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Senate

The Senate met at 10 a.m. and was called to order by the honorable JON TESTER, a Senator from the State of Montana.

PRAYER

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

Let us pray.

Eternal God, source of light and consolation, we need You every hour. Our strength is inadequate to meet the challenges of our time, so we place our hope in You.

Strengthen our Senators. Give them knowledge and wisdom to solve the riddles that beset us. Open their minds to think Your thoughts. Make them quick to listen, slow to speak, and slow to anger. May they place themselves under Your control so that You can use them for Your glory. Lead them through life's storms with hope in their hearts. Help them to commit to You everything they think, say, and do today.

We pray in Your transforming Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JON TESTER 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 to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 11, 2008.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

Mr. TESTER thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following my remarks and those of the Republican leader, there will be a period of morning business for an hour. Senators will be allowed to speak for 10 minutes each, with the time equally divided and controlled between the two leaders or their designees. The Republicans will control the first half, the majority controls the final half. Following morning business, the Senate will resume consideration of S. Con. Res. 70, the concurrent resolution on the budget, for debate only until the 12:30 recess for the caucus luncheons.

MEASURES PLACED ON THE CALENDAR—S. 2738 AND S. 2739

Mr. REID. I understand there are two bills at the desk due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will report the bills by title.

The assistant legislative clerk read as follows:

A bill (S. 2738) to identify and remove criminal aliens incarcerated in correctional facilities in the United States and for other purposes.

A bill (S. 2739) to authorize certain programs and activities in the Department of the Interior, the Forest Service, and the Department of Energy, to implement further the Act approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, to amend the Compact of Free Association Amendments Act of 2003, and for other purposes.

Mr. REID. I object to any further proceedings with respect to these bills en bloc.

The ACTING PRESIDENT pro tempore. Objection is heard.

The bills will be placed on the calendar.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

THE TAX GAP

Mr. MCCONNELL. Mr. President, after reviewing the budget proposed by the other side of the aisle, one thing is clear: the people who wrote it were more interested in growing the size and scope of Washington spending than in growing the American family's budget. But Americans expect more from government than a $1.2 trillion tax hike and billions of dollars in new spending, especially in these difficult economic times.

But even with a giant tax hike, the new spending in this budget isn't really accounted for. Democrats say they want to ''pay for'' massive spending by—among other gimmicks—closing what they like to refer to as the ''tax gap.'' This is the gap that exists between what people actually owe in taxes and what they pay.

Well, we need only look back at last year to see that Congress hasn't been very successful in attempting to close the ''tax gap''. In 2007, Congress passed the Democrat budget resolution which promised to reduce the tax gap by $300 billion over 5 years. Unfortunately, this promise was never followed up on with actual legislation to make it law and no progress was made.

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

In other words, Democrats are counting on a direct deposit from a job they never completed. That doesn't work in the family budget, and it shouldn't work in the Federal budget.

While Congress did enact a few—a few—of the tax gap proposals included in the President's 2008 budget, those amounted to only a tiny fraction of the tax gap, hardly enough to rely upon for offsetting the billions of dollars in the new spending Democrats are proposing. As the ranking member of the Finance Committee reminded the Senate yesterday, the promises didn't come close to matching reality. During the first year of this Democrat majority the enacted tax-gap provisions amounted to two-tenths of 1 percent of the tax gap.

Two-tenths of 1 percent; that is 99.8 percent short of the promised revenue. That is hundreds of billions of dollars short of the revenue they projected to pay for their new Washington spending.

That is not even close, not even in the same ballpark.

There are serious disagreements between the parties on taxes. The other side supports higher rates. We want to keep tax rates low. But we should all agree that people have a responsibility to pay what they lawfully owe.

Over and over again the Democrat majority has failed to enact any sort of serious and substantial strategy for closing the tax gap. And as a result, their numbers simply don't add up. Faulty numbers don't pay the bills, and funds that aren't collected won't shrink the deficit.

So if the budget written by our friends across the aisle is going to rely on these funds to balance the budget, we need to think again, or the family budget is going to shrink to make up for the red ink in Washington's budget.

I yield the floor.

The ACTING PRESIDENT pro tempore. The majority leader.

THE BUDGET

Mr. REID. Mr. President, the Democratic budget is about three things: jobs, jobs, jobs. It is about green-collar jobs, jobs rebuilding America, jobs relating to education and job training.

The one thing my friends on the other side of the aisle never talk about is where we are now. They want more of the same. We don't want more of the same. We have had enough. The American people have had enough. The economy is in a downturn, spiraling down. The housing market is in a state of tremendous distress. The stock market is dropping as we speak. Oil is now at $109 a barrel.

Everything you hear from the Republicans is a buzzword for status quo—keep things the way they are; the way things are is just fine; let's just let things work out.

We don't believe in that. We have a recipe for change. Is it something that has never been done before? No. Look at the Clinton years, where we were taking in X number of dollars. If we brought in $10, we only spent 8 of those dollars. That is the way it was during the Clinton years. We paid down the national debt.

The budget we have, led by Senator CONRAD, who has been chairman of the Budget Committee for many years, is a program that creates jobs, jobs, and jobs. That is what is important to the American people.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to a period of morning business for up to 1 hour, with Senators permitted to speak for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half.

The Senator from New Hampshire.

BUDGET ISSUES

Mr. GREGG. Mr. President, I rise to speak about the budget.

First, I express my respect for the people who have worked on this budget, my staff especially but also the Democratic staff, and the chairman of the Budget Committee, Senator CONRAD.

We are, however, in an extraordinarily difficult time as a nation. We confront major issues. We confront international issues involving the threat of Islamic terrorism. We confront domestic issues of even more or equal significance—not equal significance; nothing is more significant than the threat of a terrorist attack with some sort of weapons of mass destruction, but we confront huge domestic issues such as the projected bankruptcy of the Nation. That is a pretty big issue, that is an undeniable fact that is going to occur unless we take some action because of the fact that the baby boom generation is beginning to retire, and the cost they will put on the Federal Government and, therefore, on our children who support them through taxes is going to be extraordinary. We also confront the extremely difficult issue of energy policy and the cost of gasoline. A barrel of gasoline went over $107. It is not projected to come down. The effect on the economy is devastating. We confront the fact that we have a Federal Government which is spending and continues to spend significantly more than it is taking in and, as a result, is spending the Social Security surplus and is significantly adding to the debt of the Nation.

One would hope that in light of these very large issues—the threat of terrorism, the issue of the retirement of the baby boom generation and the fiscal devastation that is going to bring to our children's ability to have an affordable lifestyle, the issue of the cost of energy, the issue of the size of the Federal Government and its growth at a pace which it cannot sustain, the tax on the American people, which gasoline now represents, which is undermining the economy, and the general tax policy of the proposed budget which will undermine it even further—that the Democratic leadership of Congress would have come forward with a budget that showed some imagination, some creativity, some initiative in the area of addressing some of these crucial problems.

Regrettably, what we got was the same old-same old—a budget filled with taxes; a budget filled with spending on this special interest program and that special interest program, a budget which underfunds the national defense, a budget which dramatically increases taxes on working Americans, a budget which dramatically increases the debt of the Federal Government and therefore the debt passed on to our children, a budget which raids the Social Security trust fund, a budget which has no creativity in the area of trying to address entitlement reform, a budget which uses gimmick after gimmick after gimmick and even gimmicks its own gimmicks in the area of pay-go, in the area of discipline, in the area of revenues. To say the least, it should be an embarrassment because it is such a mediocre presentation. It passes the problems on to the next generation. It doesn't confront them. It doesn't even try to confront them and simply aggravates those problems for the next generation.

That is unfortunate because we are running out of time here. We are the generation of leadership, the baby boom generation. We have some obligation to fix the problems we are going to pass on to our children. I believe we have a significant obligation to do that. But this budget doesn't accomplish anything in that area. This budget has one thought in mind. It is not jobs, jobs, jobs, as the majority leader said; it is reelect, reelect, reelect—win the next election rather than trying to solve the problems which we are passing on to the next generation.

The horizon of this budget is somewhere this July, this August, as we move into the full-scale election cycle, when they can go to this interest group and say, we have given you this money, and this interest group and say, we have given you this money, and then deny that they are taxing people because the taxes for those costs won't hit people until after the election and deny that they are fudging the numbers through using gimmicks because those events won't occur until after the election.

It is truly a budget that fails on all counts to take on what is the real issues facing our Nation—how we fight terrorism, how we support our troops in the field, how we deal with this looming, massive, unfunded liability of the retirement of the baby boom generation which will put unsustainable costs on our children and make their lives essentially less viable in the way of affluence than ours has been, a budget that dramatically increases taxes on working Americans in the name of raising taxes on high-income Americans, a budget that dramatically grows the debt and raids Social Security funds.

This list, as shown here, is what it does. I think I pretty much outlined it. It raises taxes by $1.2 trillion. It dramatically increases spending. I will get into that a little bit. It dramatically grows the debt. It gimmicks its own enforcement mechanisms—pay-go and all the other enforcement mechanisms it allegedly has in place. Then it does nothing to address the $66 trillion unfunded liability, which is such a huge number nobody can understand it. So to try to put it in context, it means, I think, that every American today has a $120,000 debt. This budget adds $24,000 to that debt. This budget does nothing to try to improve that situation.

The chairman of the committee said:

We need to be tough on spending.

The number of spending cuts in the Democratic budget: zero. The number of spending increases: $22 billion over this baseline this year stated on the discretionary side. On the entitlement side: $466 billion—increases in spending. They allege it is $18 billion, but they play another one of their games, another one of their budget games. They take $4 billion in what is known as advanced appropriations—that means they take it out of next year and spend it this year—$4 billion additional doing that.

It has been done in the past. I have opposed it in the past. But this time they plus up the number a little bit so their numbers can work so they can say to their different constituencies: We are going to spend money on you. You can have this money. We got it for you. We are going to borrow it from next year's budget—$4 billion.

Mr. President, $22 billion in new spending. That is a pretty big number: $22 billion. That would literally run the State of New Hampshire for 3 or 4 years. But that is not the whole number because you have to put it in a 5-year context. It is actually over $200 billion of new discretionary spending because once you spend that $22 billion this year, it does not come out of the budget next year, it goes into what is known as the baseline. It becomes the floor, and we build on that.

Last year, they wanted to spend $22 billion more too, so over 2 years they have bumped things up—or tried to bump things up—$44 billion. Plus last year they put in a supplemental for another $21 billion. I know these numbers are starting to be thrown around like crazy here, but the simple fact here is, it is big money—big money—being spent on constituencies that vote for them.

The chairman of the Budget Committee said: I am prepared to get savings out of long-term entitlement programs. How many savings are there out of long-term entitlement programs in this budget? Zero net savings; zero. While the deficit in the long-term accounts goes up dramatically—$66 trillion is owed to those accounts we cannot pay for—this budget adds $466 billion into those accounts. It is a staggering amount of money. There is no attempt to adjust that at all.

Now, it is interesting, we will hear from our colleagues on the other side of the aisle—let me go to this one first, and then I will get into that. The national debt goes up over $2 trillion under this budget. Mr. President, $2 trillion is added to the national debt. My colleagues on the other side: ''I really believe increasing the debt is the threat.'' That is one of Senator CONRAD's great phrases: The debt is the threat. I agree with him. The problem is, he is aggravating the threat with this budget. Now, he does not have too much choice because he is spending so much money we don't have that he is aggravating the debt.

And now, the famous wall of debt chart. It goes up, and goes up dramatically, under this budget. We will hear from the other side of the aisle: But the President's budget does the same thing, or it is even worse. That is a canard. That is a straw dog. The President does not sign the budget. The President is not part of the budget process other than he has an obligation to send a budget up here for the purposes of our review, which is, depending on the President, uniformly rejected by the party in power.

He sends up the budget. He announces what his priorities are. But, uniquely, the budget instrument—and this is an important point—is a child of the Congress. It is a child of the Congress. Congress produces the budget. The Senate produces a budget. The House produces a budget. It goes to conference committee. It comes back to the Senate and comes back to the House. But do you know what it does not do, as with most laws? It does not go to the President to be signed. He cannot veto a budget. He cannot sign a budget. He simply gets a budget in the form the Congress wants. It is a resolution. It is not a bill.

Why is that? Because the Founding Fathers, in their wisdom, and the people who put together the Budget Act—some of whom are still here, Senator BYRD and Senator DOMENICI being two of the key players in that in 1976, I think—knew the power of the purse, which is what the budget is all about, lies with the Congress. The Congress has the first and primary responsibility on the budget.

So when you throw out: Well, but the President did this and the President did that, you are trying to hide in the weeds. Congress has the responsibility for the budget. It is the Congress which passes the resolution that creates the budget, and the President does not sign it at all. So it is the Congress you should turn to and say: You are the responsible party here. Are you being responsible? That is the issue: Are you being responsible as a Congress? This Congress is not being responsible because the big issues we face as a nation are either being finessed, gamed, ignored, or aggravated under this budget.

As I said before, this budget adds $27,000—$27,000—to the debt that each child born today has to pay. So if you are having a child or you just had a child—I just had a niece this year. She is a wonderful little girl. She came into the world. She got a $27,000 bill from the Democratic leadership of this Congress—a pretty stiff bill to stick her with, a pretty stiff bill to stick any American with who is just getting started. It is not fair at all.

Let's get into some specifics about this budget.

First is the allegation that there is some sort of disciplining mechanisms around here. I take this on first because it is such a fraud that it has to be taken on first. I have heard more Senators on the other side of the aisle saying: We are going to use pay-go to discipline the budget, darn it. When we use pay-go, we limit spending around here.

''Pay-go'' is a motherhood term, regrettably. It is a title that has been put on supposedly a procedure which requires you to pay for new spending and to pay when you cut taxes. Well, time and time again, our colleagues on the other side of the aisle, when they were confronted with a choice of actually having to use pay-go—which would have caused them to have to cut spending somewhere in order to increase spending somewhere else—gamed the system. They moved a year here or a year there so they would not be subject to pay-go.

They cut programs from reasonable funding levels such as SCHIP by 85 percent in 1 year, so they would not be confronted—knowing it was never going to happen—so they would not be confronted with pay-go enforcement mechanisms. They took the MILC Program and put it in a supplemental bill so they could build it into the base and not be subject to pay-go.

Time after time after time—15 different times—they gamed pay-go to the tune of $143 billion. I call it ''Swiss cheese-go.'' I think that is a much more truth-in-labeling act. There is no reason we should ever call this thing pay-go again. Let's just call it ''Swiss cheese-go'' because that is what it is. Whenever it is inconvenient for the Democratic leadership to have to subject themselves to their own discipline rules, they waive them, game them, or ignore them.

The first obligation of a national government is national defense. The most important thing about national defense is to make sure your soldiers who are in the field have the resources they need to do the job we have asked them to do. Whether you agree with what they are doing, you should never send a soldier into the field and not support that soldier with everything he or she needs.

I understand there is a huge debate, especially on the other side of the aisle, as to whether we should cut the legs out from underneath our troops in Iraq. We all understand that. We voted on it here 43 times in this Congress. But there should be no question that those soldiers need the support as long as they are in the field. It is totally inappropriate and a total abrogation of responsibility of the Congress not to support those soldiers in the field.

Now, in this exercise, the White House does not come with clean hands. I was fairly aggressive in complaining about their decision to send up a request for only $70 billion—which is a lot of money, but that is nowhere near what it is going to cost to keep our soldiers in the field over the next year. To their credit, at least, the people at the Pentagon—Secretary Gates, when confronted with that number, said: No, that is wrong. Even though OMB may have sent it up here in the President's presentation, it is wrong. We are going to need something like $150 billion to $170 billion, somewhere between $80 billion and $100 billion more than they have in the budget.

The chairman of the Budget Committee agreed. He said:

And we know, I think with great certainty, $70 billion is not the right answer for 2009, zero is not the right answer for 2010.

Those are the two numbers the White House had. And Secretary Gates said: No, it is not the right answer, when he was asked. He said: It has to be a higher number.

So the documentation is pretty clear, even if the White House did not send up the right number, by the time we acted—and remember, once again, it is the Congress that does the budget, not the White House—by the time we acted, we should have put a number in here that adequately reflects what our soldiers are going to need to remain safe.

Now, even if you oppose this war vehemently, as some do on the other side of the aisle—to the point where they are willing to take soldiers out next week, which you cannot physically do; we all know it will take 6 months to a year to get the soldiers out of there—with this number, you cannot get the soldiers back with $70 billion, literally. This number does not allow you to get the soldiers back.

What happens with this number is you are going to have our soldiers in the field without ammunition, without resupply, without the facilities they need, and without the equipment they need. This number assumes we are going to leave our soldiers in the field unprotected—unprotected. It is an inexcusable, irresponsible number to put in the budget simply to make your budget look better. This number should have been at least $70 billion to $100 billion higher to have an accurate budget.

Then the budget moves on. We have heard more about how there are uncollected taxes, and if we collect the uncollected taxes, we will solve all our problems. I call it the ''Wizard of Oz'' approach to budgeting. There is somebody behind a curtain somewhere who owes us a lot of money. We are going to find that person. We are going to get the money. That is going to take care of everything. We will all be happy.

Last year, they suggested we do this to the tune of $300 billion. Last year, they were given the benefit of the doubt. They had never done a budget before, so you have to give them some benefit of the doubt. OK. Let's see how much they got. The chairman of the committee again:

If we just collect 15 percent of the [tax gap]—

That is what is referred to—

that would be over $300 billion. That alone would come close to meeting the revenues needed under our budget resolution.

That was last year. Do you remember how much they collected last year from the tax gap? Zero. In fact, they cut in their budget the collection capabilities of the IRS. Not only was the IRS not able to go out and collect more money that was owed, they were having trouble collecting what they did get which was owed because their collection process has been cut.

So you would think after such a pathetic performance they would presume not to do this again. It would take incredible—I don't know—verve to claim one more time that you are going to generate these types of revenues. But they do. They do: $300 billion. They are going to get it from out there in the virtual land of tax policy. What they got was zero—zero.

This budget at its essence is a massive tax increase. That is essentially what it is. It is a massive tax increase, the purpose of which is to expand the size of the Federal Government—grow the Federal Government—and, in my humble opinion, as a result, make it much more difficult for us as a government to produce a positive and strong economy and to give people an opportunity to live lives that are as affluent and, hopefully, as successful as prior generations.

The amount of tax increase in the bill is $1.2 trillion—the largest tax increase in history: $1.2 trillion. Under the assumptions of this budget, every tax goes up to rates which were fairly high and which the Congress agreed were too high back in the early 2000s. The marriage penalty goes up. The child tax credit goes up. Rates go up. Capital gains go up. Dividends go up. The estate tax goes up. They are all assumed to go up. AMT is assumed to be continued for every year but this year.

We have a new chart called the ''Wall of Taxes'' because that is what this budget does. It generates a wall of tax increases, climbing every year as a percentage of GDP. It is important to know it has historically been the case that we have presumed the Federal Government would take something akin to 18.2 percent of Gross National Product in tax revenues. That has been the case since the end of World War II. This budget blows through that number. But equally important, it should be noted that in blowing through that number and adding $1.2 trillion in new taxes, it doesn't address the outyear issues which are going to cause taxes to go up even higher. The failure to do anything on entitlement reform and then use up all the revenues to fund this group and that group that you happen to be happy about giving money to for the next election puts you in an even worse position when, hopefully, the Congress gets around someday to addressing the biggest fiscal policy issue, which is entitlement reform.

In addition, it needs to be noted this tax increase of $1.2 trillion is the beginning. It is the beginning of the Democratic proposals. Because if we listen to their two national candidates for President, in the case of one, they have already offered and put in place over $300 billion—$300 billion of new programs in 1 year. That adds up to something like $1.2 trillion of additional programs over 5 years. That is on top of this number.

Now, when Senator OBAMA makes that representation: I am going to add $300 billion of new programs every year, the practical effect is he has to pay for it somehow. His claim is he is going to pay for it by taxing the rich. He is going to tax the rich and pay for his—he actually, ironically, has the same number here: $1.2 trillion of additional spending over that 5-year period. Well, if you tax the rich, which would mean you raise the top bracket from 35 percent to 39.6 percent, which was the bracket under President Clinton, you generate how much income to the Federal Government? Twenty-five billion dollars. Multiply that by 5 years, which is what this number is—the $1.2 trillion Senator OBAMA has suggested we spend in new programs—and you have $225 billion. So he is about $1 trillion short in order to pay for what he is suggesting in new programs.

But there is another irony. This tax number already assumes that $225 billion. This tax number assumes the rates have been increased to 39.6 percent for the top income brackets, with the practical effect of that being it has already been spent. This budget already spends the money and the tax revenues candidate Senator OBAMA has suggested he is going to spend on his new programs. So he doesn't have any money available to him.

So now we have a Democratic budget which increases taxes by $1.2 trillion, increases spending dramatically, as I have gone through already, and then you have layered on top of that a national candidate—two national candidates, because Senator CLINTON is not far behind Senator OBAMA in suggesting new programs—who is going to add another $1.2 trillion on top. The numbers become staggering. But what does it all translate into? Huge tax increases on working Americans—huge, absolutely staggering.

To try to put this in context, without the Obama tax increases or the Clinton tax increases, 27 million small businesses in this country, under the Democratic budget, will see their taxes go up $4,100 each per year. Now, you can double that if Senator OBAMA were to put in all his programs. Eighteen million seniors will see their taxes jump $2,200 each because of this budget—$2,200 each. That is a lot of money.

Let's try to put that in context. That basically buys groceries for most Americans for, I think it is half a year. It certainly buys a fair amount of gas, although not as much as we would like because the price of gas is so outrageous. It certainly helps with a mortgage payment or maybe a child going to school or helping a grandchild go to school in the case of a senior. But serious money: $2,200. That is what this budget in new taxes is going to cost average seniors in this country.

Something else should be pointed out. This budget assumes the capital gains and dividend rates are going to go up, and the primary benefit of capital gains and dividend rates flows through senior citizens. As a percentage, seniors take more advantage of dividend rates and more advantage of capital gains than any other demographic group. So it is directly targeted on the tax increase.

All of this works out to—for the average American family, there is a $2,300 tax increase in this bill, and that doesn't include how much it would be increased if you were to put the Obama or Clinton programmatic initiatives on top of that. It would almost double this number. The appetite to raise taxes on the other side of the aisle is unquenchable. It is huge. Let's put it that way. It is unstoppable, it appears. When this budget passes, John Q. Public is going to have to write Uncle Sam a check for $2,300. That is a pretty expensive experience for the American people.

What do they get for it? What do they get for it? Let's come back to what they get for it. Not a lot. Do they get the troops properly supported when they are fighting for us overseas? No. No, they are $100 billion short on that. Do they get entitlement reform that helps us down the road with the pressure that is going to be put on our children by the cost of the expansion of the entitlement programs due to the retirement of the baby boom generation? No. No, they don't get that. Do they get health care reform? No. There is no health care reform in here. Do they get tax reform? No. There is no tax reform in here. Do they get programmatic initiatives which make sense and which are presented in a coherent and orderly manner? Are there programs eliminated that have maybe been around too long in exchange for adding programs? We have study after study that tells us about programs we can eliminate. No, not one program is eliminated in this budget—just an expansion. Just add to the base; bump it up another $200 billion over the next 5 years and pass that bill on to our children.

Passing the problem on, that is what this budget is. Courageous? Creative? Imaginative? Addressing the core issues which we confront as a nation and which do threaten us, whether it is terrorism, the cost of energy, the cost of the Government, the retirement of the baby boom generation? These issues are not going away, but you wouldn't know they even existed if you looked at this budget. It is a regrettable missed opportunity in a very difficult time. It is unfortunate that all it has become is your classic liberal tax-and-spend initiative.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I wish to welcome back the ranking member of the Budget Committee. I have listened with great interest to his presentation this morning, a highly imaginative presentation. It is highly imaginative. The presentation he has made that purportedly is about the budget we have offered has virtually nothing to do with the budget that is before us. It is largely a concoction, although I must say when he talks about creativity, I give him high marks for creativity because this is complete make-believe, what we have heard from the other side, in terms of a description of what is on this floor.

Maybe a good place to start is to look at what the Senator said last year about our budget because it is almost identical to what he has said about this year's budget. He said last year we were going to have $1 trillion of tax increases if our budget passed. Well, our budget passed, and now we can go check the record. We don't have to have a bunch of projections or suggestions about what might happen; we can now look back and see what actually did happen. Last year, the Senator from New Hampshire, the ranking member of the Budget Committee—by the way, for whom I have high regard. We work together very closely. We have substantive differences, as will become more clear as these days wear on, but I have high regard for the Senator from New Hampshire.

But let's check the record. Did we increase taxes, as he asserted would happen last year, by $1 trillion? No. Did we increase taxes at all? No. Did we cut taxes? Yes. How much did the Democratic Congress cut taxes? Well, here it is. It is not a projection. This is not make-believe. This is a fact. The Democratic Congress has cut taxes $194 billion, with $7 billion of revenue raisers. So that is the factual record with respect to tax cuts. The Democratic Congress cut taxes by $194 billion, most of this in the stimulus package passed to give lift to the economy.

Now, the Senator talks about where we are headed under this budget, but perhaps the best way to anticipate where we are headed is to look back and see where we have come from. When they controlled everything—they controlled the House, they controlled the White House, they controlled the Senate—here is their record. Here is what they did. They started with budget surpluses, and they ran up record deficits. You can see this is the record of the Bush administration: $413 billion was the biggest deficit in the history of the United States. In fact, they have five of the biggest deficits in the history of the United States. That is their record. Revenue was flat. They increased spending about 50 percent, and the result was they have exploded the debt of the United States. Again, this is not a projection. This is not a forecast. This is their record.

Our friends controlled it all. They controlled the White House, they controlled the Senate of the United States, they controlled the House. Here is what happened to the debt. They have built a wall of debt that is unprecedented. They took us from a debt at the end of the President's first year of $5.8 trillion. They have run it up to over $9 billion last year, and by the end of 2009, which will be the 8 years this President is responsible for, they will almost have doubled the debt of the country in 8 years. It is a stunning record, and I don't mean stunning in a good way.

Now, the Senator from New Hampshire says we have this massive increase in spending. Well, not in this budget. That is not the case. Here is a chart that shows the President's spending, which is the red line. The green line is the spending under this resolution. This is over the 5 years of this budget. You will see that they are very close to each other. In fact, the difference in spending over the 5 years between our budget and the President's budget is 2.1 percent. We have 2.1 percent more spending than the President's budget. Why? Because we have restored cuts he made in things such as the COPS Program that has put 100,000 police officers on the street. The President's budget eliminates the COPS Program. The President's budget eliminates the weatherization program in this country, a program to go back and weatherize homes so they are more energy efficient. He says: No, we don't want to do that anymore. The President's budget cuts the grants to first responders, our emergency medical personnel, our ambulance crews, and other first responders, including our firefighters, and cuts those by 78 percent. We didn't think that was a good idea.

So, yes, we do spend some more. We also spend more to reduce our dependence on foreign energy because we think that is a smart investment. We do spend some more on education because we think that is critical for the future strength of the country. And we do spend some more money on infrastructure because we don't want any more bridges collapsing, as we saw happen in Minnesota, where the bridge over 35W collapsed with people on it.

So, yes, we spend 2 percent more over the 5 years. For this year, the total spending in the President's budget is $3.04 trillion, and in our budget it is $3.08 trillion. That is a difference of 1 percent.

All this great spending the Senator just described—the problem is the facts. The thing that gets in the way of his recitation is the facts. The facts are that we spend 1 percent more than the President in 2009.

The Senator also said we have not been responsible with the troops. Let me just indicate that if we have not been responsible, then the President hasn't been responsible either because we have the identical amount in our budget for defense and the war as the President had in his budget—identical, not a dime of difference. So if we have been irresponsible, then the Senator is saying the President has been irresponsible because we match him dollar for dollar.

The Senator said something that is quite jarring. Do you remember what he said about the President's role in the budget? He said the President doesn't have anything to do with the budget. Really? The President of the United States has nothing to do with the budget of the United States? I don't think so. The President sends us a budget. If you look at the historic record, what you find is that Congress gives the President, in the budget, very close to what he asks for. That is the record going back 40 or 50 years.

Now, he added to that by saying the President cannot veto or sign a budget. That is true. The way the process works is the President sends us his budget, and then a budget is developed by Congress that does not go to the President for his signature or his veto; that is true. But to suggest that the President really doesn't have anything to do with the budget, that is not true.

The President sends us his budget blueprint, and then he has the power of the veto to enforce all of the provisions that flow from a budget. He can veto any appropriations bill; those are the bills that spend money. He can veto any revenue bill; those are the bills that raise money. So to suggest the President doesn't have anything to do with the budget is really misleading to people. I think if you just think of it in a commonsense way, of course the President of the United States would have a lot to do with the budget policy of the country. He should have, and he does have. It is true he does not sign the budget resolution. He cannot veto it. But he does have the capability to enforce its spending and its revenue because he has the power of the veto.

Let's look at the question of revenues. Again, our colleague said we are going to raise taxes a trillion dollars. That is exactly what he said last year: Democrats are here to raise your taxes a trillion dollars. I think he just likes that number. It doesn't matter what budget we present; he says a trillion dollars. I have already shown that what Democrats have done once we have controlled the House and Senate was actually reduce taxes by $194 billion. That is our record so far. That is a fact. There is additional revenue in our proposal over the 5 years. You can see the difference. On this chart, our revenue line is the green one, and the President's is the red line. You can see they are very close. If you look at the numbers, over the 5 years of this budget, the President has $15.2 trillion in revenue; that is the proposal he sent to us. We have $15.6 trillion in revenue. That is a difference of 2.6 percent.

I don't know where the Senator comes up with this trillion dollars because that is not our proposal. Our proposal—when the Baucus amendment is adopted—is to raise $15.6 trillion, in comparison to the President's $15.2 trillion, which is a difference of 2.6 percent.

Now, the other day the Senator put up a sign that said—he quoted me in a ''60 Minutes'' interview saying that the first thing we need is more revenue. That is true, I did say that. They didn't include the whole quote. Here is the whole quote from the transcript. Steve Kroft is talking to me, and he is asking me about the head of the General Accounting Office, who is warning the country that we are on an unsustainable course because of the long-term commitments that have been made. He says:

> What do you think about David Walker and what he's doing?

I said:

> I think David Walker is providing an enormous public service.

Mr. Kroft asked:

> Do you agree with his figures and his projections?

I said:

> I do. You know, I mean, we could always question the precise nature of this projection or that projection, but that misses the point . . . The larger story that he is telling is exactly correct.

Mr. Kroft:

> Are most people in Washington aware of how bad it is?

I said:

> Yes, they know in large measure here, Republicans and Democrats, that we are on a course that doesn't add up.

This is one place Senator GREGG and I are in complete agreement—that we are on an unsustainable course.

Mr. Kroft asked:

> Why doesn't somebody do something about it?

My answer:

> Because it's always easier not to, because it's always easier to defer, to kick the can down the road. . . .

Mr. Kroft asked:

> Do you think taxes ought to be raised?

My response:

> I believe, first of all, we need more revenue.

But then the Senator didn't include the next sentence:

> We need to be tough on spending. And we need to reform the entitlement programs. We need to do all of it.

That was my answer. I believe it is the truth.

Not only have I said that, but Senator GREGG has said we need more revenue. Senator GREGG himself said:

> We also know revenues are going to have to go up, if you are going to maintain a stable economy and a productive economy, because of the simple fact that you are going to have this huge generation that has to be paid for.

He is talking about the baby boom generation.

So if we are going to be honest with the American people, we do need to be tough on spending, we do need to have more revenue. I have said repeatedly that before we ask for a tax increase from anyone, we ought to go after the tax gap, the difference between what is owed and what is paid. The Internal Revenue Service says that back in 2001 that gap was over $300 billion in a year. I think it is unfair to the vast majority of us who pay what we owe to allow others to escape.

But it doesn't end there. We also have offshore tax havens. Our Permanent Subcommittee on Investigations has indicated that we are losing $100 billion a year to those offshore tax havens. We have had an additional report in the last 2 weeks of more of these tax havens proliferating. If you go on the Internet and put in ''offshore tax havens,'' you will get a million hits because there are a lot of con jobs going on. We ought to shut them down before we ask for a tax increase from anyone.

In addition, there are these abusive tax shelters, where some companies are actually buying European sewer systems and writing them off on their books in the United States to lower their taxes and then leasing the sewer systems back to the European cities that built them.

Mr. President, the Senator also went after the pay-go rule. He calls it ''Swiss cheese-go,'' which is humorous, and I always appreciate the humor. But let's give both sides of the story.

The pay-go rule says that if you are going to have new mandatory spending or tax cuts, they must be offset or must get a supermajority vote. This is a means of disciplining the budget process that has worked well in the past. We have instituted it.

When Senator GREGG was in charge of the Budget Committee, he said this about pay-go when he supported it:

> The second budget discipline, which is paygo, essentially says if you are going to add a new entitlement program, or you are going to cut taxes during a period, especially a period of deficits, you must offset that event so it becomes a budget-neutral event that also lapses. If we do not do this, if we do not put back in place caps and paygo mechanisms, we will have no budget discipline in this Congress and, as a result, we will dramatically aggravate the deficit, which will

impact a lot of important issues, but especially Social Security.

He had it right when he was an advocate for pay-go.

We had a strong pay-go rule from 1991 to 2000. We climbed out of the deficit ditch. We produced surpluses. And then our friends came into power, and in 2000 they dramatically weakened pay-go, and look what happened. We went right back to an ocean of red ink. We have now put pay-go back into effect, since the 2004 elections. Let's look at the record. The number of times pay-go was raised was 13. The number of times pay-go was waived was zero. Pay-go was raised 13 times and waived zero.

Pay-go is working. Excluding the AMT legislation that passed last year, the Senate pay-go scorecard has a positive balance of $1.3 billion over 11 years. Every bill sent to the President—other than AMT and the stimulus package just passed—has been paid for or more than paid for. Pay-go also has significantly produced a deterrent effect. Anybody who doubts that should sit in my seat for 1 week and see the number of times colleagues decide not to offer spending proposals because of the pay-go rule.

On the other side, they have said that there is $143 billion that they claim pay-go has been violated. Let's look at each one of their claims. And I only have 2 minutes left before Senator STABENOW will be taking over.

Immigration reform. They claim there is a $30 billion loophole. In fact, zero. The immigration reform bill never passed the Senate. Remember, the test is what goes to the President of the United States. The bill never went to the President of the United States.

The energy bill—the final bill that was sent to the President—was more than paid for. They claim a $4.2 billion shortfall. In fact, it was more than paid for and had a surplus of $52 million.

Mental health parity. That bill hasn't yet gone to the President. They are claiming a $2.8 billion shortfall. That bill hasn't gone to the President; it is still in conference. The promise has been made by the conferees that it will comply with pay-go.

The prescription drug user fee amendments. The final bill sent to the President was more than paid for. They are claiming a $200 million shortfall. In fact, it was $4 million to the good.

The minimum wage increase was fully paid for on a unified basis. They claim a $50 million shortfall. In fact, it was zero.

The Water Resources Development Act. The final bill sent to the President was more than paid for. It passed the Senate on a vote of 81 to 12.

Other items they have mentioned. The children's health insurance reauthorization was more than paid for over 6 and 11 years. They claim a $45 billion shortfall. In fact, it is a savings of $207 million.

The farm bill—more than paid for over 6 and 11 years. By the way, that has not yet gone to the President. They are claiming a $27 million shortfall. In fact, there are savings.

Higher education reconciliation—more than paid for over 6 and 11 years. They show a $26 billion shortfall. In fact, the savings will continue to grow in decades beyond the budget window, and over 6 and 11 years that bill is completely paid for.

The 2007 supplemental, county payments, payment in lieu of taxes, and MILC. They claim a $6.5 billion shortfall.

The pay-go rule applies to mandatory spending and revenues, not to appropriated accounts. Discretionary is controlled by separate caps.

The 2008 budget resolution established a new 60-vote point of order to limit changes in mandatory spending on appropriations bills and to strengthen pay-go even further.

They call pay-go "Swiss cheese-go." Their pay-go was "easy cheese"—"easy cheese" because what they allowed under their pay-go was for the debt to explode. No forecast, no projection, just the facts, just the record. They have increased the debt from $5.8 trillion to over $9 trillion today, and under the President's proposal, it is going to go to over $10 trillion. That is the record.

We have now reached the 11 o'clock hour. Senator STABENOW is going to take the chair, and there are other Senators awaiting recognition. We have a meeting to try to determine where we go with the rest of the day. But I hope we have a good, substantive debate. I look forward to it.

I thank the Chair and yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. BAUCUS. Mr. President, what is the pending business?

Ms. STABENOW. Mr. President, if I may, since we are on the resolution, I yield time——

The ACTING PRESIDENT pro tempore. There is 7½ minutes remaining in morning business.

The Senator from Montana.

TANKER PROCUREMENT

Mr. BAUCUS. Mr. President, Americans have important expectations for their public servants. They expect us to act for the common good. They expect us to advance our common values. But first and foremost, they expect us to have common sense.

Last week's Department of Defense tanker procurement decision raises serious questions of common sense.

As some of my colleagues have already discussed, the Defense Department last week awarded a $40 billion contract for a new generation of Air Force tanker aircraft to the European Aeronautic Defense and Space Company, or EADS, the parent company of Airbus.

Receiving this major contract is an enormous victory for the European company. It is a victory for thousands of French, German, and Spanish Airbus workers this contract will employ. It is also a victory for U.S. contractors who will work on the project. Yet I have serious questions about whether this is a victory for good American policy or American common sense.

My concern for this deal is not over the Defense Department's procurements. I leave that to my colleagues on the Appropriations Committee. I do not question the merits of one tanker plane over another. I leave that to my colleagues on the Armed Services Committee. But I certainly am concerned and have serious questions about this deal from the perspective of international trade. This responsibility falls to me as chairman of the Senate Finance Committee.

The United States values competition and acknowledges the right of foreign companies, such as EADS's subsidiary Airbus, to pursue American markets and customers. American consumers, including the Federal Government, should have the right to buy the product that best suits their needs. That is only fair.

