary spending.

I have a long track record in support of deficit reduction, and I am committed to helping President Bush and Chairman GREGG achieve this goal. As we know from marking up the resolution last week, the committee-reported resolution contains instructions that would require authorizing committees to reduce mandatory spending. Many of these cuts will come from programs that I oversee in my role as chairman of the HELP Committee.

Again, I am committed to reviewing and strengthening programs under HELP's jurisdiction to ensure they are cost effective, not duplicative, and that accountability is required. Because Federal dollars are limited, we need to focus our resources on opportunities where programs will make a difference, and where results can be measured.

One main priority for the committee this year is reauthorization of the Higher Education Act. The committee-reported resolution and the President's budget both propose spending cuts, while also making room for new initiatives. Critics of the President may claim that we are unreasonably cutting education spending. In addition to required savings, the resolution also contains a $5 billion reserve fund for new initiatives. My colleagues who have worked on education policy understand that there are reforms to be made, but that shouldn't be contentious. I want to work with all of my colleagues, particularly those on the other side of the
able, to craft a bipartisan reauthorization bill that enhances access to higher education for poor and middle class families. Higher ed reauthorization should be a bipartisan bill, like it has been historically.

The resolution also proposes deficit reduction from savings associated with changes to the Pension Benefit Guaranty Corporation. Right now the PBGC has a deficit of $23 billion. The Committee-reported Resolution incorporates a $5.3 billion reduction of that deficit over 5 years. Only a small part of this can be accomplished through reconciliation. The HELP Committee will collaborate with the Finance Committee to reach this goal in the context of comprehensive pension reform. Chairman GRASSLEY and I are committed to restoring the financial stability of the defined benefit system. The solvency of the PBGC is a critical component of these reforms.

If the resolution again identifies tax relief as a top priority this year. The resolution includes reconciliation instructions that will allow $70 billion of tax cuts through the reconciliation process. I hope this will enable the Finance Committee and our leadership to keep in place the tax relief that has produced 21 consecutive months of job creation and produced more than 3 million new jobs. These progrowth tax policies have jumpstarted American business, and yielded increased investment in technology, infrastructure and equipment. We need to keep the trend going. The committee-reported resolution allows the Finance Committee to extend key provisions like the reduction in tax rates on capital gains and dividends, the increase in expensing for small business under Section 179 and the ability of individuals in states without income taxes to deduct their local and state sales tax from their Federal income tax liability. I want to thank Chairman GRASSLEY for his leadership at the Finance Committee these past 4 years.

The resolution also demonstrates a commitment to energy development in Wyoming and in the entire United States. It is the first step towards developing a comprehensive energy policy in the 109th Congress. The energy reserve fund and the reconciliation instructions for an energy tax incentives package will work synergistically and yield the policy that will help our Nation meet its energy needs in a fiscally responsible manner. Specifically, I would like to reinforce my support for recognizing the importance of developing lean coal technologies, something that is vital for the prosperity of Wyoming. I look forward to working so that these technologies receive the funding necessary to become viable.

I again want to thank Chairman GREGG and his staff for their hard work on this resolution. They have all worked tirelessly, through many weekends, to get us here today. I yield the floor.

Mr. GREGG. Mr. President, we are now at the end of the day. It has been a long day, especially for staff. We appreciate their effort and their courtesy.

I note that there are now pending approximately 25 amendments to this resolution. Many are of more than 70 or so amendments that we have been told may be offered. Tomorrow, when we begin voting, which will occur, it appears, around 1:20, we have to vote those 25 amendments, and that in and of itself may take 8 hours. If any percentage of the ones that are still pending have to be voted, you can assume a significant additional amount of time. So we could be here quite late tomorrow night, and our colleagues should be aware of that as they move into tomorrow.

It also should be noted that almost all the amendments that have been offered today—there have been one or two exceptions, or maybe three or four exceptions—have essentially attempted to increase spending. Some have offset that spending increase with reductions in accounts which actually exist. A couple of the amendments, such as one of the amendments on Border Patrol, takes the money that it spends on Border Patrol and moves it over from other accounts in international affairs. Most of the amendments spend additional funds by raising taxes or by doing what is known as the 920 account, which amounts to an across-the-board cut, for all intents and purposes, of other accounts within the Government.

It is going to be interesting to see when we have completed this budget process whether there really is a willingness to fiscal discipline within the Congress, especially within the Senate which is controlled by a party that alleges itself to be fiscally disciplined. We are pointing the time very late tomorrow night or early Friday morning. But clearly the issue is in question.

MORNING BUSINESS

TRIBUTE TO THE REVEREND DENVIS RUSH

Mr. McCONNELL. Mr. President, I rise today to pay tribute to a lifelong Kentuckian who dedicated his life to serving others, the Reverend Denvis Rush.

Rush was known as “Preacher,” the Reverend Rush was a Kentucky icon who passed away earlier this year at the age of 85 from complications of liver cancer.

The Reverend Rush began preaching at the age of 18. His 66-year career spanned eight different churches in Eastern Kentucky and allowed him to embark on mission trips to Indonesia, Africa, South America, and Korea. He touched thousands of lives by officiating at numerous baptisms, weddings, and funerals. Despite his illness, he continued to preach and stood before his congregation for a final time the Sunday before he passed away.

In addition to his ministerial duties, the Reverend Rush was a long-time chairman of the Oneida Baptist Institute’s school board and served on the executive board of the Kentucky Baptist Convention. He was also active in other community organizations where he contributed to the financial stability of a number of organizations.

The Reverend Rush was a very modest man who, when asked to reflect on his lifetime of achievement, said, “I haven’t done it. The Lord’s done it, through a little old nobody.” But the thousands of people he touched all certainly thought he was someone, somebody special. Mr. President, today I ask my colleagues to join me in expressing our sympathy to the family and friends of the late Rev. Denvis Rush. By honoring all of the contributions he made to communities in Kentucky and around the world, he will be missed.

Mr. President, I ask unanimous consent to print in the RECORD an article from The Lexington Herald-Leader:

"DENVIS RUSH, minister, dies; had conducted revivals on 4 continents"

(By Jennifer Hewlett)

The Rev. Denvis Rush held revivals on four continents. He officiated at thousands of funerals and weddings in Laurel and Clay counties and other Eastern Kentucky counties. For decades he preached several times a week at Kentucky churches.

When he was diagnosed with liver cancer in November, he declined to undergo chemotherapy because he knew it would sap his energy. He wanted to use every bit he had left to preach the word of God, friends said.

The Rev. Rush, a Baptist minister for more than 66 years, died Monday at Marymount Hospital in London. He was 85 and lived in London. In addition to his family, he leaves behind thousands of friends whose lives he deeply touched.

There were times in his life when he had more influence on the people of Clay County than any elected official would have, and that’s saying a whole lot," said the Rev. Thermon Taylor, pastor emeritus of Liberty Baptist Church in London and a longtime friend.

"He did so many things for the people in Clay County and Jackson and Perry and Leslie. His influence is extremely wide," Taylor said.

PREACHING AT 18

The Rev. Rush, a Laurel County native, began preaching at age 18 and pastored his first church, Laurel River Baptist Church in London, soon afterward. He was pastor of Providence Baptist Church near London at his death.

Before moving to Providence about 14 years ago, he pastored Horse Creek Baptist Church in Clay County for 37 years. During