But Airbus is not just another company competing in open markets on the merits of its products. It is not just a commercial venture. Rather, Airbus is the product of four decades of explicit government-industrial policies to create a European aircraft industry, an industry designed not just to compete with American companies but to defeat them with massive government funding. Don't take my word for it. Former French Prime Minister Lionel Jospin himself publicly pledged:

> We will give Airbus the means to win the battle against Boeing.

True to Mr. Jospin's promise, decade after decade, project after project, European governments have injected massive amounts of subsidies into Airbus, including $15 billion in launch aid.

These subsidies underwrote between 60 percent and 100 percent of Airbus's commercial aircraft development costs, including the A330 aircraft on which this tanker aircraft is based.

These subsidies allowed Airbus to develop aircraft under terms unavailable to unsubsidized market participants or, as a former British Trade and Industry Secretary boasted:

> We are not standing to one side and leaving everything to the market. . . .

In fact, European subsidization of Airbus was so extreme and so anticompetitive that 3 years ago, the U.S. Trade Representative initiated a dispute settlement case in the World Trade Organization. The USTR does not file these cases frivolously. They do so when the damage is real, the case solid, and all other means of resolution have failed.

This case is still ongoing. A WTO panel is currently weighing the facts of the case, the effects of these subsidies on our aerospace industry, and the compatibility of these subsidies with international trade laws.

What defies common sense to me is that one arm of the administration, the U.S. Trade Representative, argues subsidies to Airbus hurt our companies, skew global markets, and violate the rules of the game. Yet another arm of the administration, the Defense Department, rewards a subsidized company with a $40 billion contract to purchase illegally subsidized aircraft.

That is the kind of Government decisionmaking that does not add up. It is not common sense, and it raises serious and fundamental questions about how this administration goes about its business.

Does the right hand of the Government know what the left hand is doing? Does one agency respect international rules and their effect while the other one does not? What was USTR's role in this procurement decision? And why did the Defense Department appear to have disregarded it? These and other questions need answers, and I look forward to pursuing these answers with my colleagues.

Until we hear a full accounting of this issue, I am left with an uneasy feeling that last week's decision by the Defense Department does little for the common good or common sense.

Mr. President, I wish now to speak on an amendment I am going to offer when we get to the budget resolution. I will offer the amendment when we are on the resolution. I can either make my statement now or wait until we get to the resolution.

The ACTING PRESIDENT pro tempore. Time is expired.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. Con. Res. 70, which the clerk will report.

The bill clerk read as follows:

A concurrent resolution (S. Con. Res. 70) setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013.

The ACTING PRESIDENT pro tempore. The Senator from Michigan.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I wish to speak on the budget resolution and about an amendment I will offer when that amendment is in order. As I understand, that will be after the luncheon hour.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BAUCUS. Mr. President, the author and poet, Cervantes, had a character say:

My wages . . . I have earned with the sweat of my brows.

And so it is with America's hard-working families. They have earned their wages with the sweat of their brows. This afternoon, along with a number of other Senators, I intend to offer an amendment that would take the surplus in the budget resolution and give it back to hard-working American families who earned it.

First, our amendment makes the 10-percent tax bracket permanent. That is a tax cut for all taxpayers.

Second, we are making permanent changes to the child tax credit. That is a $1,000 tax credit per child. This tax credit recognizes that a family's ability to pay taxes decreases as their family size increases. Unless we act, the child tax credit will fall to $500 per child in 2010.

We are making permanent the marriage penalty relief. Couples should not pay more taxes because they are married. This relief makes sure a married couple filing a joint return has the same deductions and tax brackets as they would if they filed as individuals.

We are making permanent the changes to the dependent care credit. This credit is important to working families. It recognizes the increased cost of child care for thousands of Americans, especially child care for households where both parents work outside the home.

We are making permanent the changes to the adoption credit. Most adoptions cost more than $20,000. This provision offers a credit of $10,000 for those willing to give a child a home.

This amendment is also important because in it we believe it is important to pause and reflect on the sacrifices our men and women in uniform make for us every day.

Nearly 1.5 million U.S. service men and women have served in Iraq, Afghanistan or both. Nearly 30,000 troops have been wounded in action.

In September, I went to Iraq. I was impressed by what an amazing job our troops are doing. It is astounding. I met many Montanans from small towns such as Roundup and Townsend. I saw firsthand what a heavy burden our troops bear for all of us. They face hardships, they face danger, but they keep at it every day. Today, one small way to support them is to make the Tax Code a little more troop friendly. We can extend the special tax rules that make sense for our military that expire in 2007 and 2008. We can also eliminate roadblocks in the current tax laws that present difficulties to veterans and servicemembers.

One problem this amendment would address is how the Tax Code treats survivors of our fallen heroes. The families of soldiers killed in the line of duty receive a death gratuity benefit of $100,000. But the Tax Code restricts survivors from putting this benefit in a Roth IRA. Today, we can make sure family members of fallen soldiers can take advantage of these tax-favored accounts. Another hazard in the tax laws impedes our disabled veterans. I am thinking of the time limit for filing for a tax refund. Most VA disability claims filed by veterans are quickly resolved, but many disability awards are delayed due to lost paperwork or the appeals of rejected claims.

Once a disabled vet finally gets a favorable award, the good news is the disability award is tax free, but the bad news is many of these disabled veterans get ambushed by a statute that bars them from filing a tax refund claim. Today we can give disabled veterans an extra year to claim their tax refunds.

Most troops doing the heavy lifting in combat situations are the lower ranking, lower income soldiers. Their income needs to count toward computing the earned-income tax credit, or EITC. Under current law, however, income earned by a soldier in a combat zone is exempt from income tax. This actually hurts low-income military personnel under the EITC.

The EITC combat pay exception allows combat zone pay to count as earned income for purposes of determining the credit. That way, more soldiers qualify for EITC. But this EITC combat pay exception expired at the end of 2007.

The EITC is a beneficial tax provision for working parents. It makes no sense to deny it to our troops. Today we can help to make combat duty income count for EITC purposes.

In this amendment, we are making permanent provisions to allow combat pay as earned income for purposes of the EITC. This amendment allows hard-working, low-income military personnel to get the full benefit of the EITC.

A soldier's rucksack is heavy enough as it is without loading it down with tax burdens. We owe the soldiers fighting in our Armed Forces an enormous debt of gratitude. This amendment is one small way we can salute our men and women in uniform for all they do.

Also in this amendment, we are giving some certainty to American families on the estate tax. Lowering the estate tax to 2009 levels is the least we can do as we move toward estate tax reform. This is the minimum that we can and will achieve.

And we are committed to exploring what more we can do. We are conducting thorough studies of the issue in hearings on that subject this week.

I plan to offer a second amendment that would dedicate enough additional funds to estate tax reform that we can achieve a $5 million exemption and a 35-percent rate.

Through these efforts, Congress will show that we support America's small businesses, ranchers, and farmers. Today's amendment also helps to address the housing crisis. Our amendment would allow middle-income taxpayers who do not itemize their deductions to nonetheless get a tax deduction for property taxes. That would give some relief to hard-strapped homeowners.

Now, this amendment will not do everything. But we will do more. As chairman of the Finance Committee, I am fully committed to tax reform. Tax reform can mean giving tax relief to American families and businesses through simplification and sound tax policy.

This year, the Finance Committee will do the spade work. We will hold hearings and prepare for the fundamental tax reform that we all want and expect next year, so when the next President takes office, he or she will make a major recommendation to the Congress on tax reform. We are holding hearings on that so we are ready.

But today the amendment we will offer shows our commitment to American families. American families earned their wages with the sweat of their brows. This amendment takes the surplus and gives tax relief to those hard-working families. It is no less than what they have earned.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I rise to talk about the Senate budget resolution. This is going to be considered for an entire week. It does provide the American people with Congress's blueprint for spending and fiscal policies and priorities. And while not binding, it does establish the direction for later consideration of our appropriations bills.

I, like many of my colleagues, have been reviewing the chairman's mark that came out of committee and the results from last week's markup. I am impressed with parts of this budget. There are some priorities in here that I share with the chairman and the committee. It fully funds the defense budget. It fully funds NASA, including the additional $1 billion that Senator MIKULSKI and I sought last year to reimburse the agency for the *Columbia* disaster, because we know NASA has been pulling from operating funds to repair the damage done from the *Columbia* disaster, and this has kept it from keeping up its research commitment.

We cannot have an agency that is supposed to be doing the state-of-the-art research and pushing the envelope not only in aeronautics but in science and medicine. Yet we have a billion-dollar shortfall taken from the research that could fuel scientists for years to come.

It funds the America COMPETES Act, which improves education, and that is such an important priority for us to remain competitive. We need more of our young people to go into science and engineering, the physical sciences, the hard sciences.

We are losing our edge in this global marketplace. Congress, in a bipartisan way, did pass the America COMPETES Act, and there is funding for much of that in this bill.

We must extend the sales tax deduction, which is a provision that is close to my heart because my State and seven others have a sales tax but no State income tax. So we believe it is a matter of equity that sales taxes be deductible, rather than just the State income taxes which is available to all of the other States but not available to the seven States that do not choose to fund their Government with an income tax.

These parts of the budget deserve our attention and support. However, this budget has a major flaw. Before long the budget had increased $22 billion above the President's request. We have now found that over the period of time that it has languished in the Senate committee, we are now looking at what appears to be a ballooning of that increase in spending. Yet the budget projects a surplus of $177 billion in 2012, $160 billion in 2013, and yet the budget has increased by $210 billion over 5 years.

Now, how can we have this increase in spending and yet still have surpluses? My economics 101 tells me there has to be a catch because we know there is no free lunch. So in addition to the large spending increases, the budget includes the largest tax increase in the history of America, $1.2 trillion. The budget allows the incredibly beneficial tax cuts from 2001 and 2003 to expire.

Now, these are the tax cuts that spurred our economy and created millions of new jobs in our country. It spurred the growth in our economy. When these tax provisions expire, 43 million families with children will have to pay an average of $2,300 more each year, and 18 million senior citizens will owe $2,200 more on average. Twenty-seven million small businesses, the engine of economic growth in America, will owe $4,100 more in taxes on average. Almost 8 million low-income workers will be added back to the tax rolls.

Especially during this time of economic uncertainty, why would we ask our fellow citizens to pay more and rob the jobs that have been created with the tax cuts of 2001 and 2003?

The first thing we did when we saw the slowing economy was, on a bipartisan basis, have an economic stimulus package. And what was the crux of the stimulus package? It was to give money back to the people who have paid taxes in rebates to help spur the economy. So why would we turn around in this budget and increase taxes and ask the people to whom we just gave rebates, that will be in the mail in the next 6 weeks, to pay more?

Consider what a $2,300 tax burden would pay if the average American family could keep the money they earned in that amount: groceries for about 8 months, health care expenses for about a year, electricity and home heating oil for about a year, and gasoline for the car that we know is now rising as we speak.

How can we consider taking money away from families when we are seeing the strain of this economy be a burden on those same families? This budget makes great promises for American families, but it also pulls the rug out from under them by saying: Here is the burden we are going to give to you to pay for this big Government spending budget.

So I hope as we consider the budget this week that we will take a serious look at keeping some of the major priorities, but having the good sense to cut in other places or to remain steady in other places where there is not the essential need right now. We do need a budget that looks out and says for the long-term competitiveness and vitality of our country and our society and our work concerns and our work force: We do need to spur investment. We need to spur research. We need to have more engineers and scientists graduating from our universities, and we can do that by funding NASA fully, by funding the American COMPETES Act. We must do that for the long term. But why not do what every family in America does when we have essential needs for long-term planning, but we are on a limited budget and we want to bring down that deficit? And that is, make choices.

Can we not come together and make choices just as we came together for the stimulus package? The last thing we want to do, since we did pass a bipartisan stimulus package which the President's supported, is to wipe it all out and say: Well, we are going to give you back a little bit but we are going to take more. We are going to take more at a time when we know America is a little jittery about the economic condition and looking to the future of the economy and our country.

I hope we will do what we can on a bipartisan basis and hash out what the priorities are and that we can have the priorities in spending without the ballooning budget and the tax increases they propose to pay for this ballooning budget.

We do not need tax increases. We need to make the tax cuts permanent that have helped so many people get back to work, get on their feet, small businesses make investments, and keep our economy going when this home mortgage crisis is trying to sort itself out.

Unless we can make some major changes in this budget, I cannot imagine supporting it. But we do have time. We do have time to do the right thing. I am hoping we go through the amendment process, that we make the choices that will take the taxes out, will put the priorities in, and will get our 10-year plan started that will create jobs, that will create more opportunities for scientists and engineers to graduate from our colleges and universities and have good careers, solid careers, because we have made the right investments in 2008.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, in a moment I am going to yield to Senator

WHITEHOUSE, but I do want to respond for a moment because what my friend from Texas is talking about, frankly, in terms of focusing on middle-class families, is exactly what this budget does. It will be enhanced by the Baucus amendment, that takes surplus dollars that are in the budget and targets them right back to middle-class families, putting dollars into their pockets in terms of extending the middle-class tax cuts that we all support.

But we also do more than that. We focus on jobs. We focus on health care, investing in education and opportunity for the future. We are not more of the same. This budget resolution is not more of the same of what has been occurring since 2001, in the last 8 years, particularly 6 years of that when we have seen our colleagues on the other side of the aisle and the White House basically controlling all of the agenda in terms of the priorities in the budget and spending and so on.

We create a budget that offers a change, a set of priorities based on the values that are important to the American people, American families, American jobs here, investing here. Let me first say, overall, we have a situation where basically we have seen, under this President, more debt, more tax cuts for the wealthy, more spending in Iraq, less investment in America. That is what we have seen.

In listening to the outline of what I understand will be a Republican budget alternative that will be presented this week, it is more of the same. It is more of the same. We want to reduce that and balance the budget by 2012, focus tax cuts on middle-income workers, hard-working Americans who have not seen tax relief or investments in their future and in their children's future.

We want to refocus. Instead of talking about the spending in Iraq, we want to be focused on spending at home. We have somewhere near $12 billion to $15 billion a month being spent right now in Iraq. Even though we know the Iraqi Government is receiving dollars in oil revenues, we continue to be the ones investing in rebuilding their communities and their jobs, their infrastructure.

Our budget invests in America—American jobs, American families, American communities. I am hopeful we will see a strong vote for the budget resolution we are presenting.

I now yield up to 30 minutes to my friend and colleague from Rhode Island, Senator WHITEHOUSE.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, I salute the leadership and the energy of the Senator from Michigan in this area. The Senator is clearly passionate about the economic issues we see across the country but those that particularly affect her State. There is not a person in this body who is not aware of how deeply she cares and how hard she fights for the people of Michigan. I am pleased to join her on the floor.

Last month we received the President's budget request for fiscal year 2009. I am a member, like Senator STABENOW, of the Budget Committee. This is the last budget we will receive from President Bush, and I think it is an opportune time to look at how this administration's policies have affected our economic circumstances and how average Americans will suffer as a result.

The Bush policies have generated what deserves to be known as and what I will call today, "the Bush Debt," a legacy of indebtedness that will burden our children and grandchildren for generations to come and cost us the opportunity to help millions of Americans all over this country lead lives of promise, prosperity, and happiness. As I have traveled across my State, Rhode Islanders have told me over and over their stories about struggling to make ends meet—from seniors stretching fixed incomes to pay for prescription drugs and housing to working families trying to heat their homes and send their children to college. Yet President Bush in his budget for fiscal year 2009 has proposed deep cuts to Medicare, deep cuts to home heating assistance for low-income families, and deep cuts to Federal student aid, weakening access to citizens' basic needs.

The administration cites the need for fiscal discipline. The President says discipline is necessary to address our Nation's growing budget deficits. What the President does not say—and probably never will say—is that his own ill-advised, misguided policies created those record deficits. It did not have to end this way. But it did, and the President must bear the responsibility.

Seven years ago this January, George Bush stood on the western steps of this hallowed building and took his oath of office as President of the United States. In his first address to the Nation, George Bush pledged to call for responsibility and try to live it as well. After a divisive election, many Americans found comfort and hope in those words. On the budgetary front there was good reason for optimism on that cold January morning. After decades of deficit spending, bipartisan cooperation between President Clinton and a Republican Congress had set the Nation on its healthiest fiscal path in generations. After 28 straight years of multibillion dollar budget deficits, our Nation saw surpluses beginning in 1998. In President Clinton's last full year in office, we saw the largest budget surplus in our Nation's history—$236 billion.

The good budgetary news wasn't behind us. The month George Bush moved into 1600 Pennsylvania Avenue, the Congressional Budget Office, the nonpartisan accounting arm of Congress, projected we would see surpluses straight through the decade. These budget surpluses, the product of responsible governing—some might even say fiscally conservative governing—were projected to be enough to completely wipe out our national debt by 2009. Let me say that again: to completely wipe out our national debt by 2009. In other words, the hard work had been done. If President Bush had stayed the course of fiscal responsibility, he could have been the first President of the United States since Andrew Jackson in 1836 to govern a debt-free United States, an America with the power and the freedom to support its people as they sought new opportunities and new frontiers. Imagine that.

This President's fiscal year 2009 budget, instead of including debt service payments, could have requested significant funds for Pell grants, for LIHEAP, the badly needed overhaul of our health care system, bridge construction, investment in small and environmentally friendly business, and countless other valuable programs for ordinary Americans.

When President Bush took office, leading economists were debating the consequences of this great Nation debt free, standing tall in the world with no claim on it by foreign powers. But this President made a different choice. Instead of keeping our Nation on the path to economic security and prosperity, to new investments in our health care system, students, seniors, and veterans, the President who called for responsibility squandered away the surpluses he inherited, mortgaged our children and grandchildren's futures, and compromised the quality of working Americans' lives.

How can we measure the magnitude of the harm done to our economy and our people by this administration's decision to deviate from the responsible policies of President Clinton?

The first chart shows the budget plans of President Clinton as he left office and the budget formulated by President Bush. As you can see, the Clinton line, represented in blue, based on his levels of taxation and spending, has budget surpluses for every single year of this decade. In contrast, the Bush budget line, represented in red, has deep record-setting deficits in every year after 2001.

This next chart illustrates the value of the differences between the budget landscape planned by President Clinton and the one created by President Bush. As we can see, the difference between the two is a staggering $7.7 trillion. This number represents the fiscal harm President Bush has inflicted on our Nation. This number is "the Bush Debt." It consists of a decade of foregone surpluses and new borrowing, much of it from foreign nations such as China, Japan, and Saudi Arabia. We have even become a debtor nation to Mexico.

Mr. President, $7.7 trillion is more than double the amount of public debt when President Bush took office. Like most concepts of enormous size, this amount takes some thought to comprehend: $7.7 trillion is $25,000 owed by every adult or child in the United States, squandered surpluses and new debt created by this President.

How did we move from the path of surpluses away from the promise of wiping out our national debt to trillions of dollars in new national liabilities? One would hope this administration could at least justify the Bush Debt by pointing to borrowing policies that improved average Americans' lives. Unfortunately, nothing could be further from the truth. Rather, this dramatic change of course stems largely from two of this President's many poor decisions over the past 7 years: first, tax cuts that overwhelmingly benefited the wealthy at the expense of the less fortunate and, second, the President's endless, misguided, unpaid war in Iraq. In the same inaugural address in which he called for responsibility, President Bush vowed to reduce taxes, even though the American economy was booming in the 1990s, under tax levels set by President Clinton which were low by both historical and international standards.

The irony, of course, is that President Bush's tax cuts of 2001 and 2003 were the height of irresponsibility. Because these massive tax cuts were predominantly directed at high-income families rather than low-income families, many Americans most in need of assistance were shortchanged. These extravagant tax cuts are weighted heavily toward the wealthiest Americans. In fact, 71 percent of the value of the tax cuts in 2009 will go to the wealthiest fifth of Americans, with a staggering 28 percent of the value of the tax cuts going to the top 1 percent and almost nothing at all going to the lowest earning fifth, families who earn $15,000 a year or less. This is George Bush's idea of fair tax cuts. And President Bush's insistence on forcing through these cuts without making up for the lost revenue, to defer that pain to later administrations and later years, was not only cowardly leadership, but it left our budget in precarious straits. The Bush tax cuts cost a staggering $1.9 trillion and account for 25 percent of the $7.7 trillion Bush Debt measured from the start of the Bush presidency through 2010, when the tax cuts are set to expire.

Every American knows the importance of balancing his or her own household budget. Every American knows the struggle of keeping spending in line with income, making sure there is enough money to pay for clothing, food, home heating, college tuition, and maybe a little for vacation or going out to the movies. Most Americans do a good job of balancing budgets but not President Bush. Rather than living by his inaugural pledge of responsibility, President Bush preferred to score political points by delivering massive tax cuts to his wealthiest supporters. He chose not to remain on a responsible fiscal path and instead put this country under the crushing burden of a multitrillion-dollar debt, the Bush Debt.

These tax cuts, while a large slice of the Bush Debt pie, are unfortunately not the whole story. There is also a large spending component to the Bush Debt, driven principally by the war in Iraq. By the end of this year, the price tag for the war in Iraq will have exceeded $600 billion. Even if we are successful in pressuring this President or the next President to begin redeploying our troops, American taxpayers will still have spent at least $740 billion on this misguided war by 2010.

Even if the next President gets us quickly out of Iraq, as I hope she or he will, we will be paying costs related to this war for years to come. We must care for our veterans and for the families of fallen soldiers. The Congressional Budget Office estimates that the cost of medical care, disability payments, and compensation for the families of fallen soldiers will cost between $10 billion and $13 billion in the next 10 years alone. We have a moral obligation to take care of the brave men and women who sacrificed their youth, health, limbs, and sometimes their lives to serve their Nation. These are costs, however, that we need never have had to bear. While they pale in comparison to the personal cost incurred by service members and their families, these monetary costs are nonetheless significant, and they will affect America's security for decades to come.

Like all debt, the Bush Debt requires interest payments. Every day Americans make interest payments on mortgages, car loans, student loans, or credit cards. According to President Bush's proposed budget for fiscal year 2009, next year alone, America will owe $260 billion in interest on the Bush Debt. Two hundred sixty billion in interest payments equates to $857 to our creditors in Japan, China, and Saudi Arabia for every man, woman, and child in the United States, next year and the year after that and long into the future.

To make matters worse, if you can believe this—hold on to your hat—the Bush administration is borrowing the money to make the interest payments, further adding to the debt. Imagine if we could take the $7.7 trillion Bush Debt off budget and set up a separate revenue system to make the interest payments—to feed the beast. Then every taxpayer would see we are doing something about this unprecedented debt. We should consider forming a commission, a Bush Debt repayment authority, to study the possibility of bringing the Bush Debt off the budget to show the American people how much this President has cost them, to pay the Bush Debt down responsibly over time, the way Government often steps in to pay down a disaster debt responsibly over time, and to show our children and grandchildren that we were not all cowards pushing our costs onto them.

This enormous interest payment isn't an abstract idea dreamed up by economists. This $260 billion is precious cash flow that could otherwise be spent improving our health care system, building new schools, repairing our roads and bridges, or helping our businesses compete against foreign competition.

Individual Americans may not be writing $857 checks to Japan or China or Saudi Arabia, but each one of us pays a steep price for the Bush debt—a price that is already evident in the President's budget for this year.

The budget request that included $260 billion for interest payments also included tough talk about belt tightening. The President proposes to hold discretionary spending growth to 1 percent—effectively a cut since the consumer price index grew 4.1 percent last year.

His budget plan slashed funds for low-income heating assistance; the COPS Program, which keeps police officers on the beat to protect local communities; Federal student aid programs, which help young people afford a college education; and community development grants, which provide badly needed assistance for low-income families and small businesses. The President's budget also calls for tremendous cuts in Medicare and Medicaid over the next 5 years—cuts that would surely affect medical care for American families.

President Bush is asking for more money to continue his misguided war in Iraq, more money to service the debt he created, and more money to pay for tax cuts for the wealthiest Americans, but less money to help the millions of people all across this country who need health insurance or food for their families or better schools for their children or a home they can afford. Those are not the correct priorities for America, President Bush.

What if President Bush had never cut rich Americans' taxes or taken us to war in Iraq? What if the fiscally responsible policies of the Clinton administration had continued to the present day? What if our public debt had been paid entirely by the end of next year, leaving us free to invest in our people and our future? What if there were no $7.7 trillion Bush debt and no $260 billion in interest payments next year? What could this country—the land of opportunity and possibility—be doing with an extra $260 billion a year?

Well, for just $5 billion—or 2 percent of the interest cost of the Bush debt in 2009—we could provide health insurance to 3.8 million more children through the Children's Health Insurance Program—the very initiative President Bush vetoed last year. Actually, according to the Kaiser Family Foundation, we could provide health insurance to every uninsured American—adults and children—for $173 billion. So well within the amount of money we will need to spend next year to service the Bush debt, we could completely cover every American with quality health care.

There are many other worthy programs we could fund with the remainder of the $260 billion interest payment. Our Head Start Program, which helps prepare preschool-age children from low-income families to succeed in kindergarten and beyond, currently has barely enough resources to cover half of the 2 million children who are eligible. The remaining 1 million children could be covered for an additional $7 billion.

Pell grants, named after my distinguished Senator from Rhode Island, Claiborne Pell, help college students afford the steep costs of their education. We made progress last year in increasing funding for the Pell Grant Program, but Pell grants only fund a small fraction of tuition for many students. It used to fund about half of the tuition. It has slipped to less than a third today. We could double every single Pell grant next year, raising the maximum grant to over $8,400, for $18 billion.

With the remaining $62 billion in our ''world without Bush,'' we could bring up to code 95 percent of the structurally deficient and functionally obsolete bridges in the country, with all the work and jobs that would entail. My home State of Rhode Island has the unhappy distinction of having the highest percentage of structurally deficient bridges in the country. But following the tragic bridge collapse in Minneapolis last year, there is a renewed awareness of the urgency of updating our national transportation infrastructure. That $62 billion covers 95 percent of our Nation's deficient bridges and funds those repairs in fiscal year 2009. What about the other 5 percent? Well, we will have another $280 billion in Bush debt interest payments coming up in 2010. We could spend it—if we could—to fix those bridges.

Another year of tragic lost opportunities. We will make annual interest payments of this magnitude until a future President takes on the daunting challenge of paying down the principle of the national debt left for us by President Bush.

Well, that is quite a list: cover every uninsured American with health insurance, fully fund the Head Start Program, double each and every Pell grant, and repair our deficient bridges. Sadly, we do none of that. We use that money to pay the interest on the Bush debt. We will be making payments for the Bush debt for decades into the future.

An often ignored yet critical aspect of the Bush debt is the effect interest payments have on our national security—the very interest the administration purports to be advancing through its misguided war in Iraq. This chart illustrates the point.

To service the Bush debt, we have borrowed more money from foreigners, more money from other nations, such as China, Japan, and Saudi Arabia, under George Bush than under all 42 of his predecessors combined. The result of this foreign borrowing is that a large portion of the interest payments we make gets sent overseas, supplementing the income of foreigners and allowing foreign nations to invest in their economies and infrastructures. If not for the Bush debt, that money could be invested here at home, helping to grow American businesses and generate income and strength for our own future generations. Instead, the Bush debt has helped, and will continue to help, boost the Chinese economy at the cost of our own. The Bush debt will send trillions of dollars to foreign nations over the coming years, giving them even more dollars to buy up our American businesses.

When the Presidency of George W. Bush comes to its long-anticipated end on January 20, 2009, it will leave in its destructive wake trillions of dollars in debt owed to other nations, many of which do not have America's best interests at heart. This administration will leave behind an America whose standing in the world and whose regard among its fellow nations has been weakened and degraded by a war that seems to have no end—a fiscally weakened nation, a borrower, with a falling economy, struggling under the Bush debt.

Worst of all, this President will leave behind millions of Americans who, had this administration merely stayed the course of fiscal responsibility chartered by President Clinton, would be far better off than they are today. They would be, starting in 2009, in a debt-free United States that could afford to assist working families with the costs of a college education, to overhaul our health care system, to repair our crumbling infrastructure, to invest in small and green businesses, and to improve the lives of average Americans in countless other ways.

We cannot ignore the Bush debt. While George Bush starts packing for his retirement on his Texas ranch, those of us who care about the future of our Nation—the future of our children—must work toward undoing the damage this President has done.

Mr. President, I submit that we need to see the Bush debt as a serious national problem, a fiscal, economic, and national security threat, and engage in a solemn and serious way, as the trustees of our national welfare, to confront the Bush debt.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Colorado.

Mr. ALLARD. Mr. President, I believe I am scheduled to give a speech for about 10 minutes or so.

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

Mr. ALLARD. Mr. President, I spoke last week in the Budget Committee, of which I am a member, about the differences between this year's consideration of the budget resolution and last year's.

Last year, we were obligated to accept the assurances from the majority that under their new regime pay-go would be respected, spending would be curbed, the entitlement crises would be addressed, and the debt would be attacked.

I do want to take a moment to respond to the attempt of my colleague from Rhode Island—who just left the floor—about trying to say this is all President Bush's problem. It is not. It is all of our problem. For example, the budget we have before us has over $2 trillion that it adds to the national debt. There are some basic reforms we have to do if we are going to correct the debt problem that has been accruing over the years. We have to reform entitlements especially.

We now, however, have results in this budget, not predictions. When all was said and done last year, there was an $83 billion increase in discretionary spending. There was $143 billion in pay-go violations. We did not close the tax gap. We added to the debt. We did nothing for entitlement reform. Reconciliation was used to add spending, not reduce it. Reconciliation was originally put in for that sole purpose: to reduce spending. We assumed tax increases.

So as we begin consideration of the fiscal year 2009 budget resolution, I hope everyone is aware of what was promised last year and what transpired. I hope they will use that knowledge when considering this budget document.

I would like to talk about the items that concern me in this budget. Now that our economy is trending in the wrong direction, and when we really need the benefits of a reasonable and progrowth tax policy, we are going to depress our economic growth by adding to the debt and increasing taxes in this budget.

We are not addressing the entitlement crises in this budget. Everyone knows it is there. It is a huge avalanche of debt waiting to bury our future. The sooner we act, obviously, the better. The longer we wait, the more drastic it will be, and more expensive. But we do nothing. We are not even doing something as productive as fiddling. We are just talking, year after year, and perhaps wishing our national debt will go away.

In this budget, we are raising taxes on the middle class. This budget cannot be paid for by closing the tax gap. It cannot be paid for by closing loopholes. It cannot be paid for by shifting dates around on revenues or outlays. And it surely cannot be paid for by increasing the taxes paid by the super-rich, the rich, or just the very-well-to-do. It will only be paid for by reaching down into the average earners and raising their taxes as well. Under this budget, the average family with children will pay $2,300 more each year. Seniors will pay $2,200 more each year. Small businesses will pay $4,100 more each year.

When we consider these tax increases, let's remember, last year we were assured we would see tax relief. The first vote we were presented on the budget last year was to budget for an alleged middle-class tax cut. But this never materialized.

What has materialized is spending increases. This budget adds $210 billion over 5 years. The gross debt will expand by $2 trillion by 2013. This year, we are spending three-quarters of a billion dollars of the Social Security surplus. This year, we are increasing spending by $22 billion, without fully funding the war.

Now, about that. I know there will be those who say they are just following the President. But the budget is a congressional document. Say what you want about the ideas in this document, but it was written and prepared on the sixth floor of Dirksen, not in the White House. The ''they did it first'' argument is not one I accepted from my children, and I am not going to accept it here.

We know the war is expected to cost $170 billion this year. We have an obligation to budget for that amount. It is honest budgeting. I will be offering an amendment to do just that. If we are going to pay for this war, fiscal discipline and legitimate budgeting requirements demand that we include those costs.

There are those who do not want to fund our campaign in Iraq. There are those who want to end the war as soon as possible, regardless of the damage that might do. They are entitled to those views. But there is no legitimate reason to fail to include the known estimates of the war into our budget. Failure to do so is pure gimmickry and devalues the budget exercise in which we are engaged. Hiding the war costs from view, when every Member knows we will be spending more, is ridiculous.

On that topic, my second great concern with this budget is the budget continues the erosion of fiscally responsible processes. We are seeing increases in reserve funds. There are 37 this year, up from 24 last year. They contain up to $300 billion in spending that hangs over our Treasury and taxpayers as a threat. I have heard them referred to as harmless, but any device that serves to weaken the authority and legitimateness of our budget is simply not harmless.

Many feel these reserve funds have become an overcomplicated type of sense of the Senate, but they weave weakness into what should be a rigid and honest budget document.

Another erosion of fiscal discipline is the use of reconciliation—a process originated to cut Government spending—for spending increases. We saw that last year. We have heard rumors and intentions of it being done again this year. Unfortunately, this will be something we are not sure of until it is too late, and that is when the conference report is before us.

We also see pay-go rules being verbally respected but ultimately dodged through various ploys. The first year test of deficit neutrality was dropped. We have shifted the timeliness of tax payments and spending costs to meet technical definitions that have no basis in reality. We have enacted wildly unrealistic program cuts and sunsets to hide true costs. Pay-go has been promised and praised, but it allowed $143 billion in deficit spending to occur.

I noticed when we started the session this year, Senator GREGG, our ranking top Republican on the Budget Committee, was pointing to his Swiss cheese example of how they have been able to get around the pay-go rules.

I believe Congress, and especially the Budget Committee, should be committed to rigid budget discipline, not politically expedient gamesmanship. I would urge a return to a tighter and more credible budget document. I plan to offer several amendments to shore up the fiscal discipline we are seeing erode in this budget.

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

Ms. STABENOW. Mr. President, rather than do that——

Mr. ALLARD. Mr. President, I withdraw that request.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I know we are waiting for other colleagues to come to the floor, but let me summarize our priorities for a moment in terms of this budget resolution.

There are a number of things we are doing that are very important, such as restoring the cuts the President made overall in health care and the fact he wanted to eliminate the COPS Program that puts thousands of police officers on the streets in our communities. We have restored those and other essential dollars for homeland security, firefighters, and so on.

We have also picked three priorities, as we did last year, to focus on in terms of new investments, given what is happening to middle-class families across the country and given the fact that middle-class families feel squeezed on all sides. Gas prices are up. In fact, I saw today they are inching toward $4 a gallon. According to the Detroit News, a paper in Michigan, the chances that gas prices will hit $4 a gallon in the summer are growing with every uptick in the price of oil. We are hearing all about what is happening to families in terms of the price of gas, the price of health care, the price of college and on and on and on. People are being squeezed on all sides.

We also know the best economic stimulus is a good-paying American job. So to address that, we have focused on three priorities in this budget. It is very simple: jobs, jobs, jobs. What do I mean by that? We are focusing on three areas, one that also addresses our dependence on foreign oil. It addresses the critical issue of global warming and where we need to go as we look to the future for our families. But it also creates jobs. There is a green-collar jobs initiative to invest in those new technologies, the new energy efficiency jobs, weatherization jobs, innovation for the future, green-collar jobs. We know we can create thousands and thousands of jobs by focusing in this area, and we do that.

The second area is jobs for rebuilding America. We know for every $1 billion we put into rebuilding our roads and bridges and schools and water and sewer, we create 47,500 new good-paying American jobs. You can't outsource those jobs. Those are jobs here in America, and that is what we need to do.

Then, finally, there is a focus on education and job training. We know that for the future, for ourselves, and for our children and grandchildren, it is opportunity, it is education, it is fully funding the law that was passed called Leave No Child Behind and creating job-training opportunities. People in my State have lost their jobs because of trade, so we have something called trade adjustment assistance that has been consistently underfunded. Yet we have individuals, through no fault of their own, who have seen their jobs go overseas. They are middle-class families trying to care for their families, trying to pay that mortgage we are all talking about right now with the housing crisis and trying to have the American dream for their families. Yet TAA, which was set up to help them go back to school, get training, help cover their health care costs for 2 years while they are doing the training, has been consistently underfunded. We have legislation to fully fund and expand the support for families under TAA.

So we wish to make sure job training and education are also a part of this. This is jobs, jobs, jobs.

I wish to focus for a moment on one of those areas because it directly relates to what I said a moment ago as it relates to gas prices inching up toward $4 a gallon. We have to change this scenario. I know our Presiding Officer understands this and has spoken about this. We have to get off foreign oil, invest in the new alternative energies that create jobs, that create alternatives in terms of being independent of foreign oil, and address gas prices directly, which are hitting people right between the eyes right now in terms of what is happening.

Our green-collar jobs initiative focuses on energy efficiency and conservation, investment in battery technologies, retooling older plants so we are keeping our jobs here in America, and biofuels production and access. We have to have the pump available. You can grow the fuel, you can make the vehicle, but the pumps, if they are not available, we are not going to achieve the goal.

Finally, there is a green-collar job initiative. These are five areas we have focused on in terms of investing in the future of our country. That is what we are all about. For us, this is all about focusing on America, about focusing on folks who every day get up, play by the rules, work hard every day, and want to know America is going to work for them and that they are going to be able to keep their home and be able to send their kids to college and have the health care they need and have that job which is going to allow them to be able to keep their standard of living and, in fact, live the American dream. That is what our budget resolution is all about: jobs, jobs, jobs. I am very pleased we have, in fact, put together something that makes sense for American families.

I see my colleague from Maryland is here and who is a distinguished member of the Budget Committee. He was a distinguished leader in the House of Representatives before coming to us. So I yield now to the Senator from Maryland for whatever time he wishes to consume.

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized.

Mr. CARDIN. Mr. President, I thank my friend from Michigan for her friendship, but more importantly I thank her for her work on this budget resolution we have before us. She has been a very articulate and effective leader on the Budget Committee to make sure our budget resolution focuses on job growth in America and that invests in the people of this country so we can compete internationally and keep jobs here in America. I thank her very much for her leadership on the committee and for what she has done to help the people of our country.

This budget resolution, as the Senator from Michigan pointed out, is our blueprint. It is what we believe are the priorities of America in terms of what we need to do to move this Nation forward. I think we can perhaps judge how important this budget resolution is, based on what happened last year. I heard a lot of my friends comment about last year's budget resolution, whether it would make a difference in the lives of people in our country. When we look at the budget resolution we enacted last year, based upon the President's submission, I think we have a right to be proud of how important this debate is for the American people. Let me point out that if we didn't pass that budget resolution last year—my colleagues know about the higher education bill that passed and was signed into law and supported by almost all my colleagues; that is going to make a major difference in the ability of families to afford higher education, the largest single increase in financial aid since the GI bill after World War II. Well, that bill couldn't have happened but for the ability of the budget resolution to allow it to be considered. So I think we should be very proud we were able to accomplish that. My colleagues seemed to support that, although some seem to have questions about this budget resolution. The President's budget would not allow us to have had that.

I have heard most of my colleagues talk in glowing terms about what we did last year to help our veterans through veterans health care. Let me remind my colleagues it was our budget resolution, not the President's, that made that a reality. It is important what we include in a budget resolution. It speaks to the priorities of our country.

We had significant bipartisan support—two-thirds of our Members—who supported the Children's Health Insurance Program. We made room for that in the budget. I regret that the President vetoed it. The President was wrong. We are going to come back to that. But we, as Members of the Senate, spoke to the priorities to take care of our children's health care needs. That was in last year's budget. What we did last year is create a glidepath that is going to bring us to a balanced budget faster than the President. So not only are we investing in America's future, we are doing it in a more fiscally responsible way.

I also appreciate—and I might speak parochially for one second for the people of Maryland—the cuts to the Chesapeake Bay program would have been very severe if the President's budget was passed. Fortunately, we had our budget resolution that allowed our committees to come in with resources so the Federal Government could continue to be a partner in the Chesapeake Bay.

So I think this debate is very important. I think the budget resolution that is before us, as my friend from Michigan pointed out, speaks to investing in the people of this country and speaks to job growth in America. Now, how is that done? Well, this budget resolution, compared to the President's, allows us to invest in education. Last year, we did it in higher education. This year, we can invest in teacher quality and in schools in our communities so every child can get a quality education. That should be our goal. Our budget moves us toward a Federal partnership to achieve those goals; whereas the President's budget would not let us move forward.

We all talk about how we are going to become energy independent and how we are going to become friendlier toward the environment. Our budget resolution allows us to move in that direction; once again, compared to the President's budget, it wouldn't happen.

In health care, our budget provides for the expansion of the Children's Health Insurance Program. I know we have a difference with the President on this. We are going to win this battle. If it is not in 2008, we will win it in 2009. Over 100,000 children in my State have no health insurance. The Children's Health Insurance Program needs to be expanded. We need to make sure every child in America—quite frankly, I think every family in America—should have access to affordable, quality health care.

For infrastructure needs, meaning investing so we can create jobs, is very important. I came from a meeting with biotech leaders in my State where we talked about what we need to do as a Federal partner to help in the biotech industry and to help with new, creative innovations in America. We talked about the NIH budget and how the Bush administration's budget would level fund—which is a reduction—the number of projects NIH could participate in. The budget resolution we have before us today would allow us to invest in research in America to help keep jobs here in America, to develop the type of technology that we know Americans are capable of doing.

But the Federal Government should be a partner, and NIH always has enjoyed bipartisan support. Our budget allows NIH to expand to cover more of the very worthy requests that they receive every year.

The budget provides for dealing with the housing crisis. We have a continuing housing crisis in all parts of our Nation. In my State of Maryland, we have record numbers of foreclosures—people who cannot afford their mortgages because of the adjustable rates coming in that were subprime mortgages. We can do better than that. We have already heard bipartisan support for giving the Government more authority to deal with refinancing loans, giving better counseling to people who are in the market to buy a home and take out a mortgage. I hope to provide additional incentives so people can stay in their homes, and so they can buy homes, and so homeowners can sell their homes. We need to do that for the sake of the individuals involved. We need to do it to preserve communities, property tax revenues for local government, and we need to help spur economic growth.

This budget allows for those types of programs to reach the floor of this body for consideration. The President's budget would not allow us to do that. This budget provides for middle-income tax relief. You have heard the chairman talk about it. The AMT is very important. It is important that we extend that relief; otherwise, literally hundreds of thousands of Marylanders will fall within the AMT, and millions of Americans will fall into a tax we never intended for them to have to pay. Our budget resolution provides for that type of relief.

One more thing about this budget resolution. This budget resolution actually moves us toward a balanced budget faster than the President's budget. I could go back and talk about 7 years ago, and how we had all these surpluses, and how the Bush policies have led to these huge deficits. I can talk with a lot of credibility on it because I didn't support the President's economic plan. I said it was wrong for us to spend the surplus before it was fully there, wrong for us to do this war funding without paying for it, wrong to give out tax cuts to wealthy people when we were in a deficit. I thought we owed it to our children and grandchildren to pay for our bills today. But I was outvoted and we did it. Now we have the Bush deficits that we have to deal with, and we cannot rewrite history. It is our responsibility to balance the Federal budget.

The budget resolution we have before us, offered by the Budget Committee, puts us on a glidepath to balancing the budget at a faster rate than the President's budget would. So we are acting fiscally responsible and investing in America's future, investing in jobs, and providing the appropriate tax relief for middle-income families.

I thank Chairman CONRAD for his cooperation and leadership and for bringing us all together on the Budget Committee. I particularly thank him for the help on an amendment I was able to get into the budget resolution, which will help in providing dental care particularly to our children.

I mention that whenever I can because a little over a year ago, a 12-year-old boy from Maryland, who lived about 6 miles from here, Deamonte Driver, had a toothache. His mom tried to get him to a dentist. Social workers made numerous phone calls to try to find a dentist to take care of his needs. That was in 2007, in the United States of America, in my own State of Maryland. They could not find a dentist who would take care of him. He only needed an $80 tooth extraction. Instead, he suffered from abscessed teeth and he had to go through two brain surgeries, costing a quarter of a million dollars, and he lost his life because we would not invest in access to affordable dental care for our children.

I thank Chairman CONRAD for allowing an amendment to be added to this budget bill that will allow the Finance Committee to bring a bill to this floor that will make sure we will have no more tragedies like Deamonte Driver's in America, and make sure our children have access to dental care. It is the No. 1 leading disease affecting children. The number of children who have untreated tooth decay is alarming, particularly in minority communities and in rural areas. We can do much better. This budget resolution will allow us to move in that direction.

I thank Chairman CONRAD for allowing us to move forward with NIH research so we can do much better. In the 1990s, we were committed to doubling the amount of money in NIH. It was a great day for this Nation. But the Bush budgets would have us fall back and lose our competitive advantage. The budget before us will allow us to continue to make progress in the Federal Government on NIH research.

On Amtrak funding, I thank the chairman and the committee for allowing us to move forward. Senator LAUTENBERG has been particularly effective in bringing this issue to our attention. We need an efficient rail system in this country.

We have read recently about how we have to monitor our water more effectively. The budget before us gives us a much better chance of achieving those objectives than the President's budget. This budget is a good investment for America's future—that is what it is—so we can become more competitive and pay down our debt, so we can provide the appropriate relief to middle-income families. It is about choices, and we made tougher choices. We could not do everything we wanted to do.

I want to make this point: Considering the legacy of the Bush deficits we have to deal with, considering the economic problems this Nation is confronting, considering the political realities we have to work with, where there are serious differences between the majority in Congress and President Bush, considering all those issues, considering the Bush budget and how that would lead us into red ink by providing tax relief to individuals who I don't believe need it—particularly when we are asking our children and grandchildren to pick up those costs—considering all that, and considering that this budget puts a priority on job growth and the competitiveness of our Nation, I urge my colleagues to support this resolution. I think it is worthy of strong support in this body. I am certain when we pass this resolution and reconcile it with the House, many of the implementing bills are going to enjoy large bipartisan support.

This budget resolution deserves that support. I am proud to endorse it, and I urge my colleagues to support it.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. CARDIN. 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.

RECESS

Mr. CARDIN. Mr. President, I ask unanimous consent that the Senate stand in recess under the previous order.

Thereupon, the Senate, at 12:25 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

AUTHORIZING USE OF THE ROTUNDA

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 313, received from the House and at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 313) authorizing the use of the rotunda of the Capitol for a ceremony to honor the 5 years of service and sacrifice of our troops and their families in the war in Iraq and to remember those who are serving our Nation in Afghanistan and throughout the world.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 313) was agreed to.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2009—Continued

The PRESIDING OFFICER. Who seeks recognition?

AMENDMENT NO. 4160

Mr. BAUCUS. 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 Montana [Mr. BAUCUS], for himself, Mr. BAYH, Mr. PRYOR, Mr. NELSON of Florida, Mr. SALAZAR, Mr. ROCKEFELLER, Mr. TESTER, Mr. BROWN, Mr. MENENDEZ, Mr. BINGAMAN, and Mr. CONRAD, proposes an amendment numbered 4160.

Mr. BAUCUS. 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 provide tax relief to middle-class families and small businesses, property tax relief to homeowners, relief to those whose homes were damaged or destroyed by Hurricanes Katrina and Rita, and tax relief to America's troops and veterans)

On page 3, line 11, decrease the amount by $1,755,000,000.

On page 3, line 12, decrease the amount by $1,730,000,000.

On page 3, line 13, decrease the amount by $28,324,000,000.

On page 3, line 14, decrease the amount by $167,072,000,000.

On page 3, line 15, decrease the amount by $141,689,000,000.

On page 3, line 20, decrease the amount by $1,755,000,000.

On page 3, line 21, decrease the amount by $1,730,000,000.

On page 3, line 22, decrease the amount by $28,324,000,000.

On page 3, line 23, decrease the amount by $167,072,000,000.

On page 3, line 24, decrease the amount by $141,689,000,000.

On page 4, line 5, increase the amount by $22,000,000.

On page 4, line 6, increase the amount by $97,000,000.

On page 4, line 7, increase the amount by $846,000,000.

On page 4, line 8, increase the amount by $5,664,000,000.

On page 4, line 9, increase the amount by $13,496,000,000.

On page 4, line 14, increase the amount by $22,000,000.

On page 4, line 15, increase the amount by $97,000,000.

On page 4, line 16, increase the amount by $846,000,000.

On page 4, line 17, increase the amount by $5,664,000,000.

On page 4, line 18, increase the amount by $13,496,000,000.

On page 4, line 23, increase the amount by $1,777,000,000.

On page 4, line 24, increase the amount by $1,827,000,000.

On page 4, line 25, increase the amount by $29,170,000,000.

On page 5, line 1, increase the amount by $172,736,000,000.

On page 5, line 2, increase the amount by $155,185,000,000.

On page 5, line 8, increase the amount by $1,777,000,000.

On page 5, line 9, increase the amount by $3,604,000,000.

On page 5, line 10, increase the amount by $32,774,000,000.

On page 5, line 11, increase the amount by $205,510,000,000.

On page 5, line 12, increase the amount by $360,695,000,000.

On page 5, line 16, increase the amount by $1,777,000,000.

On page 5, line 17, increase the amount by $3,604,000,000.

On page 5, line 18, increase the amount by $32,774,000,000.

On page 5, line 19, increase the amount by $205,510,000,000.

On page 5, line 20, increase the amount by $360,695,000,000.

On page 26, line 16, increase the amount by $22,000,000.

On page 26, line 17, increase the amount by $22,000,000.

On page 26, line 20, increase the amount by $97,000,000.

On page 26, line 21, increase the amount by $97,000,000.

On page 26, line 24, increase the amount by $846,000,000.

On page 26, line 25, increase the amount by $846,000,000.

On page 27, line 3, increase the amount by $5,664,000,000.

On page 27, line 4, increase the amount by $5,664,000,000.

On page 27, line 7, increase the amount by $13,496,000,000.

On page 27, line 8, increase the amount by $13,496,000,000.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, this is the amendment about which I spoke this morning. This amendment would take the surplus in the budget resolution and give it back to the hard-working American families who earned it. It would make permanent the 10-percent tax bracket. It would make permanent the child tax credit. It would make permanent the marriage penalty relief. And it would make permanent the changes to the dependent care credit. Further, it would make changes to the tax law to honor the sacrifices our men and women in uniform make for us every day. We lower the estate tax to 2009 levels. And it would allow middle-income taxpayers who do not itemize their deductions to nonetheless take a deduction for property taxes.

I offer this amendment on behalf of myself, Senator BAYH, Senator PRYOR, Senator NELSON of Florida, Senator SALAZAR, Senator ROCKEFELLER, Senator TESTER, Senator BROWN, Senator MENENDEZ, and Senator BINGAMAN.

The amendment shows our commitment to American families. The amendment takes the surplus and returns it as tax relief to those hard-working families. I urge my colleagues to join me in supporting this amendment.

I spoke at length about this amendment earlier today. This is a very brief summary, now that we are on the amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask the chairman of the Finance Committee, Senator BAUCUS, if I might be listed as an original cosponsor as well.

Mr. BAUCUS. Mr. President, I make that request.

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

Mr. CONRAD. Mr. President, I thank the chairman of the Finance Committee, Senator BAUCUS, for this excellent amendment. This will extend the middle-class tax cuts, the 10-percent bracket, the childcare credit, and the marriage penalty relief provisions. All those tax cuts will be extended.

In addition, as I understand it, the chairman of the Finance Committee has crafted an amendment that will include significant estate tax reform because we are now in this unusual situation of where, under current law, the estate tax will go from a $3.5-million exemption per person in 2009 to no estate tax in 2010, and then in 2011, the estate tax comes back with only $1 million exemption per person. The amendment of the Senator from Montana would make certain it stays at $3.5 million and is allowed to rise with inflation.

The Senator from Montana has also added provisions for those who are serving in the military and also has provisions that will provide for property tax relief because we know that across the country, at the very time house prices are falling, property taxes in many jurisdictions are rising, and people don't get the benefit of the deduction because of the formalities of the current Tax Code. All these items are addressed in the amendment of the chairman of the Finance Committee.

I wish to express my appreciation. This will still permit the budget to be in balance by the fourth year and to stay in balance in the fifth year. The President's budget, by contrast, balances in the fourth year, but then it quickly slips right back out of balance again. Ours does not.

I take this moment to again thank the chairman of the Finance Committee for his work on this amendment and to thank his staff as well. I know they put a great deal of time and effort into this amendment, meeting with many interested parties, as one can imagine with an amendment of this magnitude. It makes a very, I think, important contribution to the consideration of this resolution.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, there is one point in this amendment that needs explanation, and the Senator from North Dakota touched on it. It is basically this: Under our tax laws today, only those tax filers who itemize their deductions can take advantage of the property tax deduction. Only those Americans who itemize their deductions can take a property tax deduction which, therefore, lowers their income taxes. About two-thirds of Americans do not itemize. Two-thirds of Americans take the standard deduction. If they take the standard deduction, they cannot, therefore, deduct their property taxes from their income taxes.

This amendment says all homeowners can take the standard deduction; that is, it makes no difference whether you itemize or whether you take the standard deduction. In either case, you are able to take full advantage of the property tax deduction to lower your property taxes.

This will help in some small way to prevent the reduction of housing prices in some parts of the country where it is a real problem. It is clearly not the full answer, but it at least is a way to help and also gives tax relief to middle-income taxpayers because those taxpayers who do not take the standard deduction, those taxpayers who itemize are probably a little bit wealthier than are taxpayers who take the standard deduction.

We are saying, if you take the standard deduction, you now can itemize this one item; that is, your property taxes. Technically, it is called above the line. Basically, it means if you take the standard deduction, you get full benefit of your property taxes; you can take the deduction against your income. And that is in this amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the chairman of the Finance Committee. I also ask him, as I understand it, the Defenders of Freedom Tax Relief Act is also part of this package.

Mr. BAUCUS. That is correct. Basically, it is in this amendment, honoring our men and women who are standing up for us in Afghanistan and Iraq.

Mr. CONRAD. And that package would provide, as I understand it, significant tax relief for our fighting men and women overseas, and it will continue to help them save for retirement and expand their opportunities for home ownership. It will also help the employers of reservists and National Guard who are called to Active Duty. This is a package that passed the Senate last year by unanimous consent. It did not get to the President's desk but is included in this package, which I think will make it even more attractive to our colleagues.

Mr. President, I know Senator MURRAY was here seeking recognition. Then I think Senator CORNYN would like to be recognized.

I will conclude, if I may, on this matter. This amendment is an important amendment, and I hope my colleagues will support it.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, this amendment is a game. Last year, we saw the same game. Last year, the Democratic Congress was in its first year of having the majority in both the House and the Senate, so people gave it the benefit of the doubt. They said: OK, you claim you are going to do something, we certainly hope you will.

So last year they once again set up a false surplus and then they cut taxes and then they brought forward the Baucus amendment to pick up all that surplus as part of the tax cut, claiming both a surplus and a tax cut, which was good talking but a little inconsistent.

Their tax cut last year, the Baucus amendment had in it the extension of the 10-percent bracket, the extension of the $1,000-per-child tax credit, and the extension of the marriage penalty. I believe it had some estate tax language in it. It might have. But I know it didn't have this property tax itemizer in it. It had those four items in it for sure. So all the Members voted for it and took credit: Oh, we are for these tax extenders because we think they help middle Americans, which they do, obviously, which is why President Bush proposed them originally, and that is why it passed under a Republican Congress.

So what happened after this amendment was voted for and everybody sent out their press releases from the other side of the aisle saying: My goodness, we are for these tax cuts, we are going to vote for them right here on the floor of the Senate—even though they could have put them in the original Senate bill, which they didn't do because they wanted to have a bill reported out of committee with a big surplus so they could talk about that, knowing when they got to the floor they were going to eliminate these surpluses for the tax cuts—what happened after they put out all their press releases? Where are these tax-cut extenders they claimed they were going to pass last year? They don't exist. They never marked them up. They never voted on them. The real action of extending these tax cuts never occurred, even though they took credit for them last year.

They said: My goodness, that is a great idea, we get a press release out saying we are for cutting taxes; let's do it again. They did not cut the taxes because the taxes are still there, so they say let's do it again. So we see the same cynical action brought forward in this amendment. They are offering this amendment to cut the same taxes they cut last year—at least they took credit for cutting last year but they actually didn't cut.

It is to say the least a game—a game. That is why I call this the ''fudge it'' budget because so much of it is built around this gamesmanship in language and setting up false hopes and then proceeding with the press releases and then proceeding with not following through on what they claim they were going to do.

It also should be noted that left out of the Baucus amendment are a lot of fairly important issues of tax policy. For example, the present rate on capital gains and dividends is not in the Baucus amendment. So they are presuming it will go back up. That is a pretty stiff hit for a lot of Americans, especially senior citizens. Ironically, senior citizens benefit uniquely from capital gains rates being at their present level. Senior citizens benefit uniquely from dividend rates being at their present level because much of a senior citizen's retired individual income is capital gains income or dividend income to the extent they have some income beyond their basic pension, and many of their pensions are, of course, based off capital gains and dividends. So they are going to raise those rates. They are going to double the capital gains rate, essentially. The dividend rate will not only double, it goes up by 2½ times for some Americans under their proposal.

The deduction for qualified education expenses is not extended. Small business expensing—that is a pretty important item, especially in an economic slowdown that should be extended—is not extended in this bill.

Other extenders that are left out of the Baucus amendment include the research and development tax credit, that is pretty important; the energy tax credit, that is pretty important; State and local tax deduction, some people think that is important. AMT relief is left out.

The practical effect is even though they make this representation they are going to reduce taxes, the exact same representation they made last year on these ''motherhood'' tax extenders, let's call them, which they never followed through on last year, they leave on the table massive increases in taxes—massive increases in taxes—which will fall on working Americans.

We hear all this gobbledygook from the other side of the aisle that they are just going to tax the rich, we are taxing the rich, we are taxing the rich. I bet I heard their Presidential candidate, Senator OBAMA, use that term to justify his spending policies probably 15 times in the last debate I listened to in which he participated. We are just going to tax the rich, the wealthy Americans. Well, fine, OK. The only problem is they cannot raise enough money to pay for their budget by just taxing the rich. If you take the basic rates and you move them back to the Clinton days, when we had high tax rates in this country, you take the top rate on the high-income individual, 35 percent, and you raise it back to 39.6 percent, what do you generate in income in an annual year? About $25 billion.

Mr. GREGG. What do they plan to spend? Senator OBAMA plans to spend $300 billion under his plan. In order to reach the numbers they want to spend in this bill, there is a lot of spending in this bill. There is $200-plus billion in discretionary spending increases.

There are $400-plus billion entitlement increases in this budget. There are big holes that we know are going to have to be filled, or at least we hope they will be filled, because otherwise you are going to end up with our troops stuck overseas without being able to get home, because their budget does not fund the cost of bringing them home, much less supporting them while they are in the field.

We know these expenditures are going to occur, and those expenditures have to be paid for, and the way they are paying for them is by increasing taxes, not on the wealthy—they do on the wealthy too, but on every American. The average American's taxes will go up about $2,400 under this bill. Senior citizens' taxes will go up about $2,100; small business taxes will go up about $4,700; $2,400 for an individual family with $50,000 of income. That is what their tax increase goes to: for seniors, about $2,100; for small businesses, about $4,700.

That is a lot of money. You can buy a lot of groceries and at least get some relief from the cost of energy if you get to keep that money rather than have it taxed away as is proposed in this bill. It should not come as a surprise to people that they are doing this in their budget, because that is what they do well; they like to spend money and they love to raise taxes.

Then they claim, well, we are going to tax the rich. It turns out they are not only taxing the rich, they are taxing senior citizens, working Americans, small business Americans, Americans who get their income from small businesses, they are taxing R&D, they are taxing energy, the production of energy.

In addition, there is a little game being played here on their own rules. We hear the sanctimonious discussion about how they are going to use pay-go to discipline the budget. They are going to use pay-go to make sure we stay within our spending priorities, and that we do not raise taxes without offsetting these taxes.

Well, this amendment is set up to game pay-go. Pay-go is not going to apply when this amendment is passed or, if it does apply, it is going to be structured in a way that it can be waived. There is no expectation that there will be any pay-go applied to the Baucus amendment, should it ever actually be brought to the floor.

It is a game. It is, of course, one of the reasons why I think the American people get a little cynical about their Government. Here is the second year in a row that we are going to have press releases flying out of the Democratic Senatorial Committee claiming that they voted for these tax cuts. And then what happens? The tax cut never gets passed. This is a nice charade; that is all it is. We wish they were sincere when it came to cutting taxes.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, first, I recognize the ranking Republican on the Budget Committee, Senator GREGG, to thank him for his cooperation in bringing this budget resolution to the floor. While we have serious substantive differences, and we will be discussing those, I do have a high regard for the Senator from New Hampshire for the way he conducts himself.

He, in the Budget Committee, did something I want to recognize publicly. One of our members was ill. We have a rule in the Senate Budget Committee that Senators are not allowed to vote by proxy. We are the only committee in the Senate that has that rule. We have that rule because we are the only committee with the power to bring a fast track vehicle to the floor for immediate vote. That rule has been a long-standing rule in the Senate Budget Committee. Senator GREGG and Senator MCCONNELL, when we told them of the problem we were confronted with, one of our members was ill—with only a 12-to-11 margin on the committee, that would have meant we could not report a bill to the floor.

In a gracious way, in a way that I think reflects well on the Senate, in fact, makes me proud to be a Member of this body, Senator GREGG and Senator MCCONNELL allowed a unanimous consent motion to come to the floor of the Senate so all Senators could pass judgment on whether we should exempt one member from the requirement to be present because he could not be.

I want to start by thanking Senator GREGG for that professionalism, for that graciousness, and I do. I give my appreciation to Senator MCCONNELL as well.

Now, on the substance of what the Senator has said: I do not think anybody would be surprised that we have a strong disagreement with respect to the way he characterizes this amendment. This amendment is to a 5-year budget resolution. This amendment specifically extends the middle-class tax cuts and provides for estate tax reform and for provisions that are of assistance to our men and women in uniform, and will provide for certain property tax relief as well.

With respect to the middle-class tax cuts, it is true we offered a similar amendment last year. It is true we offered it containing estate tax reform as well. It is true that final action was not taken because there was no need to take final action in 2007. There is no need to take final action in 2008. There is no need to take final action in 2009, because all of these tax cuts under current law do not expire until 2010.

It is not a game; it is reality. The reality simply is, this is a 5-year budget resolution that is recognizing that we will extend those tax cuts, we will do it in a way that still allows the budget to be balanced in the fourth year, and remain in balance in the fifth year, and there is no need to take the final action, because all of those tax cuts exist until the end of 2010. That is a fact.

The second point the Senator makes and makes repeatedly is all of these tax increases in this budget. No, there are not. He made the exact same speech last year. Second year, second verse. He said we were going to increase taxes last year $1 trillion. Now we can go back and look at the RECORD. We do not have to resort to rhetoric, we do not have to resort to projections, we do not have to resort to forecasts; we can look at the RECORD of the Congress last year and the beginning of the year.

What has happened? Taxes did not increase by the trillion dollars the Senator warned about last year. In fact, taxes have been cut by $194 billion. This is with offsets of $8 billion. So on a net basis, taxes have been reduced by $186 billion by this Democratic Congress that my colleague claimed last year would increase taxes by $1 trillion. Those words ring pretty hollow when you compare them to the actual record.

Now, how did Democrats cut taxes by a net of $186 billion since last year? In two ways: No. 1, the stimulus package. The stimulus package, supported by the President of the United States, passed by the House of Representatives, passed by the Senate, and the alternative minimum tax relief provided last year. That combination has provided a net reduction in taxes to the American people of $186 billion. Not a tax increase, a tax cut. When the Senator says this budget is going to increase individual taxes $2,400, no. With the adoption of the Baucus amendment, which virtually every Democrat will support, we will extend the middle-class tax cuts.

When he says: You are going to increase taxes on this category and that category, the fact is, you could accomplish the revenue numbers in our budget, which is 2.6 percent more revenue than is in the President's budget—that is how much more revenue we have, 2.6 percent—we believe that amount of revenue can be achieved not by tax increases—in fact, I think it would be unwise to ask the American people for a tax increase before going after three other categories of revenue: No. 1, offshore tax havens. Offshore tax havens, according to the Permanent Subcommittee on Investigations, are now causing us to lose $100 billion a year. Offshore tax havens. That abuse is proliferating.

No. 2, abusive tax shelters. Let me give you an example. Right now we have the spectacle in the United States of U.S. companies buying foreign sewer systems, not because they are in the sewer business but because they want to depreciate those systems on their books for U.S. tax purposes. They then lease the sewer systems back to the European cities that built them in the first place. They are not just doing it with sewer systems, they are doing it with European city halls. Companies and wealthy investors in this country are buying European city halls, writing them off on the books in the United States to reduce their tax obligation here, and then turning around and leasing them back to the European cities that built them in the first place. That is a scam. It ought to be closed down. The estimates are that is costing us $40 billion a year.

On top of that, the tax gap, which in 2001 was identified at over $300 billion a year, the difference between what is owed and what is paid—while the vast majority of us pay what we owe, we have a number of people, unfortunately an increasing number, who do not pay what they owe, companies and individuals. Before we ask for a tax increase from anybody, we ought to go after those folks.

Now we will have a debate on these issues, but to suggest there is a massive tax increase here, no, there is not a massive tax increase here. The exact same speech was given last year, $1 trillion of tax increases. What happened? On net, this Congress reduced taxes by $186 billion. That is a fact.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. First, let me thank the Senator from North Dakota for his kind comments relative to our efforts to make sure that the unfortunate situation with one of our members did not inappropriately impact the majority position on the committee. We were happy to do that as a courtesy, because it is part of the proper comity of the Senate, quite honestly.

To move on to the substance of his comments, his actual praise of me was not inconsistent; I thought it was brilliant. But there is such inconsistency in the substance of what he said that I am amazed. I mean, first, the argument is made: Well, the reason the Baucus amendment did not have to be actually executed is because we did not need the money or we did not need to extend those tax cuts because they do not lapse until 2011 or 2012.

Well, why did you offer the amendment then? To put out the press release? It appears that is the only purpose of the amendment. Why are you offering the amendment this year? To put out the press release again? It appears that is the only purpose of the amendment.

What he is basically saying, if you read between the lines, is last year we did not execute on that, we did an amendment here, we got a press release—in fact, I have the press release here from last year: March 10, 2007. Baucus budget amendment funds children's health, tax relief for America's working families. That is the title of the release that was put out last year when this amendment was offered.

Of course, it never happened because the tax relief never occurred because the amendment was never passed.

This year, I guess we will get another press release from Members on their side saying: Senator so-and-so voted for tax relief for American families and for health care for American families by voting for the Baucus amendment which will not ever be executed on. It is a touch inconsistent, to be kind, to first claim that you didn't need to do the extensions until the year 2010 or 2011 or 2012, and therefore, last year, when you passed the amendment, it didn't mean anything, and then to bring the amendment forward again and take credit for cutting taxes. At what point does the American public simply shake their heads and walk away?

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

Mr. GREGG. I will finish my statement, and then I will yield.

Mr. CONRAD. I thank the Senator.

Mr. GREGG. The second point the Senator makes is that there are no tax increases in this budget. That is true if you look at this year. But this is a 5-year budget. It assumes revenues over 5 years and takes credit for those revenues which exceed the President's number and which reflect an increase in taxes of about $400 billion. That is their number. I actually believe it is higher.

Giving them the benefit of the doubt, they have a $400 billion tax increase built into their budget. That tax increase is built in on the assumption made by OMB that the capital gains rate will go back up, that the dividend rate will go back up, that the basic rates will go back up, that other expiring tax provisions will go back up, R&D, energy, qualified education spending, that those tax extenders will go back up. So you won't see a dramatic increase in taxes as a result of this budget because they turn around and spend the money. It is not that they not only increase the taxes and presume those tax revenues will come in, they spend the money.

Then the argument is made: But we don't really have to do it by allowing those provisions to expire. We can raise it all from this infamous tax gap, which last year they also took credit for for $300 billion, or claimed they would, if they were successful. Then they ended up cutting the IRS accounts. So the IRS not only did not collect this additional money, they didn't even have the resources to collect what they were supposed to collect the first time around.

So the tax gap is mythical. It is virtual. It may exist. It does exist. But the collecting of it has been proven to be a lot more difficult than just putting it in a budget and claiming you will get it. In fact, the IRS Commissioner, when he testified before our committee, made it very clear that he felt the maximum amount, even with all the resources he asked for, which he never got, that we would be able to collect out of the tax gap was somewhere between $20 and $30 billion. That is over 5 years, as I recall.

So if the Senator's position is that we don't need to raise dividend taxes to get the $400 billion, we don't need to raise taxes on capital gains to get the $400 billion, we don't need to raise taxes on the estate and death tax to get the $400 billion, we don't need to raise the brackets back up in order to get the $400 billion, I know that in order to stand behind that position, he is going to want to vote for the amendment which Senator CORNYN or I will offer which will do exactly that. It will say: Don't raise the dividend rate. Don't raise the capital gains rate. Don't raise the brackets. Because the Senator from North Dakota said we don't need to do that, he will want to be with us on that.

I am happy to yield to the Senator for a question.

Mr. CONRAD. I would just ask the Senator——

Mr. GREGG. My question is, You will be with us on that amendment, won't you?

Mr. CONRAD. I have not yet had a chance to study the amendment. I would be happy to do so and give you an answer after I have had a chance to review it.

Let me ask the Senator, did your budget resolution in 2006 extend the middle-class tax cuts?

Mr. GREGG. They didn't expire within the budget window.

Mr. CONRAD. You mean the same argument I have just made with respect to ours?

Mr. GREGG. Reclaiming my time, the point is, there is a 5-year budget window. They start to expire in 2010, not in 2007; therefore, your budget has to deal with that expiration. My budget didn't have to deal with that expiration because it was not within the 5-year window.

Mr. CONRAD. Did you not assume in your 2006 budget resolution the extension of all the President's tax cuts?

Mr. GREGG. I would certainly hope I did, but I don't recall.

Mr. CONRAD. Well, the answer is, you did. And the second question would be, Did you then execute on extending those tax cuts in 2006?

Mr. GREGG. I would certainly like to have. But unfortunately, at the time, again, we were not within the budget window. But you are within the budget window, and you are taking credit for those tax extenders lapsing. Are you not taking credit for $400 billion under the baseline? That number is reached by CBO by presuming that the tax extenders on cap gains, dividends, and rates will expire? Are you not taking credit for that in your budget resolution?

Mr. CONRAD. For precisely the same reason that the Senator has given for his including extending the middle-class tax cuts when he last wrote a budget resolution in 2006. It would have covered the years 2007, 2008, 2009, 2010, 2011. The Senator included the extension of those middle-class tax cuts, just as I have done, because it was a 5-year budget resolution, and then the Senator's side did not execute, just as we did not last year, because there was no necessity to do it because those tax provisions do not expire until 2010.

This is a case of the pot calling the kettle black. You extended the middle-class tax cuts in your 2006 resolution and then did not execute because there was no need to do so because those tax cuts don't expire until 2010. That is precisely what we have done.

Mr. GREGG. Mr. President, reclaiming my time, there is a pretty significant difference. We are talking about 3 years, which is massive amounts of revenue. Secondly, you spend the money. The difference is pretty significant. We are talking about this budget at this time, and you can try to go back to other budgets, which I am happy to do. We can obviously debate old budgets. But the budget that is on the floor right now—and it appears the Senator is agreeing with my assessment—has a $400 billion tax increase, which tax increase CBO assumes will be accomplished by not extending the rates on dividends, capital gains, and the basic rates, along with research credit, energy credit, the qualified educational expenses, and the small business expensing. That is where you generate your revenue from. That is a tax increase. That translates into $2,400 per family. That is your budget. You are in charge of the budget. You brought the budget forward. You have a $2,400-per-family increase in here.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we have no such tax increase assumption in our budget. Here are the facts. It is true we have $400 billion more in revenue over the 5 years than the President has in his budget. That is a difference of 2.6 percent. We believe that revenue can be attained without a tax increase. How? The pool of money I am talking about is the tax gap, the difference between what is owed and what is paid. The vast majority of us pay what we owe, but we have a group of people who don't. No. 2, offshore tax havens. The Permanent Subcommittee on Investigations has told us we are losing $100 billion a year to offshore tax havens. I have shown many times on the floor the Ugland House in the Cayman Islands, a little five-story building that claims to be the home to 12,600 companies. How can that be, that a five-story building in the Cayman Islands can be the operational home to 12,600 businesses? They are not engaged in business out of that building. They are engaged in monkey business. That monkey business is costing us a lot of money.

Now we have new evidence from the Boston Globe of another building in the Cayman Islands, this time a four-story building. In that building, they are also engaged in massive tax fraud. How? The company that is hiring the contractors for the United States in Iraq, KBR, is using that operation in the

Cayman Islands to avoid paying their Medicare and Social Security taxes in the amounts of hundreds of millions of dollars for one company.

The New York Times has just reported in Liechtenstein that they have uncovered massive tax fraud.

I would say to the American people, before we ask for a tax increase from anyone, we ought to go after these tax scams. What is the amount over 5 years? The estimates are at least $2.7 trillion. If we get 15 percent of that—not 50 percent, 15 percent of the abuse in tax havens, the abuse of tax shelters, the tax gap, 15 percent of it—we can balance this budget with no tax increase. Yes, additional revenue, revenue acquired by going after people who are cheating.

Senator DORGAN and I are perhaps the only two Members who have actually audited the books and records of major corporations, because we used to be the tax commissioners for our State. I have looked at the books and records. I have audited the books and records. I found tens of millions of dollars from my little State of North Dakota. One of the things I learned when I did it and actually examined the books and records is how much fraud is going on. This is fraud not just from my conclusion or Senator DORGAN's conclusion, this is what has happened as a result of investigations by our own Permanent Subcommittee on Investigations that have uncovered massive fraud, massive cheating. We ought to go after it.

The PRESIDING OFFICER (Mr. SANDERS). The Senator from New Hampshire.

Mr. GREGG. Mr. President, CBO scores zero in this budget for money coming from the tax gap that is represented by Senator CONRAD as existing. The point being, of course, that you can talk about the tax gap all you want; it would be nice if we could generate some money from the tax gap. But IRS gives us no credit for generating money. They claim you can't generate the type of dollars the Senator has been talking about, and CBO doesn't give us any score for tax gap unless we significantly increase IRS funding, which we do not do.

Mr. CONRAD. Will the Senator yield?

Mr. GREGG. Just a second. Furthermore, what you have to recognize is CBO does score the $400 billion, which the Senator refers to as revenue, I refer to it as a tax increase—I mean, it is a tax increase—and CBO gets that $400 billion number because they assume the tax rates on capital gains, dividends and the personal rates, along with the other items I have listed, will go back up when they expire. That is how the number comes about. It doesn't come about from the tax gap.

You can say: I am going to get money from Liechtenstein as a way to cover the American tax gap, and therefore no Americans are ever going to have to pay any more in taxes. You can make that statement, but that is not the way the budget works. CBO tells us how they are going to score it. We all work off of the CBO baseline. The CBO baseline assumes, under the Democratic budget, that taxes will go up above what the President asked for. That is clearly because they want to repeal the tax rates that are in place today and were put in place by President Bush. I don't know why they resist so aggressively admitting to this. Their Presidential candidates, that is all they talk about. So clearly, that is the game plan. Why try to obfuscate it with this tax gap debate?

In addition, we have this issue of what happened under our budget versus what happened under their budget. This is their budget. It is not our budget. They are responsible for this budget. The U.S. Congress has to pass a budget. The President doesn't sign it. Congress passes it. This is what they have brought forward. Their budget assumes, takes, and spends—and that is the important part—a tax increase which results from basically raising the tax rates on capital gains, raising tax rates on dividends significantly, which will dramatically impact all Americans, raising rates, raising a variety of other taxes such as R&D and energy. That is where they get the revenue which they then turn around and spend. We didn't do that in our budget. We accepted a higher deficit and didn't raise the tax rates. So there was a difference. It is substantive between the two. The core of it goes to the fact that they need revenue to spend, and to get that revenue, they are going to aggressively raise taxes $2,400 on working Americans.

The tax gap is a smokescreen for what is really going on. I don't even know why they put it up because there is no contention out there in the public arena about what the game plan is.

Senator CLINTON and Senator OBAMA have said over and over and over again they intend to raise taxes. They claim it is just going to be on the wealthy, but they cannot get where they want to go by just raising taxes on the wealthy because, as I pointed out before, if you raise the marginal rates on the highest earners from 35 percent to 39.6 percent, you do not generate anywhere near the amount of money you would have to generate to cover all the spending that is proposed in this budget and has been proposed for new programs by Senator OBAMA and Senator CLINTON, as they have been campaigning.

It will be, and this budget is, a general increase on the taxes of working Americans—to the tune of $2,400 for most families in the $50,000 range, to the tune of $2,100 for 18 million seniors, and to the tune of $4,700 for 24 million small businesses. There are no two ways around it. That is what is going to happen if this budget is extended throughout the 5-year experience it is planning to budget for.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I know the Senator insists on his point of view on this, but I have to say there is another point of view which I have articulated and have articulated repeatedly. There simply is not an assumption that there is a tax increase embedded in this budget. In fact, what is included, after the Baucus amendment is adopted, is significant additional tax reduction: tax reduction for middle-class families, tax reduction for estates, tax reduction for those who would otherwise be subjected to the alternative minimum tax—some 20 million families.

So that is the fact. If you go to the record of what this Congress has done so far, after the Senator gave his same speech last year, almost verbatim, saying we are going to increase taxes by $1 trillion, which is his favorite number—I tell you, I do not think it would matter what document we brought to this floor, the Senator would say there is a trillion dollar tax increase because that is what he said last year. Let's go back and check the record. What happened?

Since last year, this Congress, controlled by Democrats, has reduced taxes on a net basis by $186 billion. It is not a statement. It is not a speech. It is a fact. This Democratic Congress—after all the warnings last year: We are going to increase taxes $1 trillion—has reduced taxes, in 1 year, by $186 billion.

Now, the Senator says: The CBO does not score tax gap provisions. Well, let's be clear. The CBO does not score tax provisions. That is the job of the Joint Committee on Taxation. That is not the job of the Congressional Budget Office. All of us who serve on the Finance Committee know that is the case. CBO does not score tax provisions. That is the responsibility of the Joint Committee on Taxation.

The Senator has asserted we have a $400 billion tax increase. No, we do not. We have $400 billion more in revenue over 5 years than the President has. That is a difference of 2.6 percent.

As I have asserted repeatedly, I believe additional revenue could be obtained by going after the tax gap, by going after these tax havens, by going after abusive tax shelters—a pool of money over this 5 years that is some $2.7 trillion—$2.7 trillion. And that is probably a conservative estimate. So we would only have to get $1 in every $7 in that pool to balance this budget, with no tax increase on anyone.

I believe the first thing that ought to be done is to go after those abusive tax havens, those abusive tax shelters, and that tax gap, where the vast majority of us pay what we owe, but some number of us do not.

One other thing: The Senator referenced his budget. The fact is, he has no budget. They have no budget. If our budget is so egregious, why haven't they offered a substitute budget? They have not. They have not offered a budget. They did not offer a budget in the committee. They do not have a budget on the floor. They do have the President's budget, and we have compared, repeatedly, our budget to the President's budget because it is the only alternative that is out there. They have chosen not to offer an alternative. That is their right.

The majority has the responsibility to offer a budget, but the minority, if they feel it is grievous, can offer a substitute, and they have not.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, we will go to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. CORNYN. Mr. President, I think people watching this on C–SPAN or wherever they may be watching—from the Galleries—can be forgiven if their head is spinning after this back and forth of how their tax dollars are being spent.

At a time when our economy has undergone tremendous growth over the last 5 years but has now hit a soft stretch, particularly in the housing area, where we are talking about the credit crunch coming from the subprime credit crisis, we have acted in a bipartisan way to try to get the economy moving again by passing a stimulus package. The Speaker, the Republican leader of the House, and the White House have joined to try to do what can be done on a bipartisan basis to get the economy moving again.

But the fact of the matter is, there is no better stimulus for the American economy other than leaving people with their own hard-earned money to spend it as they see fit. That is what helps create jobs in this country. The last thing we would want to do or should do is to see taxes be increased, particularly on small businesses, which are the primary job generator in this country, because it is through jobs and opportunity that people are able to achieve their own life and their own dreams and not depend on Government.

We ought to aspire to be a country where everyone can declare their own independence on Government and not say we must be more dependent on Government, which seems to be the conflicting visions we see play out on the Senate floor.

Mr. GREGG. Mr. President, will the Senator yield for a parliamentary question?

Mr. CORNYN. Mr. President, I will.

Mr. GREGG. I apologize for interrupting the Senator.

Mr. President, I ask unanimous consent that we proceed to the time on the resolution so the time during the debate will run against the resolution.

The PRESIDING OFFICER. The Senator has that right.

The Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask unanimous consent that, unless stated otherwise, the time comes off the resolution.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GREGG. Mr. President, I thank the Senator from Texas for his courtesy.

Mr. CORNYN. Mr. President, so the question presented by this budget is whether we are going to make it easier for the average American to meet the obligations of their family budget or whether we are going to grow the size of the Federal Government to the point that it makes it virtually impossible for them to balance their own budget. This budget, unfortunately, does nothing to bring down the price of gasoline at the pump or to make it more affordable to buy your own health insurance, which are the two primary cost drivers which are making it harder and harder for people working in this country to make ends meet.

Instead, what this resolution does is, it adds additional burdens onto the average taxpayer. I know, as I said a moment ago, the heads of the people who are listening must be spinning trying to keep up with the various arguments that are being made back and forth. But the fact of the matter is, this budget resolution is the blueprint which authorizes additional activity, such as tax cuts.

The Baucus amendment is nothing more than an authorization, which if there is no action to actually cut those taxes, nothing will happen. That is what happened, that is what occurred last year. Under the very pay-go principles, the pay-as-you-go principles—which is sound, certainly, in theory, which says the Federal Government will not spend money it does not have, that it will pay as you go—that is a promise made to the American people that is honored more in the breach than in the observance.

I agree with the Senator from New Hampshire, the ranking member of the Budget Committee. This class rhetoric of: Well, we are just going to tax the rich—let me give you an example of how that usually turns out. The best example I can think of is the alternative minimum tax, which back in the 1960s was designed to target about 155 taxpayers who did not otherwise pay Federal income tax because of deductions they had.

Well, as a result of the failure to index that tax, 155 taxpayers turned into, last year, 6 million taxpayers and would have turned into 23 million middle-class taxpayers if we had not acted to provide some temporary relief on a 1-year basis last year.

That is exactly what happens every time the Federal Government says: We are just going to tax the rich. Because people will be amazed at how much the Federal Government considers ultimately the middle class, those people who are the most productive in our society, those people who create the jobs—by creating the small businesses that produce that opportunity—those are the producers who basically the Federal Government all too often seems at war with in the way we spend their hard-earned money.

Now, this budget does set out the framework over a period of 5 years. It contemplates a source of revenue in order to pay the bills. Under the pay-go principles that Congress has embraced, the only way those bills can be paid is if you have additional revenue or taxes to pay for them. So that is why, under this resolution, you will see, for example, 18 million seniors who will incur an additional tax burden of $2,200 each. You will see 43 million families incur an additional tax burden of $2,300 each. You will see the small businesses—27 million small businesses—incur additional tax obligations of $4,100 each.

Now, if our goal is to create jobs, it ought to be to lower the burden, to lower taxation, to lower the regulatory burden, and to reduce frivolous litigation to the point that small businesses can prosper and create jobs, not add to their burden. Additional taxes for each of these categories of taxpayers will do nothing but depress job creation in this country, not encourage it.

But I have to tell you, the most discouraging part of this budget is not what it does but what it fails to do. As the distinguished chairman of the Budget Committee knows, because he is the chief sponsor, along with the ranking member, of a bill that creates a task force to deal with runaway entitlement spending, this budget does nothing to deal with $66 trillion of future obligations of the American Government under entitlement spending, under Medicaid, Medicare, and Social Security.

As a matter of fact, if we do nothing, within the next decade we will see both Medicare and Social Security become insolvent. That is because, irresponsibly, we are spending the surplus of Social Security today to try to balance the books of the Federal Government, by spending Social Security taxes that are paid by average American workers. We are spending that in order to try to fund the operations of the Federal Government today.

So what this plan does, by inaction, is it creates the additional debt for our children of $27,000 each. I believe, if I am correct, the unfunded liabilities going into the future of $66 trillion, if you divide that by each and every American man, woman, and child, would result in $175,000 of debt for each of those men, women, and children. This budget does exactly zero to address that.

I don't blame people across this country who look at Washington and are absolutely convinced that Washington is broken, because rather than solving problems, rather than trying to work together on a bipartisan basis to address these legitimate concerns, all they hear is more and more talk and precious little action, and particularly when it comes to the growing threat of entitlement spending and the increased debt that is passed down to our children and grandchildren.

I know we didn't get here overnight. This has been a long time coming, but

I hope we have the courage to deal with this today because, frankly, it is no mystery why change is the most dominant word in our political discourse today. The status quo is broken because Washington is not working, and people increasingly are turned off by what they see coming out of our Nation's Capital. They feel as if it is absolutely irrelevant to their lives or, if relevant, that Washington is burdening them and not helping them with their day-to-day concerns.

By raising taxes by $1.2 trillion over the next 5 years, by dramatically increasing spending, by growing debt by $2 trillion, by playing gimmicks with things such as pay as you go, which is more honored in the breach than in the observance, by ignoring $66 trillion in unfunded liabilities into the future, this budget resolution is a failure. We can and we should do better. We should focus on what we can do to help the average American balance their family budget and not present a budget that is a train wreck upon delivery. This budget will not work. If the average American tried to conduct their business—if a small business man or woman tried to conduct their business as the Federal Government, they would find themselves bankrupt or else they would find themselves in jail. It is only the Federal Government that can operate this way. It is only the Federal Government that can operate in a way that every man, woman, and child in this country cannot, and we can do better. I urge my colleagues to do better by turning down this budget and coming up with one that will help the average American balance their budget and not wreck the Federal budget in the process.

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

Mr. CONRAD. Mr. President, I ask unanimous consent that the Joint Committee on Economics be recognized at 5 o'clock for 1 hour for their Humphrey-Hawkins testimony—5:15 I am now told—that the Joint Economic Committee be recognized for 1 hour at 5:15. That would involve both the chairman of the committee and the ranking member of the committee for that 1 hour.

Mr. GREGG. And the time would be equally divided.

Mr. CONRAD. And it would count against the resolution. That would be correct.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CONRAD. Mr. President, the Senator held up a chart about the growth of the debt. The exact same chart applies to the President's budget—precisely the same. In fact, his is worse in terms of additional debt burden put on the American people by the President's budget compared to ours.

The Senator also raised the point, as did the ranking member earlier, of why we have not addressed in this 5-year budget resolution the long-term entitlement challenges that we face as a nation, the shortfall between what we are spending and what we are raising, and the entitlement obligations this country has made but has not funded. Let me say I have never believed that the long-term entitlement challenges that are 10, 15, 20-year problems are going to be resolved in a 5-year budget resolution. That is why I joined with the ranking member of the committee on something where we do agree, which is an approach to address these long-term imbalances by creating a working group of 16 Members—8 Democrats, 8 Republicans—given the responsibility to come up with a plan to deal with our long-term challenges, and only if 12 of the 16 could agree would legislation advance. If they could agree, 12 of the 16, then we would have a circumstance in which there would be a vote in both Houses of Congress. Not only would it involve Congress, it would also involve the administration, because if we are going to address these long-term challenges, it has to be done with all of the players at the table.

This is something Senator GREGG and I are advancing. I believe it is very important. I believe it is the only way we are going to deal with these long-term challenges. I don't believe it is ever going to happen in a 5-year budget resolution. No. 1, it is too short term. No. 2, it is typically carried just by one party. That is the way budgets are around here. These longer term challenges can only be addressed by both sides coming together and grappling with it in a joint way.

I yield the floor.

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

Mr. GREGG. Mr. President, I appreciate the chairman outlining for the body the initiative which he and I have pursued in the area of entitlement reform. I appreciate his leadership on that and I look forward to continuing to work with him on it. I certainly hope we can pass it. It is one way to get at the fundamental fiscal imbalance our country is facing and the threat it represents to our children having an affordable government. But that should not mute or sideline legitimate efforts to try to begin the process of controlling entitlement costs in a way that is fair and does not unfairly impact beneficiaries.

The President did make suggestions in this area. The President's budget is not on the floor. I would note that the reason we don't offer a budget is for the same reasons the Senator from North Dakota didn't offer a budget when I was the chairman and the Republicans controlled the Senate. In fact, I will quote him. He said:

The chairman—

At that time he was referring to myself—

well knows the majority has the opportunity to offer a budget, and our responsibility is to critique the budget.

That is the way the Senator from North Dakota viewed the budget process and it is the way I view this budget process. But independent of that, the President's budget, as he sent it up, at least had guidelines which I thought were very constructive in the area of trying to control our costs in Medicare specifically. He had three different proposals. The first suggested that people with high incomes should pay a larger burden of the cost of their drug benefit, Part D premium. Today, if you are Warren Buffett—we use Warren Buffett because he is nationally known, obviously, and is extraordinarily successful—if you are Warren Buffett, you qualify for the Part D drug program, but you don't have to pay the full cost of that program. You don't pay a full premium. You pay about 25 percent of the cost of that premium. That means that John and Mary Jones, working at a restaurant in Epping, NH, or Sally and Fred Upton, working in a real estate firm in Concord, NH, are paying 75 percent of the cost of the drug benefit which goes to wealthy Americans, and specifically the example I used would be Warren Buffett. That seems totally inappropriate to me.

So the President sent up a proposal which said if you make more than $80,000 as an individual—which is a good deal of income for an individual, a single individual, especially a retired individual—or if you make more than $160,000 jointly, you and your spouse, if you are retired and you qualify for the drug benefit, then you have to pay more. You don't have to pay the full cost even, you just have to pay more. It was a reasonable proposal and it would help with the imbalance of the Medicare accounts.

He also suggested we should improve our use of technology within the health care industry, making more information more available to more people so they can make better decisions. That scores, interestingly enough, as a savings, not surprisingly, because if more people have more information about, first, the cost of a medical procedure and, second, the outcomes of a medical procedure at A hospital versus B hospital or at an A group of family practitioners versus a B group of family practitioners, they can make a thoughtful, intelligent decision as to which group they use, especially if they are a corporation with a fair number of people they are insuring or self-insuring. So that proposal was a step in the right direction toward cost containment and scored in a very positive way.

The President sent up ideas—ideas that made sense—and they didn't impact ordinary beneficiaries. The only beneficiaries who were impacted under the President's proposals were high-income beneficiaries who would be asked to pay a fair share of the cost. I do think that type of reform should have been carried in this bill, and we will offer an amendment—I will offer it or Senator ENSIGN, I suspect, will offer it because he offered it last year, Senator ENSIGN from Nevada—asking that high-income individuals pay a fair share of their drug benefit costs, and that is only right. Hopefully that will be approved and put into this budget.

So there are initiatives that can occur here which I think should occur and we should not simply leave this massive fiscal imbalance which we are facing in these entitlement accounts to be fixed by this task force which hopefully we will get in place, but we should start the process now. This budget unfortunately punts that issue and has zero—zero—savings in the area of Medicare—net savings in the area of Medicare. In fact, it ends up with an expansion in entitlement costs of about $466 billion.

Mr. President, at this point I yield the floor.

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

Mr. CONRAD. Mr. President, this is an area where there is agreement between the ranking member and myself.

This is a statement Senator GREGG made in the Senate Budget Committee about the proposal he and I have made to deal with these long-term challenges. This is a quote from Senator GREGG, and one I agree with:

> We have come to the conclusion that everybody who puts policy on the table first ends up getting it shot at by the different interest groups, and that putting policy on the table simply doesn't work in our institution; that the only way to do this is—

Talking about the long-term gap between spending and revenue and the commitment on entitlements—

> the only way to do this is to create a procedure which is viewed as absolutely fair, absolutely bipartisan and that that decision by that task force will then be voted up and down by the Congress.

The task force we are talking about which Senator GREGG and I have proposed would address the long-term fiscal imbalance, would include a panel of lawmakers and administration officials, 16 in number, with everything on the table, with fast-track consideration. That means Congress ultimately would have to vote, and that would require a bipartisan outcome because it would require a supermajority.

The ranking member referenced what the President has called for. Let me put up what the President has called for in his budget. He has called for savings from Medicare and Medicaid of $536 billion over the 10 years of his budget proposal, but at the same time he calls for $2.4 trillion of additional tax cuts, most of which goes to the wealthiest among us. Those are priorities we don't share. I don't think the answer is to cut Medicare over $500 billion, Medicare and Medicaid, at the same time cutting taxes $2.4 trillion disproportionately on the wealthiest among us. Who would be affected by these Medicare reductions? I will tell my colleagues one group that would be affected: the rural hospitals I serve as a representative from the State of North Dakota in the Senate. Rural hospitals already on average have negative margins. That means they are losing money. Why? Because they get one-half of the reimbursement rate of more urban hospitals to treat the very same illnesses. In other words, if you have a heart attack, you go to an urban hospital, that hospital gets twice as much under Medicare to treat you as a rural hospital. Unfortunately, there are no rural discounts available to those rural hospitals. When they go to buy technology, they don't get a rural discount.

When they go to attract a doctor, they don't get a rural discount. In fact, it costs more to attract doctors to rural areas than to urban areas. That is proven by the MediPAC studies.

The proposal by the President would cut these hospitals. Can I tell you what that would mean in my State? Hospitals would shut down. We have more than 40 hospitals in my State. My State is a very large State, although sparsely populated. At least eight hospitals in my State would fail under these provisions. So, no, we don't support that. I certainly don't support it. I don't think most Democrats think this is the priority—cut Medicare, cut Medicaid, and at the same time you are cutting taxes on the wealthiest among us. I think many of the wealthy would say that should not be the priority.

Warren Buffet points out that he pays a lower effective tax rate than the woman who is his secretary and than the woman who is his housekeeper. Why? Because most of his income comes from dividends and capital gains that are taxed at a 15-percent rate and his housekeeper is paying at a higher effective rate than that. How can that be fair? I don't think it is. So even Warren Buffet doesn't think it is fair. He has pointed this out on repeated occasions. He questioned, How can you have an equitable tax system in which he, the richest man in the world, is taxed at a lower rate than his own housekeeper and his own secretary?

Mr. President, we talk about debt. Here is what happens if all of the President's tax cuts are extended without being paid for. The debt takes off like a scalded cat, the debt that is already out of control, already burgeoning, already burdensome to future generations. If you extend all these tax cuts without paying for any of it, what happens? The debt grows inexorably, and in a way that fundamentally threatens the economic security of this country.

Mr. President, I hope very much that as we continue this debate we will focus not just on the 5 years of this budget resolution but also that we remind ourselves and the American people of the very daunting challenges we face long term. This is one place where I am in complete agreement with the Senator from New Hampshire, the ranking member of the committee.

I yield the floor.

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

Mr. GREGG. Mr. President, I appreciate that explanation on Warren Buffett because I think it confirms my prior representation, which is that this proposal increases capital gains and dividends. It is assumed by CBO that it does that. Language he has used relative to the view of the Senator from North Dakota would imply the same also. I think it is important to know—not important, but I think the record ought to show the charts that reflected the savings that were reflected in the President's proposals on Medicaid and Medicare were not reflective of the proposal that came up on Medicare in this budget. They were a prior proposal.

Second, I think the proposals that came from the President involve the Part D premium, IT, malpractice reform, all of which were reasonable, all of which could be accomplished, in my opinion, without having any significant impact on beneficiaries. Yes, they would impact providers because, as a practical matter, the IT improvements would put more pressure on providers to basically deliver good-quality services. Essentially what the administration proposed was to take savings that occur from significant improvements in IT and those savings which basically end up in the pockets of the providers and say to the providers that we will split the difference; you get half and we get half, but you are still going to get half of the savings you create out of IT. I don't think it affects the actual providers. It affects how much they save.

At this point, I see the Senator, the ranking member of the Finance Committee, the former chairman, so I will yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I wish to discuss with my colleagues one of the sources of revenue that the chairman of the Budget Committee claims would bring in $100 billion per year to offset the cost of extending existing tax policy, and that would be the issue of shutting down offshore tax havens.

I feel that I have been very aggressive as a member of the Finance Committee in combating abusive tax shelters offshore or otherwise, so I am not here to find fault with anything in the budget about going after abusive offshore tax havens. But I do have a degree of disagreement on the amount of revenue that will come in and whether this is the ''goose that laid the golden egg'' that will solve all of the problems we have with the budget.

So I have worked hard on this subject for a long period of time. In fact, I would go to a bill that we passed in 2004 called the JOBS Act. It shut down the tax benefits for companies that enter into corporate inversion transactions and abusive domestic and cross-border leasing transactions. The JOBS bill also contained a package of 21 anti-tax shelter provisions—not just 1 or 2 but 21.

Now, of course, I am ranking member of the Finance Committee, but having a good working relationship with Senator BAUCUS, we have been continuing to look at all these abusive parts of the Tax Code, or these parts of the Tax Code that are abused, and look at where we can get some additional revenue. We are not out to tax people who would not otherwise be taxed or to change the rate of taxation, and we are not out to get people who should pay more money than what we are paying if they are doing it in a legal way. We are after subverting the Tax Code in a way that wasn't intended by Congress.

So in my role on the minimum wage small business tax relief bill that passed the Senate last year, we also included provisions that contained anti-tax loophole provisions, including shutting off tax benefits for corporations that inverted—after Senator BAUCUS and I issued a public warning on that issue that legislation would stop these deals, shutting off tax benefits from abusive foreign leasing transactions that weren't caught in the passage of the JOBS bill, and, of course, doubling penalty and interest for offshore financial arenas.

In that particular bill, the minimum wage bill I referred to—it happened to be that the House Democrats rejected our offsets. It was kind of surprising to me, but they did that. I use it as one example that is a somewhat unrealistic account on these offsets in the budget resolution.

The chairman of the Budget Committee went on and on yesterday about abusive foreign sewer systems and city hall leasing deals on which U.S. banks were claiming depreciation deductions. I didn't disagree. I led the effort to shut down these deals on a prospective basis, which we did in the 2004 bill, and I have continued to lead the effort to legislatively deny future tax benefits for deals that were entered into before the 2004 legislation. But here again, people, for reasons I don't know—and it was quite surprising to me—in the other body, the leadership of the Ways and Means Committee over there has continued to stop us cold. In fact, while the chairman of the Budget Committee was holding up a chart of a German sewer system during last year's budget debate—I am referring to last year's budget debate, but it is a prop that can be used this year as well—the chairman of the Ways and Means Committee at that time was holding a hearing that sympathized with U.S. banks that entered into these very same deals.

So I sure hope this distinguished chairman, my friend, the Senator from North Dakota, is not counting on any revenue for doing something the House Democrats have rejected over and over again. But do you know what. My distinguished friend and chairman of the committee, it seems to me that he is counting on that revenue. Well, maybe he will have better luck a second time. We didn't do very well the first time.

The Budget Committee chairman is also continuously referring to the billions of dollars that the Permanent Subcommittee on Investigations says we can get through offshore tax scams. Well, those of us who have to do this heavy lifting in this area, by passing tax legislation, know that whatever numbers the Permanent Subcommittee comes up with have tended to be meaningless. We all know there is not a dollar's worth of tax legislation that can be based on the Permanent Subcommittee's estimates. That is not their expertise, nor their job. That falls into the area of the Joint Committee on Taxation.

So having studied these issues and having legislated in these areas for a long period of time, I consider my views on tax policy directed at tax shelters and tax havens to be credible. From what I can tell, the chairman of the Budget Committee views the problem of offshore tax havens in two categories: one, the ability of U.S. multinationals to shift income to these tax havens, and two, the evasion by U.S. citizens who hide assets and income in these tax havens.

We have seen Democratic Senators, including the chairman of the Budget Committee, hold up a picture of the Ugland House, a law firm's office building in the Cayman Islands, which is home to 12,748 corporations. Senator BAUCUS and I asked the GAO to investigate the Ugland House. In fact, the Government Accountability Office is down there doing that right now. As often as that building is used to justify a pot of tax haven gold, it will be good to get an independent agency, such as the Government Accountability Office, to give us an objective perspective on this issue.

I would like to give Senators some background on where that picture comes from and what issue it is aimed at. The picture comes from an article published in the Bloomberg Market, August 2004, titled ''The $150 Billion Shell Game.'' The article focused on the ability of U.S. multinationals to shift income to low-tax jurisdictions through transfer pricing.

''Transfer pricing'' is the term for how affiliated corporations set prices for transactions between those corporations. Transfer pricing is important because it determines how much profit is subject to tax in the different jurisdictions involved in related party transactions.

The $150 billion figure is an academic estimate of the annual amount of profits that corporations shift outside the United States with improper—and I emphasize ''improper''—transfer pricing—in other words, trying to violate the law.

One of the Democrats' revenue raisers that is still on the shelf purports to target this transfer pricing problem. But you would not know it by looking at the language of the proposal because it doesn't make any changes to our transfer pricing rules. Instead, the proposal would eliminate deferral for income of any U.S. multinational foreign subsidiaries incorporated in certain black-listed jurisdictions. It is called the tax haven CFC proposal.

Deferrals have been part of our Tax Code since 1918. Deferral means that U.S. multinationals do not pay tax on the active income of their foreign subsidiaries until that income is repatriated to the United States. Passive income is subject to tax on a current basis. Deferral only applies to active income.

I agree with the premise of this proposal that the U.S. multinationals should pay their fair share of U.S. taxes. I think I proved that with closing some of these tax shelters and improper offshore activities in previous legislation. I have already talked about that issue. U.S. multinationals who use improper transfer pricing do so to obtain the benefit of deferral on profits that economically should be subject to tax in the United States on a current basis.

Here is my quote from this Bloomberg article:

> We have to get on top of corporate accounting and manipulation of corporate books for the sole purpose of reducing taxes.

My view is that stronger transfer pricing rules and stronger enforcement of those rules is the way to target this problem in our current international tax system.

The IRS is taking steps to tighten our transfer pricing rules. For example, the IRS has proposed regulations that would overhaul the rules for the so-called cost-sharing arrangements. These are arrangements by which multinationals of our country are able to transfer intangible property to subsidiaries in low-tax jurisdictions. Based on the volume of complaining I have seen from lobbyists and their leveling it at the Treasury and the IRS, the proposed IRS regulations would go a long way to prevent this artificial income shifting. I hope to see these regulations finalized soon, and I believe they will be. Others have a whole different view. They would eliminate deferrals altogether.

Another quote in the Bloomberg article succinctly states this view. This is a quote from Jason Furman. He is a former aide to Senator KERRY:

> American companies should pay taxes on their profits in the same way whether they earn them in Bangalore or Buffalo.

That is where these proposals to eliminate or curtail deferrals on a piecemeal basis are headed. They are headed to the complete elimination of deferrals for U.S. multinationals.

Without a significant corporate tax-rate reduction—and thank God some candidates for President are talking about that. There are Members of this body who believe we ought to reduce the corporate tax rate so we can be competitive on an international basis but without a significant corporate tax rate reduction. Eliminating deferrals altogether would have the effect of exporting our high tax rates and putting U.S. multinationals at a competitive disadvantage in the global marketplace.

Understand, our corporate tax rate is the second highest in the world. We are not even learning from Germany yet, a socialist country that decided they have to reduce their marginal tax rate to be competitive in the world market. Ireland found that out in 1986 and has economically advanced since they did that. Everybody understands our tax rates make us uncompetitive. Do we want to make it worse so we lose more jobs? I don't think so, but I don't think people have thought about it.

The Senate is on record as wanting to protect the competitiveness of U.S. businesses in the global marketplace. The Senate passed the American Jobs Creation Act of 2004. I referred to that bill before in my remarks this afternoon. That bill contains several international simplification provisions, and it passed with a vote of 69 Senators, including 24 Democrats. The Senate version of the JOBS bill, which also contained these provisions, received a vote of 92 Senators, including 44 Democrats.

There has been a longstanding debate about whether our international tax system should be fundamentally changed, and that is a legitimate debate. Some say the transfer pricing regime used by virtually every major country is broken and calls for taxing all foreign income on a current basis. Others argue for completely exempting active foreign income under a territorial system, as many of our trading partners do and, consequently, one of the reasons behind our uncompetitiveness. But we want to have that debate, and if we do, then it is a fair debate.

The budget resolution does not contain specific proposals, but if the Democratic record is assumed on offshore tax issues, then we can count on a lively debate from this side to eliminate deferrals because we do not intend to do anything to make our businesses in America that create jobs more uncompetitive. We have to do things to make us more competitive.

We have already seen what the House Democrats would do, and I am a referring to points I referenced already this afternoon. I may disagree with most of the international proposals in that bill that was referred to as ''the mother of all tax bills'' last fall—that is what the chairman of the Ways and Means Committee called his tax reform plan—but at least the chairman of the Ways and Means Committee raises the issue in an intellectually honest way, setting the stage then for fundamental reform and also proposes to lower the corporate tax rate to 30.5 percent. That rate may still be too high, but at least the Ways and Means Committee chairman recognizes the concern that I laid out earlier about exporting our high tax rates.

The piecemeal cutbacks on deferral for active foreign income that we have seen in the Senate would do nothing but complicate the Tax Code and create opportunities for tax planning around these cutbacks.

The other offshore issue identified by the chairman of the Budget Committee is U.S. tax evasion by individual taxpayers who hide their assets and income in foreign bank accounts and foreign corporations. Let's go back to the beginning of the Tax Code in 1913. Our Tax Code has subjected U.S. citizens to tax on their income wherever it is made worldwide. No matter what the Internet purveyors of tax evasion say, this principle cannot be avoided by putting passive assets and income into foreign corporations. The Tax Code has rules to prevent that. Taxpayers who willingly violate these rules are guilty of tax fraud and, in many cases, criminal tax fraud.

The problem of offshore tax evasion is not that our laws permit it; the problem is there are some taxpayers who are intent on cheating and hiding their income from the Internal Revenue Service.

The IRS has been successful in catching many of these tax cheats, but more can be done. The IRS has difficulty detecting tax evasion and obtaining the information necessary to enforce our tax laws. One important tool for the IRS is information exchanged with other jurisdictions. Our double-tax treaties contain an article on information exchange designed to help the IRS obtain quality information to enforce our tax laws.

In addition, administrations, past and present, have entered into over 20 tax information exchange agreements with jurisdictions that are often referred to as tax havens. We are seeing this information exchange network in action as we speak, providing the IRS and other countries with information related to the use of bank accounts in Liechtenstein. Sensible solutions to this problem should aim to improve on our tax information exchange network and not put that network at risk or the efforts at risk.

Underreported income is the largest piece of the tax gap. We should keep in mind that hiding assets and income from the IRS is not just an offshore tax problem, it is not an offshore tax haven problem; it may also be an onshore problem. In fact, it is an onshore problem.

An article in USA Today last year noted that ''there is a thriving mini industry that has capitalized on real or perceived gaps in domestic and corporation laws and virtually nonexistent Government oversight to promote some U.S. States as secrecy rivals of offshore havens.''

The picture of the Ugland House in the Cayman Islands that I referred to earlier makes for good grandstanding, but as I am sure the distinguished chairman of the Budget Committee is aware, there are also office buildings in some States that are listed as addresses for thousands of companies that are incorporated in those States for similar reasons as those incorporated in the Cayman Islands: secrecy of ownership and a permissive regulatory environment. Whatever additional solutions the Finance Committee comes up with to shine sunlight on tax evaders will need to consider both offshore and onshore evasion of taxes.

I emphasize that I am all for shutting down inappropriate tax benefits from offshore arrangements. The chairman of the Budget Committee has said he thinks we could get, I believe, $100 billion from this source. I have not seen any proposals scored by the Joint Committee on Taxation that come close to bringing in this kind of money, and the Joint Committee on Taxation is the official scorer. The last score I have seen for a tax haven CFC proposal is about $1.5 billion per year. The more fundamental ''mother'' bill that I referred to from the chairman of the Ways and Means Committee in the other body would raise about $10 billion per year.

I wish to emphasize to my colleagues another point. Each of these proposals that would eliminate or curtail deferral involve tax policy changes that raise taxes, which is the last place the distinguished chairman of the Budget Committee said he wanted to go to raise revenue.

On the offshore evasion issue, Senators Levin, Coleman, and Obama have introduced a bill that contains several proposals, and these proposals are aimed at offshore tax havens. Yet, again, I have not seen a Joint Committee on Taxation score of that bill, and they are the official scorer.

Once again, it will be the Finance Committee's responsibility to come up with real, sensible, effective proposals that combat offshore and onshore tax evasion, which I am glad to do, but the likelihood that they will be scored by the Joint Committee on Taxation to bring in the kind of money assumed in this budget resolution is very remote at best.

Given these facts, it should be obvious how much of a shell game is going on and how unreal this budget resolution is.

Mr. President, as my colleagues know, within the Finance Committee, we have jurisdiction over health care issues. I wish to address those health care issues in this budget resolution as well.

The biggest health care issue in this budget resolution is a stealth provision—stealth. You cannot see it, but it is there. And I am going to talk about the issue of reconciliation, a process that was supposed to be used to save money, but I think in a stealthy way, before this is done and out of conference, it is going to be used to increase expenditures.

It is true there are no reconciliation instructions for spending in the Senate resolution, but there is in the House version, and that is going to make it conferenceable.

Last year there was a single committee instruction in the House-passed resolution but not in the Senate-passed resolution. The final conference version last year deferred to the House, no reconciliation. So I am willing to bet that the House instructions will be the final budget that comes back from the House-Senate budget conference.

Truthfully, it makes no sense for the House to have reconciliation instructions in the first place. The House does not need reconciliation protection. The Speaker and the Rules Committee make sure the House is strictly controlled by a majority vote. Reconciliation is only important for the purposes of the Senate to avoid filibuster, to avoid a 60-vote supermajority, to get to finality in the process, limiting the role of the minority. And, remember, the Senate is the only institution in our political system where minority rights are meant to be protected and are, in fact, protected.

I do not think the other side wants a debate in the Senate about reconciliation, so they have hidden the reconciliation instructions in the House bill so they can drop it in their final budget. Since I am pretty confident it will be there in the final budget, I want to bring attention to the problems this creates as we consider all the work, and three-fourths of it comes out of the Finance Committee over the next few months of this session.

It is true, of course, that reconciliation can be a very useful and powerful tool for actually making policy to reign in Government spending. Reconciliation can be used to pass controversial reductions in entitlement spending. By design, the reconciliation process greatly reduces the role of the minority, be it Democrats for 12 years prior to now or Republicans now. But let us review the basics on how to make law around here. To make law, not only does Congress have to pass it but the President has to sign it or you have to have votes to override a veto. In the last 20 years, precisely four vetoes have been overridden—not a very high percentage.

Pursuing an override strategy is an uphill battle as anyone such as Senator BAUCUS and I, who have worked so hard on the SCHIP bill last year, found out. To have the President sign it means the bill will have to be bipartisan. The President is not going to sign a partisan bill. The President will not sign a bill that lacks involvement and support from the minority as well as the majority.

Since reconciliation cuts Republicans out of the process, it ain't going to work. Likewise, what do you have to have to override a veto? Republicans, of course. About 16 in the Senate and 60 in the House if you are going to get anything done. Since reconciliation is a partisan process, it is passed with only partisan support, it is pretty clear it will not work. It will be a pointless political exercise. It will not become law, plain and simple.

If you want to make law around here, it has to be bipartisan. That means in this body involving the Republicans, and since you will need Republicans to make law, you do not need reconciliation to get a bill passed in the first place. If the effort is bipartisan, you do not need the restrictive rules of reconciliation to get it done. I think Senator BAUCUS and I, working together in this legislative process in this body, have proved that over and over and over in the 8 years we have been working together.

What we are considering today is not about making policy. So what is the point of it? Well, I think it is about playing politics. We are in an election year. In fact, it is a Presidential election. We all know the stakes are very high. So why on Earth should anyone believe that trying to move a partisan Medicare and Medicaid reconciliation bill makes any sense at all?

Exactly what bill does the majority want to pass that will not have broad bipartisan support? Fortunately, the chairman of the House Ways and Means Committee answered that question for all of us. He confirmed that he wants to include the House-passed Medicare bill from last year in reconciliation, a bill better known in the health care circles as the CHAMP Bill, acronym C-H-A-M-P, CHAMP.

You may be wondering what it is in the CHAMP bill that would not pass unless it would be included in reconciliation. Fortunately, there is an answer. The House CHAMP bill includes drastic cuts to home health care, to hospital care, and skilled nursing care. The House CHAMP bill also would end availability of Medicare Advantage plans and their extra benefits in most of rural America. It would also drastically cut benefits for rural seniors who are enrolled in Medicare Advantage plans throughout the country. It would also cut other benefits such as preventive health benefits that seniors rely on when they enroll in Medicare Advantage plans.

The House CHAMP bill would also result in higher out-of-pocket costs for lower income seniors who are enrolled in Medicare Advantage. The House CHAMP bill also has some changes in the State Children's Health Insurance Program that merit further discussion, to be sure. It would turn the capped SCHIP block grant program into an uncapped entitlement program. Childless adults would be allowed to stay on SCHIP indefinitely. Remember, we had that debate last year. Everybody said a children's health insurance bill is for children, not for adults. We did things in this body to make sure adults were not covered by the children's health insurance bill because it cheats children.

So why would you want to go back to something we debated and carried by a two-thirds vote in this body? And it would add coverage for immigrants who have come here illegally to the SCHIP program as well.

None of those provisions were included in the bipartisan package we worked out together last year. I have got a chart here that will emphasize this. It is the whole to-do list that is hidden in their agenda for the year. It is hidden in their stealth plan to do a reconciliation bill this year.

One logical question you might ask is: Why would they be thinking about using reconciliation this year? The answer is simple. They know they do not have the votes to pass these kinds of dramatic Medicare cuts and they do not have the votes for these bad policies we changed in SCHIP last year. So they want to force it through the process by stuffing it into a partisan reconciliation bill.

Now, focusing back on Medicare, let us consider what is at stake. We have until the end of June to pass a Medicare bill that the President signs into law. If the Democratic leadership insists on using budget reconciliation for this Medicare bill, they will fail to get a bill enacted. Failure to get this done by June 30 has serious consequences for seniors and disabled Americans who rely on this important Government program we call Medicare for their health care. Failure to get the bill done and signed means that severely disabled and injured Medicare beneficiaries will not be able to get the therapy they need beginning in July. Failure means that sorely needed doctors and other health care professionals in rural areas are going to see drastic reductions in their Medicare reimbursement. It means low-income beneficiaries who need help with their Part B premium will not be able to get it because the Qualified Individuals Program in Medicare will have expired. It means patients with end stage renal disease who need dialysis will still be in the system in need of payment reform. Necessary reforms are needed to improve how end stage renal disease facilities are paid so they have stronger incentives for improved critical outcomes and enhanced quality of care.

Reforms are also needed to eliminate incentives for the overuse of drugs in that program. It means that seniors' reliance on ambulance services in rural areas will be put at risk because of underpayments for rural ambulances. It means that beginning in July, Medicare beneficiaries will have their health care threatened when family doctors, surgeons, medical specialists, and nurse practitioners all across the country will have Medicare payments cut by more than 10 percent.

I hope you realize how demoralizing that will be to doctors in this country when they face a 10-percent reduction. In many areas, doctors are already in short supply. With a 10-percent pay cut, some may solve their problem by not accepting Medicare beneficiaries. New beneficiaries may also have trouble finding a doctor.

Failure also means other important initiatives will not get done. It means that legislation to strengthen incentives for physicians to use electronic prescribing will not happen. This means we will continue to have higher rates of dangerous medical errors, that people have their lives put at risk.

It means our Nation's seniors and disabled Americans will still be in the health care system that rewards poor quality care, because enacting hospital value-based purchasing in Medicare is not going to happen. These are some of the reasons why we should not be thinking about reconciliation as a way to avoid this set of outcomes in July. I hope we can set aside this reconciliation charade. I hope we can continue to work in this body in a bipartisan way, as we have a reputation for doing in the Finance Committee, to get a Medicare bill passed and signed by the President by the end of June.

It is quite clear: The stakes for failure are too high. So let us not kid ourselves about including a reconciliation instruction in the final budget, meaning what comes out of conference. It is not about making policy. No one should mistake it for a serious effort. It is about jamming a bill through Congress and forcing the President to veto it. It is about making politics that threaten the Medicare Program and the seniors who rely on it. I will have nothing to do with that sort of a process. I do not think very many people on this side of the aisle will either.

What we are considering today is not about making policy. Then what is the point? It is politics. If we are going to have a serious effort at legislating, I hope the other side would decide not to pursue a partisan reconciliation bill. Instead we need to work out a bipartisan bill that can become law.

The bottom line is that reconciliation is a bad idea. It is partisan. It will not become law. We have serious work to do before the end of June, and a sham political reconciliation exercise is not getting us any closer to getting the job done.

While the stealth reconciliation instruction is the most disturbing facet of this budget, it is not the only problematic health care provision. The budget misses the opportunity to continue the bipartisanship that was forged in the Senate over the State Children's Health Insurance Program last year that passed this body, sometimes with 69 votes.

Last year, SCHIP reauthorization was a top health priority. It was a difficult and it was a bruising battle. But the $35 billion compromise bill garnered 68 votes in the Senate. It was a true show of bipartisanship.

Now, rather than come back to the second session of this Congress to roll up their sleeves and finish the job, it looks to me as if the Democratic majority is abandoning that bipartisan work from last year.

Now you might say, how do I know that? Well, it is very clear, because the budget before us returns to the $50 billion reserve fund for SCHIP from last year's Democratic budget, a figure that was soundly rejected by the Senate last year in the compromise that was put before us that got those 68 votes.

My colleagues know that a key feature of last year's SCHIP deal was to cap spending at $35 billion. But they did not include the $35 billion for SCHIP that had bipartisan support. So where, then, is the bipartisan spirit on SCHIP that was here last year? Why is it not here this year?

Mr. CONRAD. Will the Senator yield on that point?

Mr. GRASSLEY. Yes, I will yield.

The PRESIDING OFFICER (Mrs. MCCASKILL.) The Senator from North Dakota.

Mr. CONRAD. I asked that same question myself. Why do we not put in the $35 billion figure? And the answer was: It is up to $50 billion so it would accommodate the $35 billion compromise, but it also was with the understanding that a year later, maybe that would need to be $36 or $37 billion, to have the same force and effect.

I would say to the Senator, there was no intention here to leave an impression that we were not eager to continue the bipartisan effort.

I wish to salute the Senator. He made an enormous effort, as did Senator BAUCUS, Senator ROCKEFELLER, and Senator HATCH. They spent many hours putting together a bipartisan agreement on SCHIP. We certainly don't want to in any way leave the impression that we don't want to pursue that again.

Mr. GRASSLEY. The Senator from North Dakota backed us on that effort, and I thank him for that. And the extent to which you say you would be willing to work, I assume you are speaking as a person, for $35 billion instead of 50, I accept that. But I am saying for the public who is looking at this document we call the budget resolution, that has $50 billion in it. You draw other conclusions.

Mr. CONRAD. If the Senator will continue to yield, that is why the language in the resolution says up to 50. Again, I say to my colleagues, I have every intention to pursue again the effort that you and the chairman of the committee pursued so vigorously last year.

Mr. GRASSLEY. I thank the Senator. I am happy to yield to the Senator from New Hampshire without losing my right to the floor.

Mr. GREGG. In order to accomplish the goals the Senator wishes to accomplish and which have been subscribed to by the chairman of the committee, you wouldn't need reconciliation to accomplish that, would you?

Mr. GRASSLEY. No, you would not. In fact, it detracts from it. Because too often reconciliation tends to be a partisan issue, and we will never get SCHIP through here that is not bipartisan. I think you are making the case that I have taken a long time to make, that reconciliation is not a process we need to accomplish most of the major goals in some of these areas that there is bipartisan agreement to reach.

Mr. GREGG. That was my point. I think the Senator from Iowa has made an excellent case for why this reconciliation, I think he called it a stealth vehicle floating around here, should not be used. It is inappropriate and certainly undermines the integrity of the process to use reconciliation for this type of an issue.

Mr. GRASSLEY. Based upon what the Senator from North Dakota said about SCHIP, I will not go on making my case about that. He has pointed out what the intention is, which is not to preclude something less than $50 billion, and that brings us back to the possibility of a bipartisan compromise, assuming we don't have reconciliation.

I will go on then to certain CMS regulations and how they are treated in the budget resolution. I know some people have concerns with the CMS Medicaid regulations. I will not argue that these regulations are perfect. In fact, I have written for my constituents a lot of letters to CMS raising questions about some of these regulations. However, the regulations do address areas where there are problems in Medicaid. Somehow I read this budget resolution as not recognizing those real problems. States don't have clear guidance and could be inappropriately spending taxpayers' dollars. We ought to make sure that since Medicaid is a Federal-State program, that we have 50 States to deal with, they ought to have as much assurance as they can have in our basic law and regulations as to what they can do and not do. We ought to be concerned that they know that. Because if they do something wrong, we pay over half. In my State, we pay 62 percent of the cost of Medicaid. So let's talk about how many dollars might be involved.

The budget resolution provides for $1.7 billion that is going to be addressed by these regulations. The amount is only to delay the regulations until the end of March of next year in hopes the next administration will pull back those regulations. Of course, that is what the people who are supporting this provision are hoping for. What would it cost if we tried to completely prevent these regulations from ever taking effect? Not the $1.7 billion that is in this budget resolution to get us through to March of next year. It would actually cost taxpayers $19.7 billion over 5 years and $48 billion over 10 years. Let me emphasize that, $48 billion over 10 years. It is a farce, from my position, an absolute farce for anyone to argue that all those dollars are being appropriately spent and that Congress ought to walk away from these issues, forget about what CMS is trying to do to bring some rationale to the spending of taxpayer dollars.

CMS still has a fundamental responsibility to combat fraud, to prevent inappropriate spending, and to protect the integrity of the Medicaid Program. This budget resolution tells CMS to stop your work. Take the rest of the year off. Your work is no longer necessary.

This is a serious mistake. What we ought to do is have an instruction that requires the Finance Committee to replace the regulations. Instead of making the regulations go away, the Finance Committee ought to be tasked with replacing them with a policy that fixes the problems. That is what we should be doing for the American taxpayer.

So let's review what we have in the budget resolution. First, we have a stealth reconciliation provision that promises to place politics over getting important policies accomplished. Second, we have an SCHIP provision that abandons the bipartisan progress made in 2007, recognizing the dialog I had with the chairman of the Budget Committee on that point, after I made my point. Third, we have a Medicaid provision that carelessly abandons the integrity of programs in several key areas, costing, if it would stay in place forever, $48 billion over 10 years. With spring training in full swing, I would like to borrow a baseball analogy. That is one, two, three—well, you know all the rest.

I have some comments I wish to make about the provisions that might be offered in what is called the tax relief measures and particularly those that might not be included in an amendment that is going to be offered from the other side of the aisle. I would like to define for my colleagues some of the widely applicable expiring tax relief provisions that are not going to be covered by an amendment that I think is going to be offered by my friend from Montana, Senator BAUCUS, in an amendment he has. I know already that Senator GREGG, the ranking Republican on the Budget Committee, has pointed this out, that the lower rates on capital gains and dividends would rise after 2010, under the pending amendment. That means that lower income taxpayers', those in the 10- and 15-percent tax brackets, capital gains rates rise from the current zero rate to 10 percent.

It means for dividends for the same group, the tax rate would go from zero rate to either 10 or 15 percent. Why would anybody want to discourage people who are in those brackets, usually lower income earning people, from having to pay a higher rate of tax on their savings, when the rate of savings in this country is at such a low level compared to other countries? In fact, last year it was a negative savings rate for all America. For all other taxpayers, though, the capital gains rate would go up 33 percent, from 15 percent to 20 percent. For those taxpayers, the dividend rate would go from 15 percent to as high as 39.6 percent on dividends as opposed to capital gains.

As important are marginal tax rate hikes that would kick in after the year 2010. Here I am talking about all the tax brackets above the 15-percent bracket. We have a chart that tells exactly what is going to happen with each of these and how many families and individuals are being affected by these tax rates—who are going to have the tax rate increase. The chart shows the current law brackets and the number of tax-paying families and individuals in each bracket. The data is the latest available from the Internal Revenue Service Statistics of Income Office. There are four brackets above 15 percent. The first is a 25-percent bracket which contains 22 million families and individuals. The next bracket is 28 percent. There are almost 4 million tax-paying families and individuals in that bracket. The next bracket is the 33-percent bracket. There are 1.5 million tax-paying families and individuals in that bracket. And the top bracket is 35 percent, and in that 35-percent bracket is almost a million people. This is a group whom you will hear most about from the other side. Even it is a sizable group, 963,000 people. It contains a lot of stable and long-term small business owners who create most of our jobs. The other side would like to leave the impression that these are nothing but Wall Street moguls.

If we were to raise this rate, as proposed, to 39.6 percent, the small business owners would be facing a 13-percent penalty vis-a-vis the largest corporations in the land.

Now where do you get the idea that is good for America, that small businesspeople, sole proprietors filing individual taxes and in the business of creating jobs, ought to pay 13 percent more than what corporations pay? In fact, the whole purpose of the 2001 tax bill was to make sure there was parity between sole entrepreneurships creating jobs and corporations creating jobs. We are talking about a small group of people, 963,000.

If you total the number of tax-paying families and individuals affected by these marginal rate increases, it is a total of 28 million families and individuals. Keep in mind, as I said yesterday, that is a group of tax-paying families who start paying on taxable income of $63,000, and for individuals it starts for as low as $32,000 of taxable income. This large group of taxpayers would face various marginal rate hikes, if the policy underlying the pending amendment were to become law.

The better way to deal with these current law levels of taxation would be to make them permanent because permanency of tax policy is the best tax policy that is going to create the most jobs.

There will be an amendment to be offered by Senator GRAHAM that ensures capital gains and dividend rates stay at the current low levels for lower income taxpayers. The Graham amendment will ensure that roughly 28 million families and individuals would not face marginal tax rate increases after that.

For those Members waiting to speak, I have one more fairly short comment I wish to make on another provision in the bill that was put in, in committee. I come before you to discuss payment limitations, meaning payments to farmers.

For years I have been leading an effort to put a very hard cap on the amount of Federal subsidies going to farmers. Last year, as everybody knows, I stepped aside. I wish to say I graciously stepped aside during the budget debate when—

Mr. CONRAD. Madam President, will the Senator yield?

Mr. GRASSLEY. Madam President, I will yield to the Senator.

Mr. CONRAD. Madam President, let me say there have been a number of examples last year and this year of what I think distinguishes the Senate. The actions by the Senator from Iowa last year were an example of courtesy and graciousness that I will never forget. I want to say publicly, as I have said before, how very much I appreciate what the Senator did last year to withhold an amendment that would have otherwise taken down the budget. It was an act of great courtesy, and I thank the Senator for it.

Mr. GRASSLEY. Well, Madam President, I appreciate the Senator's kind words. I am going to kind of use some words that I think he spoke to me last year, and I would not say they are an absolute quote, but it went something like this: Chuck—that is my first name. This was in private. You do not call us by our first name on the floor of the Senate. But something like this was said to me: Chuck, hold off on this. We will do this on the farm bill in 2007.

Well, we did do the farm bill in 2007, but we do not have it done yet. Anyway: Chuck, hold off on this. We will do this on the farm bill in 2007. You know you have the votes there.

So I backed off and I waited, as has been verified by the chairman of the committee. Everyone knows what happened. His colleague, Senator DORGAN of North Dakota, and I worked hard over a period of a couple years to be able to offer an amendment of a $250,000 hard cap to the commodity programs on the Senate floor to the farm bill. Do you know what. We had a majority. We had 56 Senators who voted to support this hard cap. I can tell by looking at some other Senators here, we probably had 58, but there were reasons otherwise for voting. But leadership—and all I can say is in a generic way—leadership imposed a super-majority requirement on the amendment. We did not have 60 votes. So if you do not have 60 votes around here, sometimes you do not get anything done.

At this point there is no guarantee we are even going to have a farm bill. I think we will, but I cannot guarantee it. I do not like to say this because I am very hopeful that we will, but there are a lot of hurdles to jump before we get there. We have not been able to come up with acceptable offsets that the administration can agree to. We have not been able to find a structure for the Finance Committee's assistance that the House can live with. The House has not even named conferees, so we have not even begun to engage in the very serious, substantive policy issues that get us to finality, even though there is a lot of talk going on and there are a lot of meetings going on. So this year, we are back where I was a year ago on the budget. Last week, Senator ALLARD and I offered an amendment on payment limits during committee consideration of the budget resolution. This amendment would limit commodity payments and allocate the savings to nutrition. The amendment was agreed to by a bipartisan vote of 13 to 9.

Here I am to put everybody on notice that this $250,000 hard cap should be carried through to the conference report. I want to have an adequate safety net for family farmers in the tradition of farm programs for six, seven, or eight decades, where it was targeted toward small- and medium-sized producers, people who maybe cannot ''weather the storm'' as the big gigantic farmers can. That storm can be natural or it can be politically instituted or it can be internationally instituted—a lot of things beyond the control of the family farmer. So we have had a safety net to guarantee a stable supply of food for our people, both for social cohesion as well as for national defense.

Now, in recent years, however, assistance to farmers has come under increased scrutiny by urban communities and the press.

Do we have a chart? Yes, we have a chart here I wish to have you look at.

The law that is now being administered maybe has unintended consequences, but they are real consequences. The law creates a system that is clearly out of balance. If we look at the results posted on this chart, we have a system where 10 percent of the farmers—the biggest farmers—get 73 percent of the benefits out of the farm program, and the top 1 percent gets 30 percent. I am not saying these corporate farms should not have a safety net like everyone else. This amendment is not means testing anybody. But it is saying at some point: Enough is enough. We have to set a hard cap, a hard level of payments that is equitable to all producers, no matter their size, with emphasis upon helping small- and medium-sized farmers.

My amendment adopted in committee and included in this resolution will help revitalize the farm economy for young people, at the same time saving taxpayers money or, better yet, using that money in nutrition where it will do some good for lower-income people.

The amendment will put a hard cap on farm payments at $250,000. I want to make a very clear distinction here. Even if we have a farm bill—because the arguments are going to be made against this bill: We are in negotiations on a farm bill. Why mess with this in a budget? Well, if we do have a farm bill, I have a feeling it is going to end up relaxing payment limit laws that we have in the 2002 farm bill. The House of Representatives, in their farm bill, actually increases direct payment caps. And both the House and the Senate totally eliminate the cap on marketing loan gains, making them virtually unlimited.

So you have farm bills passed by both Houses that you could drive a gigantic 9620 John Deere tractor through—and those are big tractors. I will support trying to lower the adjusted gross income limits, but I have seen a lot of data that suggests that not many farmers are going to be kicked out of the program if they are filthy rich, do not need the help, do not need the support, do not need to be subsidized to get bigger. They have the ability to get bigger on their own economic entrepreneurship. We should not have to subsidize them.

In addition, I have evidence that the U.S. Department of Agriculture is not even enforcing current law, the current adjusted gross income cap of $2.5 million. So what makes us think they are going to enforce something at $500,000?

This to me is more than just economics of the farm program. This is about good government. This is about responsibility to the taxpayers. Most importantly, this is about protecting the livelihood of America's small and midsize farmers who you might say are protected anyway because there is a safety net for them.

But my point is, you pay these 10 percent of the biggest farmers 73 percent of all the money out of the pot that is set aside for support for farmers, and we are going to lose urban support for the farm safety net, and small, medium, or big, there is not going to be any farm safety net, and someday you are going to wonder why there is not enough food in America.

I want to take a minute to outline some of the folks who have supported this in the past. All 12 Democrats on the Budget Committee have voted to support this measure at one time or another. Last week, we had 13 votes in favor of a $250,000 hard cap, including a majority of Democrats. We have support from groups that are concerned about hunger in America or hunger in the world. We have the support of environmental groups. We have churches backing this. We have small and beginning farmer advocates.

Let me remind this body of a report that was put out because of the 2002 farm bill. Remember, we had this argument in 2002. We won overwhelmingly in the Senate. It was taken out in conference because of big corporate farm interests that were on the House Agriculture Committee, and they are probably still there, even though it is under Democratic leadership.

We did not get these limits. So we had a commission report: Let's study this. Let's find out what we can do to make sure that 10 percent of the biggest farmers do not get 73 percent of the benefits out of the program.

Well, do you know what the report said. After about 2 years of study, it said: Do exactly what was done in the Senate in 2002. And that is exactly what we got 56 votes to do a couple months ago when the farm bill was up in the Senate—but not 60 votes to get over that hurdle.

The report also said that the 2007 farm bill is the time for these reforms to be made as part of a change in permanent law.

Well, that time has come. By supporting the policies included in the Allard-Grassley amendment, we can allow young people to get into farming and lessen the dependence upon Federal subsidies. This will help restore public respectability for public farm assistance by targeting this assistance to those who need it.

You might remember the last time we had a vote on payment limits was on the budget bill. Many of our colleagues said they agreed—no. The second time back we had a vote on this was on a budget bill. Well, at that time it was argued: Wait until the 2007 farm bill. It needs to be done on a farm bill. Well, you know what happened. You change the rules in the middle of the game. You think 51 votes will get an amendment adopted around here. Then somebody says: Well, we can't beat DORGAN and GRASSLEY with a majority vote, so we will somehow scramble around and wiggle the rules—and I don't know what all it takes; and it will never be in the history books—but it happens that all of a sudden you need 60 votes to get something done around here. We only got 56 votes, so we did not get it done.

But to all my colleagues who said: Wait, a couple years back during the budget debate, we are done waiting. We will not be brushed off again. Payment limits must be done now, and waiting for a stalled farm bill is not an appropriate strategy. I call upon my colleagues to back this commonsense measure which a majority of this body has supported numerous times in the past. I hope we can count on our Senate colleagues to support the Senate position on payment limitations in conference.

I yield the floor and thank all of my colleagues who were patient while I expressed my views.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, I thank the Senator from Iowa. You do not have to agree with all the Senator has observed. I do not agree with everything he said here, but I do have great respect for him. He has conducted himself as a gentleman, especially with respect to these budget matters. I very much appreciate that. I want to make certain I say it publicly.

I ask unanimous consent that Senator STABENOW, who has now waited well over an hour, be recognized for 15 minutes, to be followed by Senator GRAHAM on the other side for 15 minutes, before we go to the joint economic presentation which has already been locked in at 5:15.

The PRESIDING OFFICER. Is there objection?

The Senator from Kentucky.

Mr. BUNNING. Madam President, I was assured I would have time at 5 o'clock to speak for up to 10 minutes.

Mr. CONRAD. Madam President, why don't we go to Senator STABENOW for 15 minutes, and then we will hopefully work out this matter with our other colleagues.

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

The Senator from Michigan is recognized for 15 minutes.

Mr. CONRAD. I thank the Senator from Kentucky for his courtesy.

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

Mr. GREGG. Could we amend the unanimous consent to say that after Senator STABENOW speaks for 15 minutes we go to Senator GRAHAM for 10 minutes and then to Senator BUNNING for 10 minutes and the time that was supposed to start at 5:15 be moved to 5:20?

Mr. CONRAD. Well, the only problem with that is I might need to respond. Why don't we do this: Why don't we proceed with the understanding of Senator STABENOW for 15 minutes—and then the desire is to go to Senator GRAHAM; is that correct?

Mr. GREGG. For 10 minutes, and then Senator BUNNING for 10 minutes.

Mr. CONRAD. I would like to reserve the right to be able to respond to Senator GRAHAM, if I might. Will Senator BUNNING be speaking on the same subject?

Senator BUNNING has been gracious. Why don't we do that. We will have 15 minutes for Senator STABENOW, 10 minutes for Senator GRAHAM, and then we will go to Senator BUNNING for 10 minutes, and then I will reserve time in case it is needed to respond. We thank the Senator from Kentucky for his courtesy.

Mr. GREGG. Then we will amend the agreement so the Humphrey Hawkins time will start at——

Mr. CONRAD. At roughly 5:20. We pose that unanimous consent request.

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

The Senator from Michigan is recognized for 15 minutes.

Ms. STABENOW. Madam President, as my friend from Iowa is leaving the floor, I thank him for his incredible leadership on children's health insurance and the bipartisan way we came together around that measure. We hope to be able to do it again because we have millions of children and families who are still waiting for children to be able to receive health insurance.

I wish to speak, though, as a cosponsor of the Baucus amendment, to the middle-class tax relief amendment, which is so significant. I find it interesting: my friend from Iowa was referring to a chart that related to the payment limitation issue, with 73 percent of the benefits going to 10 percent of the farmers, where you could cross that out and put President Bush's tax cuts at the top, and you could have the very same kind of ratio or even more of a difference. You could take estate tax repeal and put that up there and have the very same kind of ratio. So I hope when we get to a debate of a permanent extension—which I understand is coming—of the President's tax cuts, that we will see that same kind of concern about where tax benefits are going in America. I have middle-class families, working families who are still waiting, frankly, to receive the benefits they have heard so much about.

That is what this amendment, the Baucus amendment, is all about: focusing on the extension and addition of tax cuts for middle-class families and for our brave men and women who are serving in harm's way right now around the globe, particularly in Iraq and Afghanistan, and their families. This is a very important amendment.

Let me start by saying what we want to address is the situation that is now occurring. We want to change what is now occurring as it relates to tax policy. Last year, in 2007, those who were earning more than $1 million a year received a tax cut of $119,557. So, roughly, it is fair to say $120,000 in average tax cuts for somebody earning over $1 million a year. That is more than twice what the average hard-working person in Michigan is earning, the paycheck that they are earning every single year.

What we are seeing across the country are folks in the middle class being squeezed on all sides and actually seeing their incomes going down. Too many times we are seeing jobs being lost overseas. We are seeing people being asked to take less in terms of a paycheck. But gasoline now is projected to be inching up toward $4 a gallon, if my colleagues can believe it. Health care costs are going up. The cost of college is going up. Everything is going up, while wages, for most people, are either staying the same or going down.

So when we talk about where we want to focus tax cuts for this country, it ought to be the folks who are working hard every day, who love this country and want to have the American dream available for themselves and their families but have not seen the tax cuts that have been talked about so much by the administration. So that is what this amendment talks about. Instead of $120,000 a year for somebody earning over $1 million, let's focus on middle-class families.

The Baucus amendment would permanently extend the 10-percent income tax bracket. Everybody would get relief, but proportionately it would be relief for low- and moderate-income families. It would extend the refundable child tax credit. We want to make sure those families who have more than one child—two, three, four children or more—are able to benefit from the child tax credit. The marriage penalty—we want to make sure that is extended. Certainly, we ought not to be in America penalizing folks because they are married when it comes to their tax returns. This permanently extends marriage penalty tax relief.

We also permanently extend the tax credit for childcare expenses. No one who has a child in America today will speak about childcare expenses as a frill. It is a necessity. If we care about children, children's well-being, and families, we need to make sure we are recognizing that childcare expenses are a very important and expensive cost for families, and we need to address that by permanently extending the tax credit for childcare expenses.

We also permanently extend the increased adoption tax credit. We want to make sure families who are reaching out to children, who want to be able to adopt a child, have support and incentive to do that. Certainly, the biggest incentive is that beautiful baby, but we want to make sure the Tax Code will help them with their costs and expenses as well. Again, this is a pro-family, pro-children, pro-middle class amendment. I am hopeful it is one that we are all going to embrace.

We all want to bring certainty to the estate tax law. No one, I believe, wants to see in 2010 the old law take place. We don't want to have uncertainty for families, for family farms, and small businesses. This permanently extends the tax relief that has already been adopted, the tax cuts that have already been adopted.

Something else is very important for families right now as they are struggling to keep their homes. We are all very focused and have spent time on the floor talking about what we need to do. Senator REID has put forward a very important proposal addressing what we can do to help with the home crisis and so many families losing their homes. This particular amendment includes a first of its kind standard deduction for property taxes for Americans who don't itemize on their Federal income tax returns but would allow them a tax deduction for their property taxes. This is a very important piece for supporting families who are working hard to be able to literally keep their home.

The other provision that is so significant is to focus on those things that are needed in the Tax Code to support our brave men and women who are serving us in Afghanistan, in Iraq, and around the globe. We have men and women now who are on third and fourth redeployments. They have made tremendous sacrifices, and their families are as well, and we need to be doing everything we can to support them. So this does a number of things. It has a permanent allowance for soldiers to count their nontaxable combat pay when they figure in the earned-income tax credit, so they can get the benefit of the earned-income tax credit for low-income working families. We provide a tax cut for small businesses that are paying some of the salary of the members of the National Guard and Reserve who are called to duty. Again, we have families now that are really at a point of desperation trying to figure out how to pay the mortgage, how to keep going, and we have so many small businesses that are being supportive, and we want to recognize that and give them some support as well.

A permanent allowance for all veterans to use qualified mortgage bonds to purchase their homes, again, is another way to help people be able to purchase homes, to be able to do what we all want, which is to have a home, save through the equity of a home, and be able to live a good life in America.

We also have created the ability for Active-Duty troops to withdraw monies from retirement plans without penalty. This is very important, when people unfortunately now have dipped into savings. They may have a home equity loan going on and they find themselves in strapped situations and we ought to allow them to take their savings and retirement plans without penalty to be able to help them pay the bills.

We have an extension of a provision that gives retired veterans more time to claim a tax refund. Under certain disability benefit payments, the ability for families of reservists killed in the line of duty to be able to collect life insurance and other benefits provided by civilian employers and the ability for families of soldiers killed in the line of duty to contribute 100 percent of survivor benefits to retirement savings accounts or education savings accounts. This is a very important part of this amendment that pays tribute to those who have been asked to sacrifice the most, whether it be someone bravely serving right now in the war, someone who has come home disabled, or the family of someone who did not come home.

We are debating a budget resolution right now and talking about who receives benefits and where we have to make hard choices. The folks who have made the toughest choices are the folks who are serving us, serving our country in war halfway around the world. I have a lot of folks who are in this category of getting the more than $120,000 a year in tax cuts this last year who have said to me: I don't need it. I earn over $1 million a year. I don't need this. Give this to the men and women who are serving us. Help pay for the war so that we are not paying for it on a credit card or make sure our veterans have the health care they need when they come home or make sure we fund a GI bill that Senator WEBB has introduced that would provide educational opportunities for the men and women who have come home from this war that so far has lasted 5 years.

So there are many wonderful people who love our country who are saying this kind of a tax system where those who make less than $100,000 a year get $674, but if you make $1 million a year or more you get $120,000 in a tax cut, just doesn't make sense. In my opinion, it doesn't represent the great values of America, our values and priorities, what we are all about in this country. We are not about having a system where a privileged few receive all of the benefits, while we are asking so many others to sacrifice and to be able to be required, unfortunately, on too many occasions now, to lay down their lives for their country.

So I hope the Baucus amendment is passed overwhelmingly. Then I hope we say no to what I believe will be an additional amendment, which would extend this tax policy. It would extend it out. With a war unpaid for, with the massive debt that we have in our country, the obligations to our veterans and their families when they come home, we do not need to extend a tax policy that has given so many of our precious resources to a blessed few people in our country, many of whom are asking us, in fact, not to do that.

So I thank our leader on the Budget Committee for all of his wonderful leadership, as well as the ranking member.

I yield back the remainder of my time.

Mr. CONRAD. Madam President, would the Senator withhold for just one moment for the purpose of a unanimous consent request that the ranking member and I previously worked out?

Mr. GRAHAM. Yes.

Mr. CONRAD. Madam President, I ask unanimous consent that the Baucus amendment be temporarily laid aside for the purpose of the Republicans offering the Graham amendment, and that the Baucus amendment remains as the regular order, regardless of the pendency of other amendments.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CONRAD. I thank the Chair, and I thank the distinguished Senator from South Carolina for his courtesy.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

AMENDMENT NO. 4170

Mr. GRAHAM. Madam 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 South Carolina [Mr. GRAHAM], for himself, Mr. MCCAIN, Mr. KYL, Mr. MCCONNELL, and Mr. DEMINT, proposes an amendment numbered 4170.

The amendment is as follows:

(Purpose: To protect families, family farms and small businesses by extending the income tax rate structure, raising the death tax exemption to $5 million and reducing the maximum death tax rate to no more than 35%; to keep education affordable by extending the college tuition deduction; and to protect senior citizens from higher taxes on their retirement income, maintain U.S. financial market competitiveness, and promote economic growth by extending the lower tax rates on dividends and capital gains.)

On page 3, line 11, decrease the amount by $949,000,000.

On page 3, line 12, decrease the amount by $3,215,000,000.

On page 3, line 13, decrease the amount by $93,791,000,000.

On page 3, line 14, decrease the amount by $127,024,000,000.

On page 3, line 15, decrease the amount by $151,137,000,000.

On page 3, line 20, decrease the amount by $949,000,000.

Qn page 3, line 21, decrease the amount by $3,215,000,000.

On page 3, line 22, decrease the amount by $93,791,000,000.

On page 3, line 23, decrease the amount by $127,024,000,000.

On page 3, line 24, decrease the amount by $151,137,000,000.

On page 4, line 5, increase the amount by $18,000,000.

On page 4, line 6, increase the amount by $110,000,000.

On page 4, line 7, increase the amount by $2,487,000,000.

On page 4, line 8, increase the amount by $8,005,000,000.

On page 4, line 9, increase the amount by $15,207,000,000.

On page 4, line 14, increase the amount by $18,000,000.

On page 4, line 15, increase the amount by $110,000,000.

On page 4, line 16, increase the amount by $2,487,000,000.

On page 4, line 17, increase the amount by $8,005,000,000.

On page 4, line 18, increase the amount by $15,207,000,000.

On page 4, line 23, increase the amount by $967,000,000.

On page 4, line 24, increase the amount by $3,325,000,000.

On page 4, line 25, increase the amount by $96,278,000,000.

On page 5, line 1, increase the amount by $135,079,000,000.

On page 5, line 2, increase the amount by $166,344,000,000.

On page 5, line 8, increase the amount by $1,214,000,000.

On page 5, line 9, increase the amount by $4,539,000,000.

On page 5, line 10, increase the amount by $100,817,000,000.

On page 5, line 11, increase the amount by $235,846,000,000.

On page 5, line 12, increase the amount by $402,190,000,000.

On page 5, line 16, increase the amount by $1,214,000,000.

On page 5, line 17, increase the amount by $4,539,000,000.

On page 5, line 18, increase the amount by $100,817,000,000.

On page 5, line 19, increase the amount by $235,846,000,000.

On page 5, line 20, increase the amount by $402,190,000,000.

On page 26, line 16, increase the amount by $18,000,000

On page 26, line 17, increase the amount by $18,000,000

On page 26, line 20, increase the amount by $110,000,000

On page 26, line 21, increase the amount by $110,000,000

On page 26, line 24, increase the amount by $2,487,000,000

On page 26, line 25, increase the amount by $2,487,000,000

On page 27, line 3, increase the amount by $8,005,000,000

On page 27, line 4, increase the amount by $8,005,000,000.

On page 27, line 7, increase the amount by $15,207,000,000.

On page 27, line 8, increase the amount by $15,207,000,000.

Mr. GRAHAM. Madam President, consistent with the unanimous consent request, I will talk for 10 minutes about the outline of this amendment. I, too, would like to recognize the chairman of the Budget Committee and the ranking member for dealing with what I think is a very fruitful and important exercise in American democracy, and that is setting the budget. We are going to try to create a budget to guide the Federal Government not just this year but in coming years.

If I had to showcase a difference between honorable men and women in the Senate about our philosophies, how you think about the economy, showcase differences between people who are very sincere and all love their country, it would probably be this amendment. Senator BAUCUS's amendment—I will vote for that; it extends tax cuts to families, child tax credits. The details of the amendment will be discussed on the floor. Certainly, it is needed.

My amendment is about those tax cuts that will be left behind if we pass Senator BAUCUS's amendment and we let current law expire. This probably illustrates the difference between the parties as much as any other event that I could offer to the American people. We live in a global economy, and the question for America is this: What kind of tax structure do we need in place to make sure capital will be formed here and not leave? Does your Tax Code matter when it comes to creating jobs? Does the amount you take from a business—a small business or a major corporation—matter in terms of a global economy? Does it affect people's decision about where to do business? What is fair?

This idea of class warfare—that it is not fair to do this for one group if you are going to do something for the other group—would be a great debate to have. What I am trying to do is offer an amendment to complement Senator BAUCUS's, to make sure our tax structure in America is fair to those who work hard, who hire people, who create capital and jobs, to those in retired status who are depending on their investments earlier in life to get them through.

Here is the question for the country: Under the current law that we passed several years ago, which expires in 2010, the top tax rate is 35 percent. The question for America is: Is a 35-percent top tax rate at the Federal level fair? It seems to be a gracious plenty to me—35 percent out of whatever you earn going to the Federal Government as the top rate. Should it be more? Should it be less? Well, 35 percent, to me, is more than a gracious plenty to be sending to the Federal Government because most people have to pay taxes at other levels of government.

Now, in 2011, if we do nothing, the 35-percent rate goes to 39.6; the 33-percent rate goes to 36; the 28-percent rate goes to 31; and the 25-percent rate goes to 28.

If you ask a variety of Americans—and this has been true for 10, 15, 20 years—what is a fair amount for an American to pay to the Federal Government in terms of the income they earn, the No.1 answer is consistently 25 percent—regardless of income, region, rich, poor, black or white. Most Americans view 25 percent as a fair amount that somebody should have to pay to the Federal Government in terms of their income. We are now at 35 percent, and we are trying to hang on to that.

Our Democratic friends, by opposing this amendment, would allow the top rate to go to 39.6. But most importantly, it would allow the 25-percent rate for that class of taxpayers to go to 28. Who is at the 25-percent rate? It starts with income levels of $31,850 for single and $63,700 for married couples. In 2011, they would, at that rate—if my amendment is not passed—have to pay 28 percent.

That is a lot of money from the economy going to Washington, at a time when we need money at home for families and businesses. Small business owners are in the 35-percent rate in large numbers. Do we want to take every small business that is paying 35 percent of their income to the Federal Government and, 3 years from now, make it 39.6 percent? Numbers matter. To us, we are picking numbers. At home, it is the bottom line. I grew up in a small town in South Carolina, where my dad owned a liquor store, a restaurant, and a pool room. I can remember that we got by. Neither of my parents graduated high school. The one thing I can remember about small business life is you have no option not to get up and go to work. If you are dog sick, you still have to go to work because nobody will pay the bills if you don't open the door. We had health insurance basically for the four people in our family. My mother got Hodgkin's disease, and I paid those bills up through when I was in the Air Force. To the people out there making a living, the burdens of regulations matter.

I think we should come together and say something simple: 35 percent is enough to take from anybody. If you don't like rich people, if you think there is an amount of money that is too much to make, then that is one way to run the Government, I guess. That is one way to create a society—put a ceiling on what people can do. As long as you earn your money honestly and fairly, the better you do, the happier I am for you. If I take 35 percent of what you make, I think I have probably taken enough. Should I take 39.6 percent because somebody makes too much? If you let the Government do that, I think you are letting the Government get out of line and out of control.

And it is just not the people who make a lot of money whom I am worried about; it is people who are working for every dollar they can get to grow their business and pay the families' bills that I worry about.

As I said, the amendment I am trying to offer to the Senate will keep rates at 35, 33, 28 and 25 and not go to 39.6, 36, 31, and 28. If we don't pass this amendment, there is going to be a major tax increase coming to hard-working Americans out there, at a time when we live in a global economy; and if we take any more from Americans, a lot of our businesses are going to leave us. How many people are affected by my amendment? Twenty-eight million people will experience a tax increase by 2011 if this amendment doesn't pass.

Now, we have heard that two things are certain—death and taxes. The only thing I can tell you about taxes is that if you touch it, use it, put it in your car or eat it, in America it is taxed in some form. And then you die. Well, we have an estate tax law in America, and it goes kind of like this. The current law is you get a $2 million exemption for a couple at a 45-percent rate. If you have an estate over $2 million as a couple, the Government takes 45 percent of what is left. You have paid taxes on everything you have earned right before you died. Here comes the Government, after the $2 million exemption has been reached, and it takes 45 percent of what is left. That is current law. That is supposedly too good a deal. I don't think it is that great a deal.

In 2010, here is what happens if we do nothing: Instead of a $2 million exemption for a couple, it goes back to $1 million, and you get a 55-percent tax rate on everything else that is left. How many small businesses out there, on paper, have assets over $1 million or $2 million? How many farmers are land rich and cash poor? Is that good policy? One thing I can tell you for sure, being a former prosecutor, if we don't do something about this, there are going to be a lot of mysterious deaths on New Year's Eve 2010. Look at the consequences of dying one day versus the other. It is political malpractice for the Congress to put people in this bind, where estate tax rates go from 45 to 55 and the exemption is cut in half, based on dying one day versus the other. That is bad public policy. We need to fix it.

My amendment would say there would be a $5 million exemption for couples in this country and, after that, a top rate of 35 percent for the death tax. In other words, 35 percent of everything you worked for all your life, after a $5 million exemption, would be taken by the Government.

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

Mr. GRAHAM. May I have 5 more minutes?

Mr. CONRAD. Yes.

Mr. GRAHAM. What I am trying to do is offer an amendment that will preserve current law so in 3 years, in the case of the death tax, and 2 years, we don't hit people with a tax increase, at a time when we don't need to be raising taxes, at a time that we live in a global economy.

When it comes to the death tax, one in three small business owners is never able to pass their business on to the next generation because, when they die, the assets are evaluated in such a way that people have to break up the business to pay the taxes or they have to sell the family farm.

That is not what we need to be doing in America. That is not fair. The capital gains taxes are at 15 percent under current law. In 2011, they go to 20 percent. There are over 9 million families and individuals who will claim capital gains, and if this amendment doesn't pass and we don't do something about this, there are going to be 9 million families hit by a tax increase out there, at a time when our economy needs more money in the private sector, not in Washington.

As to dividends, there are a lot of people in this country—24 million families and individuals—who receive dividend income. Under current law, it is taxed at 15 percent. In 2011, the dividends go back to regular income tax rates—a dramatic increase.

What does that mean? That means owning stock becomes less attractive. There will be less people buying stock and receiving dividends from purchasing stock. That means people who are trying to create a company or expand their business will have to borrow the money from a bank, rather than getting investors from the market, and that will create more debt on top of what is already a debt-laden country.

As to small business expensing, under current law, firms may expense up to $250,000 of qualified assets of property they place in service in 2008. In 2011, the expensing allowance is scheduled to revert to $25,000. By being able to expense, from a tax point of view, the purchase of assets, you are able to grow your business, and it makes it attractive to expand your business.

If we don't pass my amendment, in 2011, that $250,000 allowance goes down to $25,000. My amendment reflects a Tax Code that is very generous to the Federal Government but is still burdensome on families and businesses. But to let it get worse, at a time when we are competing in a global economy, and try to pit one group of Americans against another, at a time when we are trying to put our best foot forward as a nation under a stressful business climate, is ill advised.

If you think America is undertaxed, then vote no. If you think we have taken a gracious plenty from business and families, then vote yes. If we don't make these tax cuts permanent in 2013, we are going to drive people offshore and create less jobs, not more; we are going to tax people who are struggling to make it as it is; and it will all be under the idea of fairness. It is unfair to not pass my amendment.

I think it would be incredibly shortsighted not to pass my amendment and make these tax cuts permanent that would allow Americans to keep jobs and grow jobs and pay the bills they are struggling to pay right now.

I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Madam President, there will be no more rollcall votes tonight. There has been tremendously good debate. We have had few, if any, quorum calls all day long. It has been a good and productive debate. The two managers are working through the amendments. An amendment has been laid down on both sides. We are making good progress. Hopefully, tomorrow we will make even more progress. I appreciate the good work of the managers of the bill.

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

Mr. BUNNING. Madam President, I wish to speak today as a member of the Senate Budget Committee. I had hoped the budget that was presented before the committee last week was going to be fiscally responsible and would help to address the mounting financial problems families face today, problems such as the rising cost of filling up a tank of gas, increased expenses for health care, and declining equity in the family home. Instead, this budget before us assumes Congress will allow the largest irresponsible tax increase in the history of the United States to go into effect. At $1.2 trillion, it would be the largest tax increase in history, and taxes would go up $2,300 on 43 million American families, $2,200 more on 18 million senior citizens, and $4,100 more on small businesses. Because of this, I was not able to support the budget resolution in committee, and I will be forced to vote against it here unless some drastic changes are made.

This tax increase will hit family budgets hard. Let me tell my colleagues what $2,300 means to most American families. The family budget—and we are talking about groceries now—$2,300 is enough to buy 8 months of groceries. Next, we have the bills for gas and electric for heating; $2,300 a year is enough for 43 million American families to buy enough gas and electric for 1 year's heating. It is almost enough money for American families with two cars to buy gasoline at $3.20 a gallon for unleaded regular for almost an entire year. We should not, at this time, be placing more of a burden on the American people with a huge tax increase. Instead, we need to pass a budget that includes progrowth policies to help balance the family budget.

This budget proposal increases spending by $210 billion in discretionary spending—an increase of over 9 percent of what we spent in fiscal year 2008. Under this budget, we will see a $2 trillion increase in the debt of the United States by 2013. That is more than $6,000 in extra debt for each and every American citizen.

At $3.08 trillion, this budget resolution calls for $10,165 of spending for every man, woman, and child in America—all 300 million of us. But there are only about 130 million taxpayers who file an income tax return. Of those 130 million, only about 14 million had an average income liability of over $10,000 in 2005. Of these, about 11 million had gross incomes between $100,000 and $200,000. That leaves 3.5 million taxpayers—no more than 2 percent—with an income above $200,000. These wealthy few are paying an extraordinary 50.1 percent of all Federal tax revenues. But even if you taxed away half of their income, the additional revenue would not add up to enough to balance the budget and pay for programs in mandatory spending this budget resolution assumes over the long term.

The idea that money can be found in a mythical source of funding called the tax gap is unlikely as well. The chairman of the Budget Committee repeatedly has noted that the IRS estimate of the gross tax gap is close to $345 billion per year. However, the idea that anywhere near this amount of money can be raised by closing the tax gap is simply an illusion. It is nothing more than a figleaf meant to conceal the intent of spending beyond the means of the Federal Government.

The truth is, we are not really serious about this, and the proof is that we do not have a proposed penny more in this budget for the IRS than the President does in his budget. It would be difficult to drive the long-term history level of voluntary compliance from 85 percent, where it is now, to nearly 100 percent in order to tap into this mythical source of funding because that is what it would take to raise $345 billion per year. But it is hard to see how it can be done without a vast increase in the size of the IRS.

We also need to pass a budget that includes the necessary funding to help us stop our addiction to foreign oil.

In 2005, Congress enacted a comprehensive national energy plan—the first step toward energy independence. Nevertheless, this year has been a difficult year for Americans facing much higher energy costs. The policies we enacted in 2005 needed to be backed up with Federal funding in the budget, but this budget resolution fails to address important alternative-fuel technologies and other oil replacements.

One of our top priorities should be on our most abundant domestic fossil fuel: coal. New technologies will make burning coal both cheaper and more efficient. We are even developing coal-to-liquid technology that can create a synthetic transportation fuel from coal. American coal reserves will be our best tool to overcome our reliance on Middle Eastern oil.

I have three amendments I wish to propose to this budget resolution.

First, I wish to offer an amendment that will repeal the unfair tax Congress enacted in 1993. I have brought this issue before the Chamber before, so it should be familiar to many of my colleagues. In fact, the Senate adopted a very similar amendment by unanimous consent last year, and it passed by a recorded vote 2 years earlier.

When the Social Security Program was created, benefits were not taxed. In

1983, Congress decided that half the benefits of some seniors should be subject to taxation and in 1993 raised that amount to 85 percent of the Social Security benefits. Today, more than 15 million seniors are affected by that taxation of benefits. In 1993, the tax was intended to reach only wealthy seniors by the income levels which were set at $34,000 for a single and $44,000 per couple. This is hardly wealthy today.

My amendment is fairly simple. It drops the tax back to the pre-1993 levels, and it is paid for by an offset of $89 billion over 5 years by an adjustment in function 920. Over $300 billion in potential savings on Government programs over the next 5 years has been identified by the inspectors general report and the CBO options report. And it is my hope that the committees of jurisdiction will review wasteful Government spending to offset the repeal of this tax increase on America's seniors. It was unfair then when it was enacted, and we need to repeal it now. I urge my colleagues to support this amendment.

The second amendment I plan to offer, together with Senator BEN NELSON of Nebraska and Senator DEMINT, will make room in the budget to permanently extend the tax incentives for adoption that we enacted in 2001. This is a critical kitchen-table, family-budget issue for many middle-income families in Kentucky and across the country who are contemplating the adoption of a young child or facing costs of adoption. By helping to ease this financial burden, we can encourage the development of more stable families and provide a brighter future for thousands of children.

This important goal prompted us to act in 2001 when we passed these important adoption incentives in the form of tax credits. In 2005 alone, 85,000 families, 77 percent with an adjusted gross income of under $100,000, claimed $319.5 million in adoption credits.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The Senator's time has expired.

Mr. BUNNING. Mr. President, I would like to mention the last one, and I will be finished. I ask for 1 additional minute.

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

Mr. BUNNING. Mr. President, last year the Joint Committee on Taxation scored the cost of my bill, the Adoption Tax Relief Guarantee Act, at $4.5 billion over 10 years.

The last amendment I wish to discuss will require the budget resolution to balance the Federal budget without Social Security taxes. For too long, we have been relying on payroll taxes to pay for general Government spending. As we all know, 2017 is the year in which Social Security obligations begin to equal payroll tax contributions, but our problems are likely to emerge much sooner.

In 2011, payroll tax contributions to the Social Security trust fund will begin to decline. Each year, we are going to have a problem, and by the year 2044, we will be paying 72 percent of the assigned benefits right now on our Social Security unless we address the Social Security spending in our current general budget.

I thank the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank, once again, the Senator from Kentucky for his courtesy.

At this point, I wish to offer a unanimous-consent request that we have worked on both sides that would be this: From 5:20 p.m. to 6:20 p.m. will be the time for the Joint Economic Committee; the first 5 minutes of that time—is that sufficient for the Senator?

Mr. WEBB. That will be sufficient.

Mr. CONRAD. The first 5 minutes will go to Senator WEBB, then come back to, for the next 30 minutes, Senator BROWNBACK, then come back to this side for the final 25 minutes of JEC time; then at 6:20 p.m., to go to Senator DORGAN from 6:20 p.m. to 6:35 p.m.; to Senator HATCH from 6:35 p.m. to 6:50 p.m.; to Senator CONRAD or his designee from 6:50 p.m. to 7 p.m.; to Senator COBURN or Senator GREGG's designee from 7 p.m. to 7:15 p.m.; and to Senator BROWN from 7:15 p.m. to 7:30 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. BROWNBACK. Mr. President, reserving the right to object, and I will not object, I know we need to move everything back 10 minutes because we were supposed to start at 5:20 p.m. and we are already 10 minutes past that time. So if we move everything 10 minutes back—

Mr. CONRAD. The Senator makes a good point; if we can adjust all those times to 10 minutes later.

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

Mr. CONRAD. Mr. President, that means we now go to Senator WEBB for 5 minutes.

The PRESIDING OFFICER. The Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WEBB. Mr. President, I appreciate the chairman allowing me to speak and also I appreciate the Senator from Kansas allowing me to speak briefly before he does.

I want to express my support for the provisions in this budget that go to the veterans programs. I want to deal with that in a minute.

First, I would like to point out to this body that this afternoon, ADM William Fallon, who is the commander of Central Command, resigned his position. We are not sure exactly how this is going to affect the administration's policies or Admiral Fallon's long-term willingness to express his views on administration policies, but I want to express my own regret that Admiral Fallon, who has served our country more than 40 years, has decided to resign his post in part, apparently, because of his concerns about some of the administration's policies.

I know a little something about resigning. I resigned my position when I was Secretary of the Navy when I was unable to support some dramatic reductions in the Navy shipbuilding program. Those are not easy decisions to make. I would also point out that this administration is not an administration that has tolerated dissent from our military leaders or, for that matter, is not an administration that has been very willing to seek advice from our military leaders, our senior military leaders, particularly when that advice is not in strict accordance with its own political views.

It should be pointed out that Admiral Fallon, who is the commander of Central Command, which is the overarching command that also includes Iraq, is now the third CENTCOM commander in recent history to have had at least some form of concerns about policies in that region.

Before we invaded Iraq, GEN Tony Zinni, Marine Corps general, former CENTCOM commander, spoke out strongly against invading Iraq, as did GEN Joe Hoare, former CENTCOM commander. So I think we need to see a greater willingness among our political process to listen to the views of people who have had long service and who have concerns about where this country is going.

There are too many people who have been involved at the top levels in the Pentagon who tend to believe that Iraq is something of an island, that you can separate what is going on in Iraq from other issues that are affecting the entire region. This is a region that is in chaos, all the way from Lebanon to Pakistan, as we well know. We need the advice, the contributions of global thinkers.

Admiral Fallon was one of them, Admiral Mullen is another, people who bring another sort of strategic perspective into this debate. I am profoundly concerned that Admiral Fallon has decided to take this measure, and I am hoping that we can hear from him in a more specific way in the future.

In fact, I would point out that I recently signed two letters on January 17, one to Chairman LEVIN of the Armed Services Committee and another to Senator BIDEN of the Foreign Relations Committee, both of which I sit on as a member, asking specifically that they invite Admiral Fallon, among others, to testify in consonance with General Petraeus's testimony coming up this year.

I was saying last September that it was an error, I believe, only to focus on what General Petraeus was saying in the stovepipe of Iraq rather than to hear these strategic thinkers talking about the region at large. So I hope we can do that in some greater detail in the near future.

Again, I want to express my profound appreciation for the service that Admiral Fallon has given our country.

With respect to the veterans provisions in this budget, we on this side have put more money into it. We have listened to the joint opinions of our major veterans groups. A big part of this is the GI bill, which I introduced my first day in office. We now have 49 cosponsors on this bill which will give those people who have been serving since 9/11 the same level of benefits as those who came back in World War II.

On the one hand, we hear so many people, particularly in this administration, talking about how these who have been serving since 9/11 are the next ''greatest generation,'' and on the other, this administration itself seems to oppose giving our veterans of this time period the same benefits we gave those who served during World War II—a GI bill that literally transformed notions of class and privilege in the United States.

I would remind my colleagues that for every dollar in tax remuneration that was paid on the World War II GI bill, we received $7 in tax benefits because of the way they were able to advance their careers.

I yield the floor.

Mr. CONRAD. Mr. President, we wish to amend the previous unanimous consent agreement to provide that Senator BROWNBACK finish his presentation on JEC by 6:05, from 6:05 to 6:30, that it be the JEC Democratic time; from 6:30 to 6:45, Senator HATCH be recognized; from 6:45 to 7:15, Senator COBURN be recognized; from 7:15 to 7:30, Senator BROWN be recognized; and that there also be an opportunity for Senator COBURN to continue after Senator BROWN, if he should desire; and that at the end of that time, both sides would yield back an additional 5 hours each off the resolution.

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

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. BROWNBACK. Senator WEBB and I are involved in the Joint Economic Committee's time. Under the Budget rules, we get a certain amount of time to talk about the impact of the budget on the overall economy. That is what I intend to do.

I think it is also important to do this because, obviously, the budget does not happen in a vacuum, and the size of the Federal budget and its impact on the economy is so profound that I think we need to spend quite a bit of time, a lot more than just an hour's time, about what impact the Federal budget has on our overall economy.

The things we do, it is impacting the overall economy. I appreciate Senators Webb's comments about the military actions. We actually have held a Joint Economic Committee hearing on the impact of the war in Iraq, in Afghanistan, on our overall economy.

While I certainly dispute some of what the economists came forward with, I thought it was a useful thing for us to discuss. I think we ought also to look at that as not in a vacuum, given potential large impacts if the United States pulls out of Iraq and Afghanistan and pulls back from engagement on the global war on terrorism. It can have a huge impact on our economy, in many ways unmeasurable, and in a lot of ways difficult to predict.

But the impact is enormous. I think we have to look at this and say: We need to stay in this. We need to be able to get this done. That stability has a clear, positive impact on the environment. And a change toward a more stable environment in the Middle East and toward a democratic process in Iraq and Afghanistan over a lengthy period of time has a very positive impact on the global economy and ultimately on the U.S. economy. I do not think we can discount those features. While members of the Joint Economic Committee on the other side of the aisle prefer to look only at economic costs associated with wars, there are clearly benefits derived from National security, which they should not ignore.

I wanted to talk about now the budget proposal in a couple of ways. I would like to speak first about the impact of tax-and-spend proposals that are too much of a feature in the overall budget put forward by the Democratic majority in the Senate. I appreciate the work by those who constructed the budget. I recognize the difficulty of crafting a budget.

But I think there are some fundamental flaws that exist in the Democrat's budget that if not addressed, or if addressed in the way that the Democratic majority puts forward, are going to have fundamentally negative impacts near term and long term on the U.S. economy and on our opportunities and our hope for the future.

I think as a premise that we need to look at the United States as a place for a growth platform. We need to look at how we can grow the economic activity, increase the freedom for our people and the population overall, provide for everybody, and in that process grow and provide more opportunities for people here and for us in our future and future generations.

If we go the way the Democratic majority is putting forward in this budget, we are going to see increased taxes, we are going to see increased spending of a substantial nature. We are not going to deal with the entitlement crisis we are already in, and we are not going to be able to provide for opportunities in our future.

There are fundamental choices that people need to make and I will articulate these and I will go through them specifically. Our economy is currently experiencing a significant slowdown associated with the subprime mortgage meltdown, difficulties in financial markets, and certainly a slowing in our housing markets, which includes rising foreclosures.

With that backdrop, though, now would seem to be exactly the wrong time to be talking about tax increases. Just on a basic level, you would look at that and say: If you have a slowing economy, is that the time to raise taxes? And I think most people, if you ask them, they would say: No, that is the time you cut tax rates to try to stimulate economic growth.

Yet this Democratic budget provides just the opposite, a very large tax increase, raising taxes by $1.2 trillion, the largest tax hike ever. That is not something you want to do when the economy is slowing. It goes against economic fundamentals. But it also shows the fundamental impact of the Federal budget on the overall economy. This tax increase will be wide and deep, affecting nearly 116 million Americans, millions of American families, including seniors who will owe thousands of dollars more to pay for more and more Government.

And, yes, this budget projects to make the Federal Government even larger and more intrusive. Not satisfied in the Democrat's last budget with a $205 billion 5-year discretionary spending increase; this 2009 Democrat budget will increase spending by $210 billion over 5 years in this budget. Of course, this will lead to more and more debt that will pile up on top of more and more spending.

I think the second major shortcoming of the budget proposal put forward by the majority is the failure to confront the need for entitlement reform. Now this is something we have been talking about for some period of time. I stand ready, and I hope a lot of my colleagues do, to go at, on a joint, bipartisan basis, entitlement reform. We have talked about it a lot. I am going to show charts on this. But the entitlement plans are going to eat up the entire budget. We will go through the specifics, but it is clearly an unsustainable system that we are in right now.

Like in most problems, the earlier you deal with it the more options you have to deal with it. And the earlier you deal with it the more likely it will be that you successfully deal with it. And the earlier you deal with it the less pain there will be over a period of time, than if you deal with it later.

These problems with entitlement promises that are unsustainable are the same. If we can come together, on a bipartisan basis now, start an entitlement reform, A, the country would cheer that we would do it; B, we would have more options; C, it would be more successful; D, it would be less painful. That is the way we need to go at it in dealing with our entitlement reforms.

But in the Democrats' fiscal year 2009 budget, we see that they are again wishing to ignore this pressing problem associated with entitlement spending. So I wanted to take a look now at some of these problems and put a few charts up in front of people I think they are familiar with, but they remind us of the magnitude and the growing nearness of this problem of entitlement programs.

If you look at the red line on this first chart, you see that total primary spending is projected by the CBO, Congressional Budget Office, a nonpartisan office, to rise from its current level of 18 percent of GDP to more than 30 percent at the end of this chart, 2082, a long ways out there, but it shows you clearly where the trend line goes under the current entitlement programs.

Those are not adjustments to entitlement programs, those are current entitlement programs. Yes, Federal spending is projected to rise to over 30 percent of our Nation's GDP, under our current set of entitlement promises.

The second chart shows that the longer we wait to address the unsustainable nature of promises in our entitlement programs, which this Democratic budget totally ignores, the bigger will be the pain.

Now, here you can see reductions in spending that would be necessary to solve our entitlement crisis. For example, if we were to address our fiscal problems solely by cutting Federal spending starting this year, we would need an across-the-board spending cut of close to 7 percent. If we wait until 2020, we would have to cut spending across the board by 9 percent. To wait until 2040, you have to do it by 15 percent.

That is my point; that is, the sooner you start to work on these things the less pain you have to have in the process, and the more likely it is that you are going to be successful in getting this done. These are dramatic spending cuts. But what if we can get started now and on a bipartisan basis, just going on a slight level and give people time to prepare for adjustments that will surely have to be made?

You still get a much larger impact if you don't fix the unsustainable nature of our entitlement promises now, and instead wait longer. The longer we ignore the unsustainable nature of entitlement promises, the bigger will be the pain associated with bringing the Nation back to a sustainable fiscal course.

Now, this is a commonsense proposal. You would say: Of course, then, I should deal with that now. We are offering to do it on a bipartisan basis. The chairman of the Budget Committee from the majority claims that the task force he and Senator GREGG wish to form to study the entitlement programs is the only way to deal with the problems. I am a cosponsor. I would sponsor legislation to do this. But that in no way mitigates the need to get started as soon as we can to reform entitlements now. Why wait for a task force to form? I think we need to get started on this now.

To see how severe problems associated with the entitlement program promises are, consider the next chart which shows CBO's projection of health care spending. Now, here is the big one that eats us up. We know this. We have got fabulous things going in the health care field that probably are going to drive these costs up even more than this chart projects.

I want to see those things developed further as far as the technology and the ability. I was out at the National Institutes of Health this morning looking at some of the things they are working on at the National Institute of Mental Health, understanding the mind and how it works. Fantastic.

I want us to continue to fund that. That is going to probably drive this line up even higher. That may be the nature of where we are. We do not want to stop that funding. But then you see how dramatic and important it is to address this piece of it, the health care piece of it now, and to begin to address it at this point in time.

Net Federal spending on Medicare and Medicaid now accounts for about 4 percent of GDP. CBO projects, given current entitlement promises and not these major changes I am talking about, that spending will grow to almost 20 percent of GDP in the projected time period here of 2082. A long time now, still the trend line is known and knowable and we should use the ability to deal with it more now than putting that off until later on. So spending on Medicare and Medicaid alone, according to the projections on this chart, will use up the entire historic norms for tax collection and beyond.

But Medicare and Medicaid are not the only entitlement programs. The next chart shows Social Security spending as a share of GDP in the past and spending projections for the future. While spending for Social Security benefits has been between 4 and 4.5 percent of GDP for the past couple of decades, it is projected to rise significantly to 6 percent over the length of this chart's projection, not near the growth of entitlement programs, but still showing a significant 50 percent rise. If you add the 20 percent of GDP accounted for by Federal promises for Medicare and Medicaid, 6 percent for Social Security benefits, you see that the Federal Government has already promised over 25 percent of our total yearly output to entitlement spending. This only counts promised entitlement spending right now. As I mentioned previously, our historical norm for the amount of tax collection that our society gives and puts into the Federal Government is about 20 percent. If you get above that, people really start to yell. So we are already above that in the promises made in three entitlement programs. And that takes into account nothing for the military, for schools, for other social programs, for infrastructure, for unemployment, or for any discretionary spending.

The Democratic majority seems to want to focus on one route here, and that is tax and spend. The Democratic majority, unfortunately, has chosen in their budget to ignore our Nation's looming fiscal crisis that is sure to come from the unsustainable nature of entitlement programs. This fiscal year 2009 budget promises to impose the largest tax increase in the history of this Nation on American families and does this at precisely the wrong time, when the economy is struggling. This will be the largest tax hike ever, amounting to an additional $3,135 in taxes each year for every household, over $3,100 a year increase in household taxes at exactly the time when people are getting concerned about economic activity. Just when we did the stimulus, we raise taxes.

I want to take up the theme of the impact on our economy of this budget. That is the role of the Joint Economic Committee, and that is why they have been given a period of time to comment on this, because this has such a profound impact.

Now I want to talk about the impact of raising taxes at this point in time on the overall economy. I have talked about entitlement programs, the failure to address those, the long-term pain that is associated with that, and the additional pain by putting it off on a longer basis. Now what about the impact of raising taxes at this point in time on our economy and who is going to pay those increased taxes? The Democratic majority's budget will raise taxes on at least 116 million Americans. It is not just on the rich, unless there are 116 million people categorized as that in the United States. It will tax the hard-earned income and retirement benefits of millions of American families and seniors to pay for larger and larger government rather than reform. I think what people want to see is, you guys are going to operate within the amount that you have and reform the system. Reform what you have, don't tax and spend. Let's leave taxes where they are or make them lower so we can grow the economy more and then reform the system within rather than just adding and adding and adding.

The majority would have you believe that they will offer amendments to make the middle-class parts of the tax reductions permanent. They are not including any teeth in that budget amendment, and we will almost certainly not see legislation to accomplish that extension in this Congress. It is just empty promises. Democrats complain that the tax relief measures of 2001 and 2003 primarily benefitted the wealthy. Let's go through a couple of charts to look at that claim and see who is paying these tax increases or paying and receiving the tax relief of 2001 and 2003 and who would pay, if what the majority is putting forward is enacted, the tax increases.

As shown by the changes in the share of total Federal tax liability by income group on the chart, the percentage of all taxes paid by the top income group has increased since the tax relief measures were enacted, and the share of taxes paid by the bottom four income groups has declined. I think this tells a dramatic and different story than what we hear a lot of times in the rhetoric.

Where you look at the various income categories, the lowest 20-percent income category, next 20, next 20 up, and on up, and then we put a block here showing the top 1 percent income category. My point of showing this is on your bottom four income categories, the lowest 20 percent earners under the changes in Federal tax liabilities 2000 to 2005, this is the 2001 and 2003 tax cuts, the greatest beneficiaries under those tax cuts were the lowest income categories. The biggest beneficiary under those tax cuts was the bottom 20 percent. That is as it should be. The lowest income category should have the biggest impact, the most positive impact. You are seeing that in then the next lowest 20 percent, the bottom 40 percent here, then the 60, and then the 80 percent of lowest incomes.

Now you look at the top 20 percent earners, they pay an increase as a percentage of the Federal budget of taxes under these tax cuts in 2001 and 2003. And your top 1 percent is up 8.2 percent in terms of what they pay as their share of Federal taxes.

My point in saying this is, these tax cuts have worked as they should have. They have cut the overall tax rate for individuals, and particularly for lower income individuals. They have stimulated the economy, and they have shifted the tax burden to the higher end of the income distribution. When you say tax cuts for the rich, your really should be talking about tax cuts for most Americans and the percentage they pay. This is as it should be. This is how it was designed. So when people say we have done these tax cuts for the rich, we are not going to extend them, does this chart show tax cuts for the rich? I think it shows tax cuts primarily benefitting the lower 80 percent of wage earners and having a burden shifting to the top 20 percent of income earners. That is the design it should have. It has grown the economy overall. It has been the way we should go.

Yes, despite the tax relief measures that many tout as tax cuts for the wealthy, the share of taxes paid by the top 10 percent of income earners rose more quickly than during previous periods, including periods with higher top marginal tax rates. According to the most recent data, the share of all Federal income taxes paid by the top 10 percent has reached an all-time high of 73 percent. Let me say that again. According to the most recent data, the share of all Federal income taxes paid by the top 10 percent has reached an all-time high of 73 percent. You can see the trend line of what is taking place from 1979; the top 10 percent of income earners, 1979, the percentage of income taxes paid was below 50 percent. In 2000, 68 percent; now it is all the way up to 73 percent, as it should be.

Democrats talk about raising taxes on the wealthy, but fail to mention that not extending the tax relief measures of 2001 and 2003 will result in huge tax increases for all Americans, as this chart displaying average percent increases in taxes by income levels shows. I wanted to show you this one. Low- and middle-income families will be the hardest hit by the scheduled tax increases that will occur in 2011. These families benefitted the most from a reduction in the bottom tax rate, from the child tax credit and marriage penalty relief contained in the 2001, 2003 tax relief measures. If the tax relief measures of 2001 and 2003 are not made permanent, families with $50,000 in income will see their tax bills rise by 261 percent in 2011.

On the other hand, families with $500,000 or more in income will experience a 12- to 13-percent rise in their taxes. Is that what you want for a structure of tax increases, putting the largest hikes on the lowest earning families and the smallest hikes on the upper earners? I don't think that is the way you want to structure tax increases. I don't think that is the way the American public would want to see that structured. I don't think the American people would want to see any tax increases. The average household will pay an additional $1,833 under the Democrat's plan. Many will have their taxes rise by even more. Seniors, families with children will pay an additional $2,000 or more. Married couples will pay an additional $3,000. Small business owners will have their tax bills rise by more than $4,000.

Another shortcoming in this budget is the failure to adequately address the growing burden that the AMT will place on many middle-income families. Although the AMT was enacted initially to prevent millionaires from avoiding taxes altogether, it will soon ironically affect a greater percentage of middle-income married couples with children than millionaires. Let me show this chart, the ones it is going to impact.

This says, middle-income married couples with kids will be more likely than millionaires to pay the AMT in 2010. Here is your married couples with kids, AGI of $75,000 to $100,000, 89 percent will be in the AMT; millionaires, 39 percent will be in the AMT. The AMT needs to go. I think we should go and offer an optional flat tax for the overall Tax Code and do away with the AMT altogether. You can see its disproportionate negative impact on families, not hitting its target and having an overall very negative impact on the economy.

Given the time I have left, I want to talk about a proposal we are going to put up in this budget and it is a bill on the CARFA commission, the Committee on Accountability and Review of Federal Agencies. It is something we have talked about before and we have had it up as a proposal in the Congress. I have had it up as a proposal and I have had a number of cosponsors. On the current CARFA bill, we have 24 cosponsors. I hope it will be a bill that my colleagues in the majority will look at and support. It is built on the BRAC Commission. I would note that the BRAC Commission provided for a process to close military bases. Before we had BRAC, it was impossible to close a military base. Any time you wanted to close one, the people in that district, that State would fight you. You would never get any of them closed. We put together this BRAC process. They came up with a list of bases to close, and then they presented it to Congress. Congress got one vote up or down, close all of them, keep all of them, deal, no deal. Through that system, we have now saved the Federal taxpayer over $65 billion from that process of closing military bases and consolidating them in a few areas, working toward greater efficiencies. It has been very successful.

What we need to do now as a part of the Federal budget is take that to the rest of the Government so we can close Federal programs that are no longer working.

I want to show you this report card of how successful is the Federal Government. This is the Federal Government report card, and this is done as a scoring by Federal agencies, where they score the effectiveness of various programs for hitting their intended target when they were started and for the budget they have been given. I want to note that if you gave a GPA to the Federal Government on accomplishments that it does with the money it has been given, the overall grade point average that the Federal Government gets is a 1.14 out of a 4.0 GPA. Now, that is not very good.

What happens—everybody knows this is what takes place—we get a program started, it gets funded, and it is never ended. It may be completely successful and all is accomplished, but the program continues because we do not do any sort of culling process at all. Then we want to do something new, but wait a minute, we did not do away with the old.

The BRAC process we are talking about putting on the rest of Government—this CARFA Commission—would put that process on the rest of Government and I think dramatically improve this GPA because now you start getting rid of programs that are no longer effective, just like when we had military bases that were in places that were there because of maybe the Spanish American War or the early wars in this country—completely out of position, no longer necessary but sustained because they had supporters in the system, even though they were not being effective.

Well, imagine if you take that system of protection and nonculling and apply it to the rest of Government. How many programs do we have that we have created over the 200-plus-year history of the country, and we have never done away with any of them? We have not even adequately evaluated their effectiveness. You can see why we would be able to improve the government's GPA score and be able to have more money to put in higher priority areas, such as the National Institutes of Health, where I would like to do a war on cancer; or the things we need to do for infrastructure in the country. Yet we have never been able to eliminate any spending.

Here is a systems approach, under my proposal, that has worked in another area, that has been key, that has produced $65 billion in savings, that we need to take to the rest of Government.

So one of the amendments I will be putting forward is asking for the establishment of this CARFA Commission—Commission on Budgetary Accountability and Review of Federal Agencies—that will provide a list—a group on an annual basis—of programs that should be eliminated and give Congress then one vote, up or down: agree or disagree whether to eliminate this whole group or to keep the whole group.

I think that is something we need to do overall. It ought to be something we can come together on, on both sides of the aisle. I would note that in traveling across this country and talking with people, one of the big things the American public wants to see us do is get together and get something done on something that is significant to them.

One of those things is that we would be much more responsible to the Federal taxpayers as to what we are spending their money on. If we can become more responsible on that and work across the aisle and they could see Federal programs that are being eliminated because they are no longer effective or they are wasteful—and then they would actually see that taking place—I think people would then trust us more with taxpayer dollars rather than not trusting us with taxpayer dollars. If we can show them that, they would see us doing it on a bipartisan basis.

This is something for which the outcome is certainly not stacked. This is something that both sides could support as a process because we have in the past. We could finally see something starting to take place in eliminating waste, fraud, and abuse in the Federal Government. Everybody is opposed to waste, fraud, and abuse in this body—everybody. Yet it continues because the system is built to spend, it is not built to save, it is not built to reduce. We have a system that is built to save and reduce, and it is called that BRAC system in the context of military bases. Then that saved money is put into higher priority needs. Let's take that system out to the broader body of government.

This is the short period of time given to the Joint Economic Committee to talk about the impact of the overall budget on the U.S. economy. The impact of this budget that the majority is putting forward is profound and it is negative on the overall U.S. economy. I urge my colleagues to vote against it because of that.

It fails to address any sort of entitlement reform. It increases taxes at exactly the wrong time. You do not need to increase taxes, I think, at any time because of the scale of taxes. But when you have a slowing economy, it is the absolute wrong time to raise taxes. The Democrat's budget also does not deal with reform of the AMT, the alternative minimum tax, which it should. It raises taxes on lower income individuals in this society and in our economy, not on upper income individuals. Again, it does have tax increase at exactly the wrong time. And it does not include things such as fundamental spending reform through a CARFA type of process we used in the military base BRAC system before.

Because of these failures of big-ticket, overarching items, this is the wrong budget at the wrong time that will have a negative impact on our overall economy. It will have a profoundly negative impact on our overall economy. It is not the right medicine of what we need to move forward. For us to grow this economy at this point in time, we need lower taxes, not higher taxes. For us to grow this economy and provide for our future, we need entitlement reform now. We also need to be able to get at our wasteful spending in the Government. We need to adjust our systems to be able to do that. Those are reforms that if we did them now—and did them at this point in time—we could have a much brighter and sustained future. This budget does not provide for those. For those reasons, I will be opposing this budget.

Mr. President, I yield the floor and reserve any time I have on the Republican side for the JEC.

The PRESIDING OFFICER (Mr. MENENDEZ). The Senator from Pennsylvania.

Mr. CASEY. Mr. President, I ask unanimous consent that I be permitted to speak for up to 15 minutes within the time allocated for the Joint Economic Committee on the floor.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CASEY. Mr. President, thank you very much.

I wish to, first of all, start my presentation today with an overarching commendation of the work of the Budget Committee and, in particular, Chairman KENT CONRAD, who worked, as he always does, along with the members of his committee from both parties who have worked very hard on this budget.

We are going to have a significant debate this week and we are doing that now and it will be fairly heated because we have broad disagreements about this budget. But I do wish to commend Chairman CONRAD and his work over many months, as he does every year, in his committee.

I wish to focus on three areas: First of all, our fiscal situation that we face now because of what has been happening in the last several years with our Federal budget; secondly, to talk about our families and the struggles so many families are living through right now; and then, finally, to summarize very briefly some of the Democratic proposals and how they compare to the President's budget.

But I wish to start first with our fiscal situation. And I wish to thank Nathan Steinwald, who is with us, who is not only helping with getting the right chart up but also has done a lot of work on our staff to prepare us for these budget debates.

The first chart sets forth the deficit as it has taken hold over time. It starts on the far left corner, with that green bar, which starts at the year 2001, the first year of President Bush's administration. That is his first year. There was $128 billion in surplus in his first year. I would argue that is a surplus that was left over from the prior administration.

But then you go into the 6 years after that, where we have data set forth and depicted on this chart showing the deficits since President Bush has been in office from 2002 to 2007—$158 billion in deficit; $378 billion in deficit; the largest deficit, $413 billion, in 2004; it reduced somewhat to $318 billion in 2005. It had been reduced and went down to $162 billion last year. But then here is where we begin to get into trouble again. The projected deficit, as it is set forth in President Bush's budget: $410 billion is a projection for 2008; for 2009, it is $407 billion.

So we go from a surplus, when he came into office, far into deficit. Just when you think we are crawling out of it, because of his proposal—if we enacted his budget—we are going to go back into almost record deficit. You can see they are almost at the record level of $413 billion. So that is a big problem. That chart alone is evidence to tell us we should not adopt President Bush's budget.

So let's go to the next chart, which focuses not on deficit but on debt. Unfortunately, this chart tells us even more. This is bad news. I will try to get to good news as soon as I can, but I think it is important to set forth where we have been, where we are, and where we are going. This is the debt of the United States: $5.8 trillion—that is what the T means—in 2001, the first year of President Bush's administration. As if it were ascending steps to an unknown height, step after step after step going up, the debt number is increasing year after year after year.

So we keep borrowing under this administration ad nauseam, borrowing against our children's future. It is not just about some far off debt that this Government has put on our children—that is bad enough; that is reason enough to try to bring that number down—but we are paying for this every year, hundreds of billions of dollars in debt service right now. In 2007, we had that, and in years before that—2008, 2009. So we are paying for it now to the tune of hundreds of billions of dollars.

Here is where we will be in 2009: a debt number of $10.4 trillion. At some point in that year, we will achieve a debt number of $10.4 trillion. The President, even though he will technically be out of office in January of 2009, bears responsibility, a large part, if not all the responsibility, for that number: $10.4 trillion. In essence, this President has become the ''10 Trillion Dollar Man,'' the ''10 Trillion Dollar President''—not something that anyone would want as part of their legacy.

It is important to note that $5.8 trillion—that was the level we were at when he came into office—that number was actually starting to go down in the last couple of years of the prior administration. So instead of staying on that path and having a flat line—so to speak, holding it under control—this President, with a lot of help from the Republican Congresses, by the way, sent that number through the roof.

As you can see, the final number—the most disturbing number, if we stay on the path we are on and do not adopt the policies that will lead us to get us on the path of fiscal responsibility—in 2013, the debt will be $13.3 trillion. Again, we are going to pay for that every year.

We spent last year, in terms of debt service, more money than all of the Medicaid Program, which is over $200 billion in and of itself, and all of the State Children's Health Insurance Program. And you can add more to that. But consider that: We spend more on debt service than we do on both of those programs that help poor children, Americans who are suffering from a disability, children of working families who have health care. All of that health care, all the good things that happen in those programs do not equal what we are paying in debt service to finance his debt.

So we are in a debt mess here. It is a fiscal nightmare. I will go to the next chart, which shows what we owe the foreign governments.

A portion of that almost $10 trillion in debt, of course, is foreign debt, debt to foreign countries. The top 10 foreign holders of our national debt: In first place, Japan. We owe the Japanese Government $581 billion. We owe China $478 billion. It goes down from there; the UK; the ''oil exporters,'' we owe them $138 billion. It goes down from there.

That is another piece of bad news. This is not some far off debt number. Some of them are allies; some of them are not. Some of them we have some real disputes with. We owe them hundreds of billions of dollars.

I will go to the next chart where we have been hearing a lot the last couple days about the tax cuts. Well, let's look at how much they have cost us and what they will cost us. The cost of extending the Bush tax cuts explodes outside the 5-year budget window. So when you are talking about here that we are debating the budget for 2009—talk about 2009, look at the way that number goes up starting in 2010: the 10-year cost of $2.9 trillion for the Bush tax cuts if we stay on this path from 2009 to 2018. So if you want to adopt the Bush tax cut, that is what you have to pay for. That is what you have to pay for in that 10-year window. To say it is unaffordable, to say it is fiscally reckless is a gross understatement, but I think we can see from all of the red why that is the case.

So what do we do when we debate this budget? We can talk a lot about the fiscal situation, but I think it is probably even more important to talk about what has been happening in our country with regard to our families.

It seems that in the life of a family, in terms of costs, everything that a family hopes would be going down is going up. A family would hope, I guess, that health care costs would be leveling off or going down. They have actually gone way up. We would hope the cost of a college education has flatlined or is staying at a certain level or going down. The cost of a college education is going up. Everyone knows the price of gasoline is going through the roof, is going up over and over again, month after month. The price of oil—I don't know what it did today, but we were over $105 a barrel; the subprime crisis we are living through and the cost of housing, the value of the house in terms of that family's value, their economic value on paper but also the value to our economy. So this housing crisis, caused in large measure by mortgage brokers and others who were unregulated and really took people over a cliff, so to speak, with regard to their housing costs, has caused tremendous pressure, first of all, on individual families but, of course, on our neighborhoods. Whenever we have a property foreclosed upon, a neighborhood disintegrates time after time. But at the same time, the costs of everything in the life of that family is going up, whether it is housing or gasoline or education or health care.

The things a family hopes would be going up are things like consumer confidence. That is going down. The value of one's home, one would hope it would be increasing, but that has been going down. All of these up and down problems for families are real-life crises for so many families across America. What they expect us to do with this budget is everything we can to help dig them out of the economic crisis they face.

So what should we do? Well, we can do a lot. We can, first of all, be fiscally responsible but also have budget policies and strategies in place that focus on creating not just jobs, not just any jobs, but good-paying, family-sustaining jobs. That means in particular budget proposals on how we fund an agency, what we cut and what we don't, what we increase and what we don't, but also it means trying to set aside places in the budget where we can make investments over time. These aren't things that will happen right away, these aren't things that can happen quickly, but these are priorities.

For example, education—I think our budget should reflect that we place a value upon and we are actually going to invest in education, just as a good CEO would invest in workers. First of all, this budget resolution invests in education strategies that create jobs and growth, preparing our workforce for the global economy, making college affordable, improving student achievement. You can see what it does there: education tax cuts up to $13 billion, $5.7 billion over the President's budget in discretionary funding for the Department of Education and Head Start. Thirdly, an education reserve fund for school construction and higher education authorization.

The second chart talks about the way we can grow our economy and create high-paying, good jobs by investing in energy. The old way of thinking about this was that if you had to conserve energy or be more efficient, that was going to cost jobs. Now we know that when we are not in conflict, one of the best ways to create jobs is to invest in green-collar jobs and in green energy.

I will go to the last chart in terms of our infrastructure, just to get this in before we conclude.

Our infrastructure, everyone knows—we knew this before, but certainly when we saw the bridge collapse in Minnesota—that we have to invest in basic infrastructure. This budget resolution sets aside room in the budget to do just that: to invest in our infrastructure, whether it is highways or mass transit, whether it is airports or what we call ready-to-go infrastructure projects. Sometimes, when a company wants to locate in a community, they don't have time for a lot of debate. They need to get moving very quickly. We need projects and land set aside to do that.

I will conclude with one final chart because I know the chairman of the Joint Economic Committee, Senator SCHUMER, is with us, and he is probably coming up next, and I want to make sure he has all the time he needs because he has been a great leader on these budget issues.

The final chart I will put up: We hear a lot about Democratic spending, spending, spending from the Republican side. The differential between what the President proposed—$3.04 trillion—in this 2009 budget and what we are proposing is $3.8 trillion. That is a 1-percent difference. So when we hear debate and arguments back and forth that Democrats are spending too much—more than the President—the difference is 1 percent.

I have a lot more to get into, but I am going to conclude with this thought: We have to invest in good-paying jobs, family-sustaining jobs, and we also have to get our fiscal house in order. Unfortunately, I think the President's budget does not do that. The Democratic budget will.

Mr. President, I yield the floor.

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

Mr. SCHUMER. Mr. President, may I make an inquiry of the Chair? How much time do I have?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. SCHUMER. I ask unanimous consent for an additional 5 minutes. Is that in order?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SCHUMER. Mr. President, first, I wish to thank my colleague from Pennsylvania before he leaves the floor. He is a great member of the committee, a great Senator, and always has his eye on the average family. One of the reasons he has been so effective on the Joint Economic Committee is he understands all the concepts, of course, but then he is able to take them and relate them directly to the needs of average families. I thank him for the good job he did this afternoon, which is typical of the good job he always does on the JEC and elsewhere. I also thank my colleague, Senator WEBB, who also took some time to speak on these issues.

Now I will conclude our Humphrey Hawkins budget debate.

Today, we are looking at an economy on the verge of recession. Many economists would say it is already in recession. The economic hits to middle-class American families just keep on coming and coming.

Before I talk about our Democratic budget package, which is far superior to the President's budget, I would like to use this Humphrey Hawkins debate time as chair of the Joint Economic Committee to talk a little bit about the economy.

In the last week alone, we have learned that we are experiencing record home foreclosures in the prime and subprime mortgage markets from coast to coast. Every single State has been affected by an increase in foreclosures. According to an analysis by the Joint Economic Committee, home prices in every major market are falling. Families have historically low equity in their homes.

Moody's Economy.com estimates that 8.8 million homeowners—that is 10 percent of all homeowners—will owe more money than their homes are worth. Think of that: 10 percent of all homeowners—not homes in foreclosure, not homes in trouble, but 10 percent of all homeowners will owe more money than their homes are worth.

Just this past Friday, the Labor Department reported back-to-back months of losses in jobs, with serious losses this past month in manufacturing, construction, and retail. Today, the Commerce Department released data showing rising trade deficits with China and oil-producing nations such as Venezuela and Saudi Arabia. Americans are paying a record average $3.22 per gallon of gasoline today, and if that wasn't enough, oil is selling for over $110 a barrel. Let me repeat that. Oil is selling for over $110 per barrel. That is an alltime record.

As we put forward a more sensible budget plan for our country this year, we have to recognize that the pressure on families has been made worse since President Bush took over. Over the last 7 years, Americans have been squeezed by skyrocketing energy, health care, and education costs. Energy costs have ballooned 64 percent during Bush's tenure. A gallon of regular-grade gasoline has increased 60 percent in real terms, up from $1.62 in January 2001. To put this in perspective, the average middle-class family is paying more just in higher gasoline prices than they received in the Bush tax cuts. Again, let me repeat that. The average American family is paying more just in higher gasoline prices than they received in the President's tax cut. That is appalling.

There are 7.2 million more people uninsured since the President took office, and average health insurance for families who do have it increased nearly 40 percent since 2000. Inflation-adjusted tuition for 4-year public colleges increased 36 percent, to $5,526 per year between 1999 and 2005. In February of 2008, 4.9 million people were working part time for economic reasons but wanted to work full time, and the underemployment rate is almost 9 percent—9 percent—up 1.6 percent since 2000. Now there are 1.4 million fewer people with jobs since the President took office—1.4 million unemployed.

The bottom line is that this administration is the owner of the worst jobs record since Herbert Hoover, and the last 2 months of losing nearly 90,000 jobs secures the President's unfortunate place in history, as this chart shows. Here is Herbert Hoover. Everyone did better than George Bush since Herbert Hoover.

The significant job losses in manufacturing and construction have continued since the housing market has been in trouble and doesn't seem to be getting better. The job losses in the retail sector are particularly troubling because it indicates that consumer spending, which has driven this economy, has also declined measurably.

The President's ''hear no evil, see no evil, do no evil'' policies on our economy simply don't work. It is only a matter of time before consecutive months of job losses, falling home prices, rising energy prices, and cutbacks in consumer spending lead us into a full-blown recession. It is crystal clear to everyone except the people in the White House that we are inevitably heading toward a recession.

It isn't a surprise to many in Congress that we are on the brink of recession—or are already in one—although the administration has done an excellent job of hiding its head in the sand, because their strategy has produced burgeoning budget deficits, a serious global trade imbalance, and brought us to the brink of recession. That is because their only economic strategy for everything is to cut taxes—help their wealthy friends and no help for the rest of America.

The unmistakable economic downturn began early last year as the subprime mortgage mess unfolded. The spillover effects into the broader housing market, the credit market, and overall economy are tremendous and ongoing.

According to the JEC's conservative estimates, by 2009 at least 1.3 million foreclosures will occur as the riskiest subprime mortgages reset over the course of this year and next. This will lead to the destruction of approximately $100 billion in housing wealth, including an estimated $71 billion in direct losses on foreclosed properties and a decline in the value of neighboring properties by an additional $32 billion.

Overall housing prices continue to fall, as seen in the almost 10 percent decline of the S&P/Case-Shiller national home price index since the first quarter of 2006.

Last week, the Federal Reserve released data showing that American families hold less equity in their houses than at any time since the Fed began tracking this data in 1945. Under the Bush administration, the primary source of wealth for most Americans—the equity in their houses—dropped by nearly 10 percentage points, from a 57.8 percent equity stake when Bush took office to a current low of 47.9 percent.

Given that housing wealth totaled about $23 trillion in 2006, the decline in household balance sheets is now between $1 and $2 trillion. Declines in house prices are likely to have significant negative effects on consumer spending and a host of other deleterious effects on the economy. But housing is the bull's-eye of this crisis. It has spread outward and outward and outward. Again, the administration, wrapped in ideological handcuffs, does nothing.

We are also borrowing to pay for this war in Iraq. The economic cost for the Iraq war is truly staggering. According to professor Joe Stiglitz, a Nobel Laureate who testified at our Joint Economic Committee last month, the war could cost $3 trillion—that is with a T—$3 trillion. According to a report our committee did in November—we have been pursuing this issue of the cost of the war—the war will cost each American household $37,000.

The Federal Government is increasingly reliant on the rest of the world to buy our public debt, and with falling dollars and skyrocketing debt, who knows how much longer we can count on the largesse of our trading partners.

President Bush turned huge budget surpluses into huge deficits in a few short years, as we see here. In January 2001, the CBO projected surpluses would total $5.6 trillion in 2002 to 2011. In 2001, CBO's projection was a surplus of $573 billion in 2007. In reality, the deficit was $163 billion, a turnaround of $736 billion, and more than $100 billion for every year that the President has been in office. This remarkable, dramatic turnaround in the budget picture shows a reckless disregard by this administration for living within our means and has, frankly, jeopardized the economic future of families across the country.

The President may have passed some big tax cuts for the people who need it least, the very well off. But he has not been very compassionate to future generations who will be paying for the increased debt for generations. I compliment the Senator from North Dakota for the amazing budget he put together. It is the best budget document I have ever seen since I have been in the Senate.

The Democratic budget provides some measure of sanity and order to our budget priorities and, hopefully, will put our country back on more solid economic footing. Senator CONRAD did an amazing job in crafting a budget resolution that gets us started on the road to recovery from these misguided policies.

One of the most important things about Senator CONRAD's budget is that by restraining spending and making the right choices on long-term tax cuts, it provides room for important middle tax cuts to ease the middle-class squeeze, such as the tax cuts provided in Senator BAUCUS's amendment. These tax cuts are not a fix for what ails our economy in the long term, but they will indeed help middle-class families make ends meet.

Senator BAUCUS's amendment is broad-based tax relief targeted to the middle class, plain and simple. Everybody benefits, but the middle class gets most of the spoils. That is the way we ought to provide tax relief in this country—not providing more and more tax breaks to the top one-tenth of 1 percent, whose incomes have shot up into the stratosphere. Tax cuts for those who need them, not for those who would not notice them. That is our watchword, while the other side continues to believe in trickle down, but not even trickle down from the middle class to the poor but from those higher regions of wealth.

If we look at the tax cuts that passed in 2001, we know which ones should be made permanent and which ones should not. The $1,000-per-child tax credit, marriage penalty relief, and the 10-percent bracket are all sensible tax cuts that can be made permanent with the surpluses provided for in the Conrad budget.

The Baucus amendment does some other sensible things as well. Across the country, parents are struggling to manage the crunch of work and family. According to a report issued by the Joint Economic Committee, full-time childcare costs average about $7,300 per year in the United States. That is almost 20 percent of the median income of families with young children. The Baucus amendment will permanently extend the tax credit for childcare expenses to provide essential benefits to working families.

Senator BAUCUS's amendment also includes provisions to offset the impact of rising local property taxes. I hear about that from my constituents every week. The amendment will make permanent the important military tax benefits passed both by the House and the Senate last December. These benefits are particularly targeted toward service men and women and their families. Given the multiple rotations many of them have endured, these tax provisions are supported by all, and they are the least we can do.

I know what the other side will say: ''Democrats are for tax increases.'' My friends, telling people who are making a million dollars a year or more that they should continue to get a tax cut is what is wrong, not saying they should begin to pay their fair share. I have news for my colleagues on the other side of the aisle. Their old arguments are not going to work because the middle class has seen promise after promise from this administration, and then they have seen the vast majority of the tax cuts go to the very top of the income scale.

I will repeat it again: The average middle-class person has paid more of an increase in gasoline than their entire Bush tax cut, while this administration twiddles its thumbs about the energy crisis and continues to tell those at the top of the economic ladder that they get the vast majority of the benefits, even though they don't need it.

So I hope we will support the Conrad budget. It is a good, fine, and well-thought-out one. I hope we will support the Baucus tax cuts, which are targeted at the middle class. I hope we will support a budget such as the one proposed on our side, which is smart and helps the middle class.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I ask unanimous consent that I be given an additional 5 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COBURN. Mr. President, how much time does the Senator from Utah have?

Mr. HATCH. Mr. President, I have 15 minutes, and I have asked for an additional 5.

Mr. COBURN. According to the agreement we had, that would put us until 7:25 when Senator BROWN would be eligible to speak; is that right?

The PRESIDING OFFICER. The Senator from Oklahoma would start at 6:55 and have until 7:25.

Mr. COBURN. I thank the chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I rise to express my opposition to and disappointment with the fiscal year 2009 budget resolution before us today.

Interestingly enough, I listened to the Senator from New York talk about how the rich are getting away with things. Well, the upper 1 percent of all taxpayers paid 39 percent of all income taxes the last time I heard. The upper 5 percent paid 60 percent of the total income tax in this country. The upper 50 percent pay 97 percent of all the total income tax in this country. The bottom 50 percent generally pay almost nothing, and a good percentage of them get money from the Federal Government. So what is he talking about?

I think it was Yogi Berra who once said, ''This is like deja vu all over again.'' I am sure he was not talking about the Federal budget when he uttered these oft-quoted words, but he might as well have been. As I look at the budget resolution before us today, and as I listen to the arguments on both sides of the aisle, it seems to me that we could be talking about last year's budget resolution. The numbers are somewhat larger, but the arguments are about the same.

Now this might not be so bad if the budget resolution were a good one. No, you would not hear me complaining about a repeat of a budget that strengthened our economy, addressed our near-term problems, and prepared this country for the longer-term budget challenges of the future. Unfortunately, this is not the case. In fact, quite the opposite is true.

Once we were through with that resolution last year, it didn't even resemble what the budget resolution was calling for. In fact, I have been here for 31 years, and not one day has the conservative point of view been dominant in the Senate. The liberal point of view, with almost all liberal Democrats and a few liberal Republicans, has held sway. That is where all the spending is coming from.

Instead, we are, once again, talking about a budget that raises taxes by an unprecedented amount, which will do untold harm to our economy, exacerbates our near-term problems by not holding spending in check, and totally ignores the longer-term mandatory program challenges of the future.

Much has already been said on this floor about the budget resolution and its failings. I could add a great deal more, but instead I choose to focus my remarks on three premises on which this budget is based. Three premises that, unfortunately, are false. And every child in Sunday school knows that false premises are like the house whose foundation is built upon sand. We all know that a house built upon sand, or a budget built upon false premises, cannot stand.

The first faulty premise underlying this budget resolution is that it would not raise taxes on Americans. I know that my colleagues on the other side of the aisle have said and will continue to say that this budget does not raise one cent in taxes. Technically speaking, this is true. However, while the document before us may contain no actual tax increase language, it does nothing to prevent the largest tax increase ever, which is set to occur at the end of 2010 if the 2001 and 2003 tax cuts are allowed to expire as scheduled.

The American people need to ask a simple question of this budget. What is it doing to make sure that my tax bill does not go up in 2010?

They will be met with deafening silence.

Now, those on the other side will try and explain this deficiency away. They will argue that allowing a tax cut to expire is not the same thing as raising taxes. Well, try telling that to the 116 million American taxpayers who will face higher taxes if these tax cuts are allowed to expire. Try explaining this nuance to the 43 million American families who, on average, will owe $2,300 more, and to the 18 million seniors who will pay an average of $2,200 more.

This is not small potatoes. Families that do not consider themselves rich, that struggle to make ends meet, and that are doing all they can to make the mortgage and save for college, are going to get hit with massive tax bills. They are going to see their paychecks shrink by hundreds of dollars every pay period. This is real money. Money that families could use to pay medical bills or pay tuition, and instead it is going to go to the Federal Government.

It will not be much fun trying to explain this to the owners and managers of 27 million American small businesses. Try telling them that their higher tax bill is not really a tax increase. No, not at all. It is merely the reversal of a temporary lower tax rate they should have been grateful to have gotten for a decade, due to the generosity of Uncle Sam, who no longer deems it necessary to throw such favors their way.

Good luck selling that one.

I will tell you one thing—I do not want to tell the hundreds of thousands of Utah families, seniors, and small business owners that the extra dollars we were letting them keep for a few years are now needed for more urgent things, such as higher spending in Washington.

So if this is not a tax increase, I do not know what is. The other side can call it what it wants. But if the end result is more money coming to Washington, and less money staying in the paycheck, the family budget, or the small business expansion account, this is a T-A-X, Tax!

We have heard the other side talk about how they are for extending the middle-class elements of the 2001 and 2003 tax cuts. We have even heard them say that the budget resolution provides for this, through the adoption of an amendment offered by the Senator from Montana. $323 billion for middle-class tax relief. Does any of this sound familiar? It should, because the same amendment was offered, and adopted, in last year's budget resolution.

I have a question about that tax relief. Where is it? What happened? Last year's Baucus amendment offered pretty much the same kind of tax relief as this year's version. But, why did we need to adopt it again? The answer, of course, is that nothing happened because the tax changes necessary to carry out the stated intent of this amendment were never brought up in the Finance Committee or on the floor of this Senate. This is a shell game.

The reason why is that you have to look at the fine print on this amendment to see what is really going on. The Baucus amendment allows only for the consideration of so-called middle-class tax relief. It does not, however, provide a means to offset the lost revenue. Under the Democratic pay-go rules, along with the $323 billion of tax relief that the Baucus amendment purports to offer, there is an asterisk with fine print that says, provided that the revenue can be found to offset it. My goodness.

So this explains why we need the Baucus amendment again. The reason we did not provide that middle-class tax relief is that we could not find the revenue to offset it. But what about what my friend and colleague, the distinguished chairman of the Budget Committee, says? He points to the tax gap and says we can get the money there. All we have to do is stop some of the leakage in our tax system.

I agree with my colleague from North Dakota. I agree that we should be able to reduce the tax gap. It is too large and it is inexcusable why $200 to $300 billion or more in taxes that are due go uncollected each year. But you know what? Our tax system, as leaky and clumsy and unfair and antiquated as it is, is the envy of much of the world as far as the percentage due that we collect.

Can we do better? Of course. Do we need to crack down on tax abuse domestically and overseas? Indeed we do. Can we raise enough money by closing the tax gap to offset the revenue loss of the amendment of the Senator from Montana? Not even close. As Senator GRASSLEY very eloquently demonstrated on this floor on Monday, the real potential for revenue from the tax gap is very, very small in comparison to what the other side is claiming. If not, then where are the specific proposals from the other side to do it? Why haven't they been enacted, if it is so easy to get this revenue?

The tax increases inherent in this budget resolution will do untold damage to our economy. Even if the other side can find the votes to increase taxes enough to overcome the pay-go problem associated with some of the middle-class tax relief proposed by the Senator from Montana, we would still be doing major harm to the economy.

We can perhaps look to the model provided for us by the chairman of the Ways and Means Committee in his so-called Mother Tax bill. It is so named because my good friend Chairman RANGEL said it represents the Mother of All Tax Reforms. His ranking member, Congressman MCCRERY, more aptly describes it as the Mother of All Tax Hikes.

I can tell you right now, as much as I hate to say this about my friend CHARLIE RANGEL, Congressman MCCRERY is right. This ''mother'' bill includes plenty of tax offsets. It would increase the income tax rates across the board to where they were in 2001, with the top rate exceeding 40 percent at the margin. This may sound as if it would affect only the wealthy, but this is another false premise. In reality, it would affect millions and millions of small and midsized businesses, the great majority of which pay their taxes through the individual Tax Code.

How is this going to help us solve the economic problems our Nation is facing? This budget is nothing but a recipe for disaster.

The second faulty premise underlying this budget resolution is that the increase in spending it authorizes will solve our long-term economic problems. Yes, I think we have heard this before as well. Yes, it was last year in the fiscal year 2008 budget debate. That budget resolution called for $205 billion in increased spending over 5 years, and this number ballooned to $350 billion over 10 years. Apparently, this amount was not high enough, so this budget ups the amount to $210 billion over the next 5 years, and it will have the same ballooning effect over the years beyond because the spending gets built into the baseline. That is the danger of a seemingly small amount of additional spending. It is insidious. It seems relatively small in the first year, and so it may be, but the way we do budgeting in Congress has a way of multiplying the seemingly small increases so they are huge in a few years. There is a compounding effect.

In his opening remarks on Monday, the distinguished chairman of the Budget Committee talked about the need for additional investment in America. He spoke about priorities in education, energy, infrastructure, law enforcement, weatherization, health care, uninsured children, food, drug safety, veterans, and much more.

I know the Senator from North Dakota is sincere, and I know he works hard and is very effective in presenting his side of the argument. I have much admiration and affection for him. I care a great deal for him. He has a very tough job, and he does it well.

The Senator from North Dakota is right about the needs of this country—they are unlimited, just like the needs of the typical American family. The needs of the American people as a whole are unlimited. The problem in both situations is that we do not have unlimited resources, and neither does the family. We have to make choices, and we have to set priorities. It would be nice if we could simply take care of every problem in this Nation by spending the money that is needed, just as it would be great if every American family had enough money to solve all of its problems. But that is not reality.

In reality, we are in serious financial trouble in this country. Money trouble, if you will. When a family faces reality and knows it has money trouble, that family will sit down at the kitchen table and decide where to prioritize and what has to go. That is exactly what we need to do at the national level.

The Senator from North Dakota is correct about another point, and that is that the discretionary portion of our budget is getting squeezed. According to Comptroller General David Walker, the portion of discretionary spending in 1966 was 67 percent of the total budget. By 1986, this portion had dropped to 44 percent. By 2006, a couple years ago, it was down to 38 percent.

This shrinking percentage of discretionary spending, however, is not because we are spending less in terms of nominal dollars. The fact is we spent almost twice as much on discretionary programs in 2007 as we did in 2000. However, our mandatory spending is increasing so much faster. This growth in the entitlement programs, such as Medicare, Medicaid, and Social Security, is squeezing out our ability to grow the amount we spend on discretionary programs.

But the answer is not to increase discretionary spending even by what the proponents of this budget are calling a very small amount. We are going in the wrong direction, and this small amount will compound into a large amount in a few years. And guess what. Once we spend and it gets built into the baseline, it is almost impossible to get it out.

This leads me to the third faulty premise underlying this budget resolution, and that is it is safe to ignore our longer term problems with Medicare, Medicaid, and Social Security. I know if I were to separately ask each Member of this body if we need to do something about the growth of these programs, there is a good chance that every single Senator would agree we cannot afford to ignore them and that something has to be done to save our future. But as I looked over this budget resolution, I cannot seem to find the part that addresses the growth of these programs, and yet the Government Accountability Office tells us that between now and 2032, spending on Medicare and Medicaid alone will grow about 230 percent. At the same time, our GDP will grow about 70 percent if we are lucky.

Let me share some truly frightening numbers with you. The Government Accountability Office recently computed the fiscal exposures we face as a nation from our unfunded obligations under Social Security and Medicare. In 2007 dollars, our total unfunded liability for future Social Security benefits, assuming the law does not change, is $6.8 trillion—that is trillion dollars. This is a number of galactic proportions, so big that it is hard to comprehend. But I have to tell you, it pales in comparison to the amount of our unfunded liability associated with Medicare, which is more than $34 trillion—that is trillion dollars, $34 trillion. When this is combined with all other major fiscal exposures, the GAO estimates that our total unfunded liability is almost $53 trillion. That is with a T. This amount is nearly as high as the total household net worth of Americans, which is $59 trillion.

In other words, we are nearly bankrupt as a nation. Within a few years, we will absolutely be bankrupt if something is not done. It is clear that this path is not sustainable. We all know it. Our children know it, and our grandchildren are going to find it out the hard way. They are going to blame us if we do not act to turn things around. It is as if we are all in a ship floating down a river. The waters are quite calm now, but the map shows that a very high and dangerous waterfall is ahead of us. We know if we do not turn the ship around, disaster awaits. But it is not an easy thing to do. We know we cannot turn it around in 1 year. It will take a lot of work and sacrifice. It will take pain.

It is easy to say we should wait, that this is an election year and a new captain and maybe a new crew will be taking over after the election. But I say to my colleagues, we cannot afford to wait. In the midst of the calm water, we can hear the roar of the waterfall. We are coming to it very quickly, and if we wait too long, catastrophe will result. The budget before us does nothing about the cataclysm just down the river. It is a fatal flaw.

I started by mentioning that the rich do pay a lot of taxes right now. Actually, the rich are paying more after the tax cuts than they were paying before. The fact is, the upper 1 percent of the rich—the last time I saw the figures, and it is even worse now—are paying about 39 percent of all income taxes—the upper 1 percent of all taxpayers. And the top 5 percent pay about 60 percent of all taxes. And the upper 50 percent pay almost 97 percent of all income taxes. Think about that. The bottom 50 percent pay little or none and many of them get largess from the Federal Government. So this idea that the rich need to pay more is a phony argument. It is time people got called on that argument. It is phony, it doesn't make sense, and we have to get with it around here. We cannot keep bringing up these phony budgets such as this with all the budgetary gimmicks this one has in it.

I don't blame the distinguished Senator from North Dakota. He has a side that is fractionated. They want to spend more—that is how they keep themselves in power—and he has to find gimmicks and some way of justifying additional spending, and this budget is filled with additional spending, additional taxes, and a lot of budget gimmicks that should not be in it.

I urge my colleagues to reject this budget resolution. Let's get started on one that recognizes the dangers ahead and begins to turn this ship around before we hit that cataclysmic waterfall.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BROWN. 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. BROWN. Mr. President, I ask unanimous consent that I be allowed to speak before Senator COBURN, my colleague from Oklahoma.

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

Mr. BROWN. Mr. President, I rise in support of the budget resolution before us this evening. Governing is about choosing. This budget makes the right choices and at the same time maintains fiscal discipline.

Over the past year, I have held some 85 roundtables of 20 or 25 people each in communities across the State. I have held them in some 55 of Ohio's counties, listening to workers and business leaders, listening to teachers and sheriffs, listening to people running social service agencies and people served by those social service agencies. In every town I visited, Ohioans have asked to work together with the Federal Government, not for a handout, not necessarily for assistance, but to work together with the Federal Government in attacking the problems of our small towns, our rural areas, our inner-ring suburbs, and our big cities.

I have heard from employers who have good jobs that go begging because we have not trained or retrained people in the skills they need. I have heard from county commissioners, worried that their crumbling bridges may fall and that their water and sewer infrastructures are not sound. I have heard from doctors who think we can do a much better job of providing access to health care through their offices and their examining rooms rather than through the emergency room, and not just for the 47 million Americans without health insurance, including 9 million children, but for the millions of people in this country with inadequate health insurance.

Last month we saw the priorities of the Bush administration when he sent his budget to Congress. The Bush budget proposed to cut funding for job training and technical education. Today I met with people from Wayne County and Butler County, from Geauga County and Cuyahoga County, and all over my State, to talk to people who are teachers and administrators, and superintendents and students, who depend on vocational training, technical education, and who provide training for so many in our State.

The Bush budget proposed to cut the community development block grants by more than 20 percent. As big cities and small towns face the impending problems that are in the midst now of these problems with foreclosures, the Bush budget proposed to cut health care for seniors and for children, and these are the choices of the Bush administration. They are the choices of an administration that has gone in the wrong direction year after year after year. They are the choices we must reject.

Our budget, by contrast, will increase Federal efforts to educate and train our citizens, young and old. Our budget will increase funding for economic development and for rebuilding our Nation's infrastructure. Our budget will improve the health care of families and of children. Our budget will help to create good-paying jobs here in America.

This administration either doesn't care or doesn't understand what it is doing to the middle class and what is happening to the middle class. Up until last summer—in front of the Presiding Officer in the Banking Committee—the Secretary of the Treasury and others in the administration assured everyone the economy was doing fine and the housing crisis was contained. Senator MENENDEZ and so many others here spoke up for Federal involvement in trying to help the many people in New Jersey and Ohio and across the country who were threatened with this foreclosure problem in their homes and in their neighborhoods. But when the problems were mostly on Ohio's main streets, the main streets of Zanesville and Steubenville, the main streets of Toledo and Dayton and Lima and Marion, the administration was indifferent. They said the problem would go away. But when the problems migrated from main street Mansfield and main street Springfield to Wall Street, suddenly the problems became important to the administration.

But even then the response of the Bush budget to economic troubles and to the problems of foreclosure across our country speaks volumes. It proposes to cut taxes for the wealthiest people in the country, offset by cuts in Medicare. They want to pay for their tax cuts for the richest people in the country, but they do it by making cuts in Medicare. They propose to reduce benefits under the Social Security system while pushing a privatization program that generates big fees for Wall Street at the expense of seniors and disabled people in our country.

While families are struggling to afford the cost of sending their children to college, it proposes to cut Federal support for student loans. One of the greatest accomplishments of this new Democratic majority, right off the bat, is what we were able to do to increase Pell grants and what we have been able to do to bring down interest rates for student loans, and what the Governor of my State, Governor Strickland, has done by freezing college loans.

The Bush administration, it seems, as I said, either doesn't know, doesn't understand, or doesn't care about these middle-class kids who are struggling to go to college.

My wife was the first in her family to go to college. She got loans, she got grants, and she graduated with a debt of only a couple thousand dollars. That was almost 30 years ago. Today, it is very different, because the Federal Government has simply shrugged its shoulders and said, that is the problem of these middle-class students.

I am proud that our budget charts a much different course. Most importantly, we invest in America. We invest in its people and in its communities. And most importantly, we invest in America's future.

The President likes to tout the length of the economic recovery, but he seldom mentions its breadth or its depth, and for good reason. During the last 7 years, median weekly earnings have actually fallen, after adjusting for inflation. Most Ohioans make less today than they made when George Bush took office, in real dollars. Job creation has been the worst since the Hoover administration. And if you look at private sector jobs or manufacturing jobs, the picture is even worse. As bad as job creation and job growth has been, as I said, it has been even worse in the private sector and even worse yet in the manufacturing sector.

If there is a recovery, as the President likes to trumpet, heaven help us in a recession. Middle-class families are being squeezed by toxic mortgages and by gas prices that have doubled in the past few years. The President didn't know that gas prices had exceeded $3 and were approaching, in some places, $4 a gallon. Middle-class families are being squeezed by increases in the cost of food, education, and the cost of health care.

Our budget will extend tax relief to these families. The Democratic budget will prevent the alternative minimum tax from reaching millions of middle-class families. Senator BAUCUS's amendment, which I am cosponsoring, will provide further relief by extending the tax credit, the child credit, the dependent care credit, and other provisions, including several important provisions to our veterans and to our active duty military personnel.

At the same time, unlike the President's budget of the last 5 years, we maintain a path to a balanced budget. The Senator from New Jersey and I, and others, participated in the 1990s in passing a balanced budget under President Clinton. We moved toward a balanced budget, unlike what President Bush has unraveled in the last 6 years. This is an important difference between our budget and the President's.

Once upon a time, our Republican colleagues were concerned about balancing the budget. That was then. Now, this administration has piled up trillions of dollars of debt that our children and grandchildren will be forced to repay—a sorry legacy indeed. The public debt stood at $6 trillion—actually less than $6 trillion—when President Bush took the oath of office in 2001. By the end of this fiscal year, the debt will have grown to $10 trillion. That is a 4,000 billion dollar growth, from under $6 trillion to more than $10 trillion. Even at a time of low interest rates, we will spend $260 billion next year to pay interest due on that debt.

Many of my Republican colleagues have changed their tune because they do not seem so interested in balanced budgets anymore. They will say the cost isn't that great when measured against the size of the economy. But they ignore the opportunity cost. Think of that $260 billion and what we could have done with that money. Think of how it could be used to expand opportunity for better health care, for education, for roads, for bridges, for research, for infrastructure. Instead, we write checks to bondholders, many of them big contributors to my Republican colleagues, whose addresses are more and more often found, in some cases, in China and in the OPEC states and in the offshore banking centers.

The hundreds of billions in Federal debt financed by foreigners is swamped by the even larger size of the trade deficit, which has roughly doubled under the Bush administration, to more than $700 billion last year. Every day in this country, every single day of the year, we buy almost $2 billion in goods, importing more into this country than we export—almost $2 billion every single day. That translates into lost jobs, it translates into stagnating wages, it translates into communities that are, in many cases, devastated. Places particularly hard hit are smaller towns and industrial centers that have been hard hit by plant closings.

Our manufacturing sector has in too many cases been hollowed out. Companies that have been in business for centuries, surviving challenges from the Great War to the Great Depression, have been unable to weather this administration. The response: The Bush budget eliminates funding for one of the Government's most effective programs to help small business, the Manufacturing Extension Program, which assists American manufacturers to adapt to changing technology.

We can do better, and the Democratic budget does do better. Over the weeks ahead, in working with our colleagues in the House, we will write a budget that pays attention to the voices of the middle class and responds to the needs of the middle class. We will write a budget that increases funding for education and for health care, one that gears tax policy to the needs of struggling families and small businesses, and one that builds a foundation rather than undercutting that foundation for our future and doesn't take a mortgage out on it.

As an Eagle Scout many years ago, I was taught you should leave a campground better than you found it. I think that is not a bad description for our role as Senators too. Let us make the choices that will leave the country's fiscal situation better than it is today. Let's help the middle class, let's help working families and end the red ink. Let's invest in our future.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. BROWN. I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

CONSOLIDATED RESOURCES ACT OF 2008

Mr. REID. Mr. President, I ask unanimous consent that the following letter and listing be printed in the RECORD.

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

MARCH 11, 2008.

Hon. HARRY REID,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR MR. LEADER: S. 2739, the Consolidated Natural Resources Act of 2008, which I introduced yesterday, is a collection of 62 separate legislative measures under the jurisdiction of the Committee on Energy and Natural Resources. The purpose of the bill is to facilitate consideration in the Senate of the large and growing number of measures relating to protection of natural resources and preservation of our historic heritage that have been passed by the House of Representatives and approved by the Committee on Energy and Natural Resources. Forty-three of the measures in S. 2739 consist of the text of separate bills passed by the House of Representatives, twelve are drawn from separate titles, subtitles, or sections of two other House-passed bills, and two are House-passed concurrent resolutions. Only one provision, section 482, contains new matter that has not passed the House of Representatives.

While S. 2739 incorporates a number of provisions of S. 2483, the National Forests, Parks, Public Land, and Reclamation Projects Authorization Act of 2007, which I introduced 3 months ago, on December 14, 2007, there are a number of differences between the bills that are dictated by the amount of time that has elapsed since last December and by action that has since taken place in the House of Representatives. Two of the sections included in S. 2483 last December were subsequently enacted into law as part of the Consolidated Appropriations Act, 2008, Public Law 110–161, and, accordingly, have been left out of S. 2739. Eight new provisions, drawn from eight separate House bills or resolutions, have been added. Two of the effective dates in title VIII of S. 2483 have been extended in S. 2739 in light of the passage of time since S. 2483 was introduced. In addition, minor modifications were made in a few other provisions.

Although S. 2739 has not been referred to the Committee on Energy and Natural Resources, all of the House bills that make up S. 2739 or their Senate companions have either been reported or ordered reported by the Committee.

Rule XLIV of the Standing Rules of the Senate provides that, before proceeding to the consideration of a bill, the chairman of the committee of jurisdiction must certify that each congressionally designated spending item in the bill and the name of the Senator requesting it has been identified and posted on a publicly accessible website. The term ''congressionally designated spending item'' is broadly defined, in pertinent part, to include '' a provision . . . included primarily at the request of a Senator . . . authorizing . . . a specific amount of discretionary budget authority . . . for . . . expenditure with or to an entity, or targeted to a specific State, locality or Congressional district, other than through a statutory or administrative formula-driven or competitive award process.''

Fifteen of the House-passed measures incorporated into S. 2739 contain provisions authorizing the appropriation of specific amounts targeted to specific entities or localities. These authorizations are included in S. 2739 because they are part of the text of the House-passed bills. No Senator submitted a request to me to include them.

In the interest of furthering the transparency and accountability of the legislative process, however, I have posted a list of the specific authorizations in S. 2739 on the Committee on Energy and Natural Resources' website. The list includes the name of the principal sponsor of the Senate companion measure that corresponds to the House-passed bill. A copy of the list is attached for your convenience.

I previously asked the principal sponsor of the Senate companion measure of each House bill contained in S. 2483 to certify that neither the Senator nor the Senator's immediate family has a pecuniary interest in the item, and have posted the certifications I have received on the Committee's website. All certifications received in relation to S. 2483 remain on the Committee's website, where they are available for public inspection in accordance with paragraph 6 of Rule XLIV. I have not received any requests for new congressionally directed spending items to be included in S. 2739.

Thus, in accordance with Rule XLIV of the Standing Rules of the Senate, I hereby certify that each congressionally directed spending item in S. 2739 has been identified through a list and that the list was posted on the Committee's publicly accessible website at approximately 3:00 p.m. on March 11, 2008.

Sincerely,

JEFF BINGAMAN,
Chairman.

COMMITTEE ON ENERGY AND NATURAL RESOURCES CONGRESSIONALLY DIRECTED SPENDING ITEM CERTIFICATION PURSUANT TO RULE XLIV OF THE STANDING RULES OF THE SENATE

S. 2739—THE CONSOLIDATED NATURAL RESOURCES ACT OF 2008

Provisions in S. 2739 authorizing appropriations in a specific amount for expenditure with or to an entity or targeted to a specific State, locality, or congressional district, other than through a statutory or administrative formula-driven or competitive award process:

Section	Program or entity	State	Principal sponsor of Senate bill
314(c)	Acadia National Park	ME	Collins
333(e)	American Latino Museum Commission	DC	Salazar
334(j)	Hudson-Fulton and Champlain Commissions	NY & VT	Clinton
342(f)	Lewis & Clark Visitor Center	NE	Hagel
409	Hallowed Ground National Heritage Area	VA	Warner
430	Niagara Falls National Heritage Area	NY	Schumer
449	Abraham Lincoln National Heritage Area	IL	Durbin
461	Multiple National Heritage Areas	OH, PA, MA, SC	Voinovich
		WV, TN, GA, IA, & NY	none
504(d)	Watkins Dam	UT	Hatch
505	New Mexico water planning assistance	NM	Domenici
509	Multiple Oregon water projects	OR	Smith/Wyden
511	Eastern Municipal Water District	CA	Feinstein
512	Bay Area water recycling program	CA	Feinstein
515(b)(6)	Platte River	NB, WY, CO	Nelson (of NB)
516(c)	Central Oklahoma Master Conservancy District	OK	Inhofe

ARREST OF VIKTOR BOUT

Mr. FEINGOLD. Mr. President, I was pleased to hear about the recent arrest of Viktor Bout, one of the most notorious arms dealers in the world. Last week, Mr. Bout, was arrested in Thailand by a U.S. sting operation in collaboration with Thai authorities which apprehended him as he was allegedly trying to sell weapons to the FARC the main Colombian rebel group and an organization that has also been placed on the U.S. terrorist list.

If Bout is charged and convicted in Thailand, he faces 10 years in prison, while if the U.S. is able to extradite him he will face 15 years. I certainly recognize the need to ensure a free and fair trial for Mr. Bout that is his right but I am nonetheless pleased that after numerous attempts he has finally been arrested. For years, Bout has been able to evade law enforcement officers around the world, despite investigations by the U.N., the media, and even intelligence sources that indicate his complicity in arms smuggling and his role in fueling some of the world's most brutal wars in some cases by providing weapons to both sides of the conflict.

Despite an outstanding 2002 Interpol warrant, until last week he was able to successfully dodge arrest.

Mr. President, Viktor Bout benefited from the unrestrained capitalism and weak institutions that emerged in the aftermath of the fall of the Berlin Wall and the collapse of the Soviet Union. He used that tumultuous period for his own personal gain, as he built an aircraft fleet, purchased cheaply from the stockpiles of discarded Cold War weapons, and sought out clients around the globe to help perpetuate his diabolical money-making schemes. He exploited the dearth of arms control initiatives in fledging countries and recognized that the lack of an international framework would serve his interests well.

According to Douglas Farah, one of the authors of the recently published ''Merchant of Death,'' ''[it] is highly unlikely [Bout] could have flown aircraft out of Russia and acquired huge amounts of weapons from Soviet arsenals without the direct protection of Russian intelligence, and, given his background, the [Russian military intelligence] seems the most likely candidate.'' Indeed, it is likely that such assistance was needed to create such a vast empire.

Mr. President, this empire had many and varied clients. In fact, during the early years of the Iraq war, Bout's aircrafts were used to support U.S. Government contractor and subcontractor work. I inquired about the use of these aircrafts at a 2004 Iraq hearing in the Senate Foreign Relations Committee and learned shortly thereafter that both the State and Defense Departments had done business with Bout. Not long after my inquiry, this business relationship was purportedly terminated and Bout's assets were frozen by the Treasury Department. But despite this corrective action, Bout's work remained uninhibited and, according to some credible reports, he continued to associate with other entities of the U.S. Government.

Bout was clearly a savvy and dependable broker, but he used these talents to do business with some of the most unsavory characters in the world. The U.N. investigative team which pursued Bout found that he was pouring small arms and ammunition into Afghanistan, Angola, Rwanda, Sierra Leone, and the Democratic Republic of Congo for years—enabling millions of innocent people to be slaughtered and supporting carnage at unprecedented levels.

Bout was able to circumvent both national and international arms controls by exploiting holes in the system. Despite the arrest warrants, asset freezes, and international embargoes, he was able to operate with impunity because of the lack of concerted international cooperation within the arms control and law enforcement arenas. Last week's arrest is a testament to the importance of that global cooperation and a reminder that as our world continues to globalize we must work together in order to hold individuals like Bout accountable for their actions.

UPCOMING ELECTIONS IN ZIMBABWE

Mr. FEINGOLD. Mr. President, since independence in 1980, politics in Zimbabwe had been dominated by one party and indeed one man President and head of the ruling ZANU-PF, Robert Mugabe. In February 2000, Zimbabwe's citizens delivered a blow to President Mugabe when they rejected his party's proposed new constitution, and then in June's legislative elections, even without access to the state-run media and without significant financing, opposition candidates managed to win 58 of 150 parliamentary seats, up from just 3.

In 2000, I joined many in Zimbabwe and the international community in hoping that this victory would mark the end of the ruling party's stranglehold on the state and herald the opening of democratic space and opportunities in a country that has seen repression for too long. Instead, Mr. Mugabe and his party responded to these defeats by tightening their grip on power. In 2000, international headlines warned of ''Zimbabwe's unprecedented economic and social crisis'' with unemployment at 50 percent and almost 60 percent inflation, and the 2000 elections were marred by the harassment of opposition candidates and supporters in which at least 25 were killed.

These numbers pale in comparison with the devastating economic and political situations in Zimbabwe today. According to official figures, annual inflation now tops 100,000 percent with 80 percent employment despite the fact that at least one quarter of the population has fled the country. Meanwhile, the harassment and intimidation of the independent media, opposition politicians, civil society leaders, and human rights advocates has become more widespread and systematic.

Exactly 1 year ago today, when opposition party activists and members of civil society attempted to hold a peaceful prayer meeting in response to President Mugabe's announcement that he would seek reelection, they were brutally assaulted by ZANU-PF police officers, security forces, and youth militia. More than 50 were arrested, at least 1 killed, and many badly beaten.

On this somber anniversary, I appeal to political leaders here in the United States, in Africa, and around the world to send a strong signal to President Mugabe and his supporters that we want to see Zimbabwe recover from its current crisis and we will be watching as the unprecedented simultaneous presidential and legislative general elections are held on March 29. The violent repression, and even coercive harassment, we saw in March 2007 is unacceptable and will have negative consequences both internally and externally.

For years, I have been frustrated and saddened by the hastening decline of this country. The courageous, patriotic citizens of Zimbabwe who resist the state's repression, even at enormous personal cost, must know that the world supports them, and the country's corrupt and tyrannical rulers must be told that their time is up.

Although it will not happen this month, I hope that someday soon the people of Zimbabwe will be given a chance to freely express their will in a genuine democratic process that is free from manipulation, intimidation, and coercion.

THE TRUE COSTS OF THE IRAQ WAR

Mr. LEAHY. Mr. President, the economists Linda Bilmes and Joseph Stiglitz recently produced an illuminating analysis of the real costs of the war in Iraq, which was published last Sunday in The Washington Post.

As the war grinds on toward its fifth year, and as the war continues to warp our Nation's priorities at home and abroad, this is an analysis that every American deserves to see. I also commend it to the attention of the Members of the Senate.

I ask unanimous consent it be printed in the RECORD.

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

[From the Washington Post, Mar. 9, 2008]

THE IRAQ WAR WILL COST US $3 TRILLION, AND MUCH MORE

(By Linda J. Bilmes and Joseph E. Stiglitz)

There is no such thing as a free lunch, and there is no such thing as a free war. The Iraq adventure has seriously weakened the U.S. economy, whose woes now go far beyond loose mortgage lending. You can't spend $3 trillion—yes, $3 trillion—on a failed war abroad and not feel the pain at home.

Some people will scoff at that number, but we've done the math. Senior Bush administration aides certainly pooh-poohed worrisome estimates in the run-up to the war. Former White House economic adviser Lawrence Lindsey reckoned that the conflict would cost $100 billion to $200 billion; Defense Secretary Donald H. Rumsfeld later called his estimate ''baloney.'' Administration officials insisted that the costs would be more like $50 billion to $60 billion. In April 2003, Andrew S. Natsios, the thoughtful head of the U.S. Agency for International Development, said on ''Nightline'' that reconstructing Iraq would cost the American taxpayer just $1.7 billion. Ted Koppel, in disbelief, pressed Natsios on the question, but Natsios stuck to his guns. Others in the administration, such as Deputy Defense Secretary Paul D. Wolfowitz, hoped that U.S. partners would chip in, as they had in the 1991 Persian Gulf War, or that Iraq's oil would pay for the damages.

The end result of all this wishful thinking? As we approach the fifth anniversary of the invasion, Iraq is not only the second longest war in U.S. history (after Vietnam), it is also the second most costly—surpassed only by World War II.

Why doesn't the public understand the staggering scale of our expenditures? In part because the administration talks only about the upfront costs, which are mostly handled by emergency appropriations. (Iraq funding is apparently still an emergency five years after the war began.) These costs, by our calculations, are now running at $12 billion a month—$16 billion if you include Afghanistan. By the time you add in the costs hidden in the defense budget, the money we'll have to spend to help future veterans, and money to refurbish a military whose equipment and materiel have been greatly depleted, the total tab to the federal government will almost surely exceed $1.5 trillion.

But the costs to our society and economy are far greater. When a young soldier is killed in Iraq or Afghanistan, his or her family will receive a U.S. government check for just $500,000 (combining life insurance with a ''death gratuity'')—far less than the typical amount paid by insurance companies for the death of a young person in a car accident. The stark ''budgetary cost'' of $500,000 is clearly only a fraction of the total cost society pays for the loss of life—and no one can ever really compensate the families. Moreover, disability pay seldom provides adequate compensation for wounded troops or their families. Indeed, in one out of five cases of seriously injured soldiers, someone in their family has to give up a job to take care of them.

But beyond this is the cost to the already sputtering U.S. economy. All told, the bill for the Iraq war is likely to top $3 trillion. And that's a conservative estimate.

President Bush tried to sell the American people on the idea that we could have a war with little or no economic sacrifice. Even after the United States went to war, Bush and Congress cut taxes, especially on the rich—even though the United States already had a massive deficit. So the war had to be funded by more borrowing. By the end of the Bush administration, the cost of the wars in Iraq and Afghanistan, plus the cumulative interest on the increased borrowing used to fund them, will have added about $1 trillion to the national debt.

The long-term burden of paying for the conflicts will curtail the country's ability to tackle other urgent problems, no matter who wins the presidency in November. Our vast and growing indebtedness inevitably makes it harder to afford new health-care plans, make large-scale repairs to crumbling roads and bridges, or build better-equipped schools. Already, the escalating cost of the wars has crowded out spending on virtually all other discretionary federal programs, including the National Institutes of Health, the Food and Drug Administration, the Environmental Protection Agency, and federal aid to states and cities, all of which have been scaled back significantly since the invasion of Iraq.

To make matters worse, the U.S. economy is facing a recession. But our ability to implement a truly effective economic-stimulus package is crimped by expenditures of close to $200 billion on the two wars this year alone and by a skyrocketing national debt.

The United States is a rich and strong country, but even rich and strong countries squander trillions of dollars at their peril. Think what a difference $3 trillion could make for so many of the United States'—or the world's—problems. We could have had a Marshall Plan to help desperately poor countries, winning the hearts and maybe the minds of Muslim nations now gripped by anti-Americanism. In a world with millions of illiterate children, we could have achieved literacy for all—for less than the price of a month's combat in Iraq. We worry about China's growing influence in Africa, but the upfront cost of a month of fighting in Iraq would pay for more than doubling our annual current aid spending on Africa.

Closer to home, we could have funded countless schools to give children locked in the underclass a shot at decent lives. Or we could have tackled the massive problem of Social Security, which Bush began his second term hoping to address; for far, far less than the cost of the war, we could have ensured the solvency of Social Security for the next half a century or more.

Economists used to think that wars were good for the economy, a notion born out of memories of how the massive spending of World War II helped bring the United States and the world out of the Great Depression. But we now know far better ways to stimulate an economy—ways that quickly improve citizens' well-being and lay the foundations for future growth. But money spent paying Nepalese workers in Iraq (or even Iraqi ones) doesn't stimulate the U.S. economy the way that money spent at home would—and it certainly doesn't provide the basis for long-term growth the way investments in research, education or infrastructure would.

Another worry: This war has been particularly hard on the economy because it led to a spike in oil prices. Before the 2003 invasion, oil cost less than $25 a barrel, and futures markets expected it to remain around there. (Yes, China and India were growing by leaps and bounds, but cheap supplies from the Middle East were expected to meet their demands.) The war changed that equation, and oil prices recently topped $100 per barrel.

While Washington has been spending well beyond its means, others have been saving—including the oil-rich countries that, like the oil companies, have been among the few winners of this war. No wonder, then, that China, Singapore and many Persian Gulf emirates have become lenders of last resort for troubled Wall Street banks, plowing in billions of dollars to shore up Citigroup, Merrill Lynch and other firms that burned their fingers on subprime mortgages. How long will it be before the huge sovereign wealth funds controlled by these countries begin buying up large shares of other U.S. assets?

The Bush team, then, is not merely handing over the war to the next administration; it is also bequeathing deep economic problems that have been seriously exacerbated by reckless war financing. We face an economic downturn that's likely to be the worst in more than a quarter-century.

Until recently, many marveled at the way the United States could spend hundreds of billions of dollars on oil and blow through hundreds of billions more in Iraq with what seemed to be strikingly little short-run impact on the economy. But there's no great mystery here. The economy's weaknesses were concealed by the Federal Reserve, which pumped in liquidity, and by regulators that looked away as loans were handed out well beyond borrowers' ability to repay them. Meanwhile, banks and credit-rating agencies pretended that financial alchemy could convert bad mortgages into AAA assets, and the Fed looked the other way as the U.S. household-savings rate plummeted to zero.

It's a bleak picture. The total loss from this economic downturn—measured by the disparity between the economy's actual output and its potential output—is likely to be the greatest since the Great Depression. That total, itself well in excess of $1 trillion, is not included in our estimated $3 trillion cost of the war.

Others will have to work out the geopolitics, but the economics here are clear. Ending the war, or at least moving rapidly to wind it down, would yield major economic dividends.

As we head toward November, opinion polls say that voters' main worry is now the economy, not the war. But there's no way to disentangle the two. The United States will be paying the price of Iraq for decades to come. The price tag will be all the greater because we tried to ignore the laws of economics—and the cost will grow the longer we remain.

DEATHS OF WOMEN IN GUATEMALA

Mr. BINGAMAN. Mr. President, I wish to speak about the tragic deaths of women and girls in Guatemala and to note the passage of a resolution I introduced that is aimed at enhancing efforts by the Governments of Guatemala and the United States to address this serious issue. The resolution, S. Res. 178, which passed the Senate last night, is cosponsored by Senators Boxer, Casey, Dodd, Durbin, Feingold, Feinstein, Lautenberg, Leahy, Lincoln, Menendez, Sanders, Smith, and Snowe.

Mr. President, since 2001 more than 2,000 women and girls have been murdered in Guatemala. Although the overall murder rate in the country is extremely troubling, the murder rate with regard to women has increased at an alarming rate it almost doubled from 2001 to 2006. While these killings may be due to a variety of factors, what clearly unifies these cases is the fact that very few of the perpetrators have been brought to justice. It is my understanding that, as of 2006, there were only 20 convictions for these killings.

The general lack of respect for the rule of law, inadequate legal protections for women, ongoing violence in the country, corruption, insufficient resources, substandard investigations, and the lack of independent and effective judicial and prosecutorial systems, all contribute to the inability of the Government of Guatemala to hold those responsible for these killings accountable for their crimes. The result is a sense of impunity for crimes against women in the country.

The Government of Guatemala has taken some steps to address these killings. Guatemala has created special police and prosecutorial units to investigate these murders and repealed the so-called ''Rape Law'' which had absolved perpetrators of criminal responsibility for rape upon the perpetrator's marriage with the victim. The Government also entered into an agreement with the United Nations to establish the International Commission Against Impunity in Guatemala, CICIG, which has a mandate to investigate and prosecute illegal security groups operating with impunity. And Guatemala established the National Institute for Forensic Sciences to improve investigatory and evidence gathering efforts.

The resolution the Senate passed last night is aimed at raising awareness of this issue and encouraging the Governments of Guatemala and the United States to work together to stop these killings. Among other things, the resolution: condemns these murders and expresses the sympathy of the Senate to the families of women and girls murdered in Guatemala; encourages the Government of Guatemala to act with due diligence in investigating and prosecuting those responsible for these crimes; urges the Government of Guatemala to strengthen domestic violence laws and to provide adequate resources necessary to improve the integrity of the prosecutorial and judicial systems; urges the President and the Secretary of State to incorporate this issue into the bilateral agenda between the Governments of Guatemala and the United States; and encourages the Secretary of State to provide assistance in training and equipping special police units to investigate these crimes, implementing judicial reforms and rule of law programs, establishing a missing persons system, creating an effective witness protection program, and supporting efforts to enhance forensic capabilities.

Mr. President, I believe it is very important to give this issue the attention it deserves. Last year, the House of Representatives passed a similar measure, which was introduced by Congresswoman SOLIS. With passage of this resolution, I am very pleased that the Senate has spoken regarding the need to stop these senseless killings.

JOINT RESOLUTION DISAPPROVING THE FCC MEDIA OWNERSHIP RULE

Mr. DORGAN. Mr. President, on March 5, 2008, I introduced a joint resolution of disapproval stating that the December 18, 2007, vote by the Federal Communications Commission to loosen the ban on cross-ownership of newspapers and broadcast stations shall have no force or effect. I am joined by Senators SNOWE, KERRY, COLLINS, DODD, STEVENS, OBAMA, HARKIN, CLINTON, CANTWELL, BIDEN, REED, FEINSTEIN, SANDERS, TESTER, LEAHY, FEINGOLD, and BOXER. We seek with this resolution of disapproval to reverse the Federal Communications Commission's, FCC, fast march to ease media ownership rules.

The FCC has taken a series of destructive actions in the past two decades that I believe have undermined the public interest. On December 18, 2007, they took yet another step in the wrong direction. They gave a further green light to media concentration.

The FCC voted to allow cross-ownership of newspapers and broadcast stations in the top 20 markets, with loopholes for mergers outside of the top 20 markets. The newspapers would be allowed to buy stations ranked above fifth and above.

The rule change was framed as a modest compromise. But make no mistake, this is a big deal. As much as 44 percent of the population lives in the top 20 markets of the United States. When nearly half of the people in this country are told that in their cities and towns the media will get the thumbs up to consolidate, they will not be happy. And with the loopholes in the rule, the FCC spurs a new wave of media consolidation in both large and small media markets.

The last time the FCC tried to do this, the U.S. Senate voted to block it. On September 16, 2003, the Senate voted 55 to 40 to support a ''resolution of disapproval'' of the FCC's previous decision to further consolidate media. We warned Chairman Martin that if he rushed this vote we would have to use the resolution of disapproval again.

On December 4th the Commerce Committee reported out the bipartisan ''Media Ownership Act of 2007,'' S. 2332 with 25 co-sponsors, requiring the FCC to give more time for public comment and study the issues of localism and diversity. The Chairman overlooked this bill.

On the day before the vote, 27 Senators sent them a letter in opposition to such a rushed vote on the rules. He went ahead anyway.

The FCC rushed towards a December 18th vote with a complete disregard for the process, let alone the substance of their ruling.

They rushed to finish the localism and ownership hearings with as little as 5 business days of notice before the last hearings.

The Chairman put out the proposed rule changes on November 13th in a New York Times op-ed—after the comment period had closed.

He then didn't give the public nearly enough opportunity to comment on the actual rule changes that were voted on. He gave the public just 28 days to comment on the proposed rules. While he likes to speak of giving 120 days and six hearings around the country, this was prior to the announcement of what rules would actually change. And he ignored the public testimony anyway.

This was hardly an open and deliberative process. It is a massive rush and a big mistake.

This rule will undercut localism and diversity of ownership around the country. Studies show that removing the ban on newspaper/broadcast cross-ownership results in a net loss in the amount of local news produced in the market as a whole. In addition, while the FCC suggests that cross-ownership is necessary to save failing newspapers, the publicly traded newspapers earn annual rates of return between 16 and 18 percent.

This Resolution of Disapproval will ensure this rule change has no effect. This is again a bipartisan effort to stop the FCC from destroying the local interests that we have always felt must be a part of broadcasting.

It is time to ensure that we first protect localism and diversity, which the FCC appears to have long forgotten. Only then can we really review the rules of media ownership in a thorough process to see if it is actually in the public interest to reverse any of those rules, or if greater public interest protections are necessary.

ADDITIONAL STATEMENTS

HONORING JERRY BUTKIEWICZ

• Mrs. BOXER. Mr. President, today I wish to honor Jerry Butkiewicz, a labor leader in San Diego who recently retired as secretary-treasurer of the San Diego Imperial Counties Labor Council. He has devoted the past 30 years to improving the quality of life for all people.

In 1975, Jerry Butkiewicz joined the American Postal Workers Union, APWU, in Phoenix, AZ. He became shop steward and within a few years rose to president of the local. Five years later, attracted by the beautiful weather in California, Jerry Butkiewicz and his family moved to Oceanside in San Diego where he continued to work for the U.S. Postal Service. Shortly after his arrival, he was elected president of the APWU in Oceanside. In 1981, the San Diego Imperial Counties Labor Council selected him as their liaison between organized labor and the United Way of San Diego County.

Elected secretary-treasurer in 1996, Jerry Butkiewicz led the Labor Council with compassion, practicality, and a tireless work ethic until January 2008. Over his 12 years as secretary-treasurer, he worked to grow and strengthen the labor movement in San Diego. Through his efforts, the Labor Council has improved the lives of countless San Diegans. Jerry was active in the San Diego Greater Chamber of Commerce, the United Way of San Diego, the San Diego Workforce Partnership, the Environmental Health Coalition, and the State Workforce Investment Board.

Jerry Butkiewicz has worked tirelessly to provide all Californians with a fair wage, affordable health care, and a safe working environment. His service to the working families of San Diego has been an invaluable contribution to all who live in San Diego and California.

I congratulate Jerry Butkiewicz on his retirement, and wish him continued success in his future endeavors.•

50TH ANNIVERSARY OF LAS TRAMPAS

• Mrs. BOXER. Mr. President, I take this opportunity to recognize the 50th anniversary of Las Trampas, a nonprofit organization dedicated to supporting adults with developmental disabilities located in Contra Costa County.

Founded in 1958 in Lafayette, CA, Las Trampas has grown to include four State-licensed group residential homes throughout Contra Costa County. Through the work of its staff, volunteers, and board of directors, Las Trampas actively assists adults with developmental disabilities to discover their capabilities so that they may live their lives as independently as possible.

Las Trampas is committed to helping each of its clients succeed in all aspects of daily living. It offers programs that emphasize a life-long educational process, including self-advocacy skills, risk evaluation, emotion management, and clear communication skills. Two programs of note include the Adult Vocational Program and the Adult Development Program. The Adult Vocational Program provides employment services and skills development, and has helped many Las Trampas clients gain employment with local businesses. The Adult Development Program caters to small groups and highlights educational development in the areas of daily living tasks, communications, social interaction, and employment. Most importantly, Las Trampas works with every person to help them practice each of these skills in real life situations.

The support services and programs provided by Las Trampas offer those with developmental disabilities the opportunity to turn the dream of full inclusion in the community into a reality. I commend the Las Trampas staff and volunteers for their dedicated work in assisting adults with developmental disabilities lead fuller lives in their home, at work, and in the community.

I congratulate Las Trampas for its dedicated work on this special occasion, and I send my best wishes for many future successes over the next 50 years.●

100TH ANNIVERSARY OF THE YWCA OF SAN DIEGO COUNTY

● Mrs. BOXER. Mr. President, I ask my colleagues to recognize the 100th anniversary of the YWCA of San Diego County. On Tuesday, March 11, 2008, YWCA of San Diego County and community members will gather to celebrate this momentous occasion.

The YWCA is the largest and oldest multicultural women's organization in the world. The YWCA was formed in 1855 in London by Emma Robarts and Mrs. Arthur Kinnaird. The YWCA later expanded to the United States in 1858 in New York and Boston. Today it serves as the largest organization dedicated to empowering women and provide an important voice for women at local, state, and international levels. YWCA of San Diego County is one of 300 local associations in the United States.

YWCA of San Diego County was formally incorporated in 1908. For the past 100 years, YWCA has been a champion in the community on behalf of women and families who escape homelessness and domestic violence. The mission of YWCA ''is to increase safety, promote healing, foster empowerment, and give hope to women and families through innovative programs'' and services.

The dedication of the YWCA to its mission is displayed through the programs and services that the YWCA provides. These programs and services include residential programs like transitional housing and emergency shelter, legal support, career assistance, counseling, and a telephone hotline. All of these programs are designed to support the needs of women and families coping with domestic violence and homelessness.

Through a variety of programs such as Becky's House emergency shelter the YWCA of San Diego County is able to offer confidential, transitional housing for victims of domestic violence and their children. Various services like, legal assistance and counseling is provided to the residents of the emergency shelter. After the residents complete a 30 day stay at the shelter they are given the opportunity to complete an 18-month residential program at Becky's House. This program provides legal assistance, educational and career counseling, case management, and educational and play activities for the children of the women in the program.

More than 70 percent of the 2,000 individuals the YWCA of San Diego County serve each year are able to obtain employment and permanent housing, so that the individual can sustain a secure, independent way of life.

YWCA of San Diego County has set a wonderful example of philanthropy, civic service, and altruism for the community at large. Organizations such as the YWCA should be recognized for the critical role they play in strengthening women and families in California and the United States of America. I salute the men and women of YWCA for their continuous commitment to the betterment of women and families in crisis and efforts to enrich the broader San Diego community.

I congratulate the YWCA of San Diego County on the celebration of its 100th anniversary. I wish them continued success.●

RECOGNIZING CHAFFEY COLLEGE ON ITS 125TH ANNIVERSARY

● Mrs. BOXER. Mr. President, I ask my colleagues to join me in recognizing Chaffey College as it celebrates its 125th anniversary. Throughout the past 125 years, the students, faculty, staff, and community have worked diligently to make Chaffey College a hallmark institution of higher learning in southern California.

In March 1883, brothers and engineers George and William Chaffey donated land and established an endowment for a private college to provide quality education to the citrus growing communities between the cities of Los Angeles and San Bernardino. The Chaffey brothers envisioned access to higher education throughout southern California for a burgeoning population, which would soon be realized by the dynamic growth of the college. The private school was initially founded as the Chaffey College of Agriculture as part of the University of Southern California. A short time later the college had an enrollment of 100 students and began to receive joint funding through the local school district, allowing a period of dramatic growth to begin.

Since that time, Chaffey College has continued in its legacy of expansion, and it has taken great strides to provide increased opportunities for higher education throughout the region. It has developed satellite campus facilities in Ontario, Fontana and Chino. The education center in Chino is the only community college facility in California that is dedicated solely to information technology. And in May 2007, Chaffey College was able to dedicate six new buildings, including four science and technology buildings, the Don Berz Excellence Building, and the Kane Center for Student Services and Administration. Today, Chaffey College offers a wide variety of both academic and vocational education courses to over 18,000 students, helping an entire region of students throughout multiple communities find a competitive edge in the global marketplace.

As Chaffey College celebrates 125 years of growth and development in serving the communities of southern California, I am pleased to ask my colleagues to recognize its accomplishments. The success of our Nation and of future generations of Americans will be ensured by the continuing dedication and commitment of educational institutions such as Chaffey College.●

TRIBUTE TO DR. PATRICIA SANDERS

● Mr. SESSIONS. Mr. President, on the occasion of her retirement from the Department of Defense, I wish to recognize Dr. Patricia Sanders for her nearly 35 years of dedicated service to the security of our country. In her most recent assignment, she served as Executive Director at the Missile Defense Agency, where she advised the Director on issues related to the management and operations of one of the most dynamic organizations within the Department of Defense. Dr. Sanders has made an enormous contribution to the successful development and fielding of a defense to protect a nation, American troops deployed abroad, and our allies and friends from attack by ballistic missiles.

Dr. Sanders graduated as a National Science Foundation Fellow from Wayne State University in 1972 with a doctorate in mathematics, where she also was educated in economics, organizational management, and other disciplines. She went on to hold several university faculty positions. It is to our great benefit, though, that Dr. Sanders decided to pursue a career in government.

Her service within the Department of Defense as a member of the test and evaluation community has been extensive. Prior positions in the Office of the Secretary of Defense included serving as the Director of Land Forces in the Office of the Assistant Secretary of Defense for Program Analysis and Evaluation and as Staff Specialist for the Director of Operational Test and Evaluation. Dr. Sanders served as Deputy

Director for Analysis with the U.S. Space Command, Science Adviser to the Command, Control, Communications and Countermeasures Joint Test Force, and Chief of Modeling and Simulation and Technical Advisor to the Electronics Systems Division at the Air Force Operational Test and Evaluation Center.

Dr. Sanders has extensive experience as a member of the Department's senior executive service. Before coming to the Missile Defense Agency, she was the Director for Test, Systems Engineering and Evaluation in the Office of the Under Secretary of Defense for Acquisition and Technology, responsible for ensuring the integration of all engineering disciplines into the system acquisition process, providing technical risk assessments and oversight of developmental test and evaluation for many of the weapon systems used by our Armed Forces today.

Dr. Sanders held numerous positions within the Missile Defense Agency and its predecessor organization, the Ballistic Missile Defense Organization. She came to the Ballistic Missile Defense Organization in 1999 to be the Deputy for Test, Simulation and Evaluation. In this position, she was also the senior technical advisor to the Director. She served in this capacity until the Secretary of Defense gave the missile defense program a new direction.

In early 2002, the start of one of the most dynamic periods in the Agency's history, and shortly after the Missile Defense Agency was established, Dr. Sanders was appointed the Deputy Director for Ballistic Missile Defense System Integration. She played a critical role in managing the development and fielding of an integrated missile defense system. Dr. Sanders played an instrumental role in developing the concept for the Ballistic Missile Defense System and advising Department leaders on the authorities and responsibilities required to develop and field an effective missile defense system.

As Executive Director, a role she assumed in 2005, Dr. Sanders advised the Director on issues related to Agency management and operations. She also took on numerous tasks delegated by the Director such as directing the development of strategic communications campaign plans. Perhaps the most striking example of this came in the U.S. Government's European Site Initiative, where her vision for and guidance to this endeavor contributed to the development of a broad consensus among national leaders, combatant commanders, and the international communities on the growing need to establish a long-range missile defense capability in Europe. Dr. Sanders also helped to realize important cooperative agreements with Japan and Israel, which today are helping contribute to a truly worldwide ballistic missile defense capability.

During North Korea's provocative missile launches in July 2006, Dr. Sanders coordinated the Agency's actions during this crisis and established a dedicated crisis action team of highly trained staff to provide situation awareness to the President, combatant commanders, and the entire missile defense developer community. She educated senior military and civilian decisionmakers on the capabilities afforded by the deployed elements of the system so that the Nation's plans to deal with the crisis were based on accurate and timely information.

As the Agency's senior leader dealing with operational and management functions, Dr. Sanders impacted the Agency's operations on a daily basis. She served as a senior interlocutor with all external defense agencies, the Services, and Members of Congress. The Agency's senior civilian, she was also the final arbiter of all issues related to personnel administration and development, directing and managing a diverse staff spanning seventeen time zones. In just the last 2 years, the Agency underwent a conversion to the new National Security Personnel System and made plans to execute a Base Realignment to Huntsville, AL, by 2011. To help the Agency weather this challenging period, Dr. Sanders instituted several major efforts in strategic human capital planning. She restructured the Agency's strategic mission planning and communications activity, directing a much-needed overhaul of long-range congressional and public affairs strategies. She also created and chaired a Base Realignment and Closure Panel to develop strategies for the transition to Huntsville and established working relationships with local officials in northern Alabama and with the Tennessee Valley Association. As a direct result of her leadership, the Agency has received more volunteers for relocation than anticipated.

For many years now Dr. Sanders has been a fellow of the American Institute of Aeronautics and Astronautics and, at one point, served as chair of AIAA's Flight Test Technical Committee. She is a past president of the International Test and Evaluation Association and has served on the board of directors for the Military Operations Research Society. She also has devoted significant time to mentoring future Defense Department civilian leaders. Throughout her career, Dr Sanders has been a champion of diversity and has been dedicated to recruitment and retention of young professionals in the Federal Government. She has been a dedicated mentor to women in the engineering field and has been a role model and pathfinder for women in defense. In addition, while at MDA, Dr. Sanders instituted a mentoring program for defense acquisition professionals, established an active career intern program and a Presidential management fellowship program.

Dr. Patricia Sanders has consistently exemplified the finest attributes of a senior executive dedicated to public service. Her contributions, leadership, and service are well known throughout the Department. I am honored and proud to enter this tribute to Dr. Patricia Sanders into the official record. On behalf of all my colleagues, and with deep gratitude in my heart, I wish her the best as she embarks on the next journey in her life.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Neiman, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE CONTINUATION OF THE NATIONAL EMERGENCY THAT WAS DECLARED ON MARCH 15, 1995, WITH RESPECT TO IRAN—PM 41

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

The crisis between the United States and Iran constituted by the actions and policies of the Government of Iran that led to the declaration of a national emergency on March 15, 1995, has not been resolved. The actions and policies of the Government of Iran are contrary to the interests of the United States in the region and pose a continuing unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. Iran remains the world's most active state sponsor of terrorism, and continues to provide lethal support to Lebanese Hizballah, HAMAS, Palestinian Islamic Jihad and numerous other terrorist organizations in the region, as well as to the Taliban in Afghanistan and various Iraqi militant groups. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to Iran and maintain in force comprehensive sanctions against Iran to respond to this threat.

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, stating that the Iran emergency declared on March 15, 1995, is to continue in effect beyond March 15, 2008.

GEORGE W. BUSH.

THE WHITE HOUSE, *March 11, 2008*.

MESSAGES FROM THE HOUSE

At 10:03 a.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 306. Concurrent resolution permitting the use of the Rotunda of the Capitol for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust.

H. Con. Res. 313. Concurrent resolution authorizing the use of the rotunda of the Capitol for a ceremony to honor the 5 years of service and sacrifice of our troops and their families in the war in Iraq and to remember those who are serving our Nation in Afghanistan and throughout the world.

At 2:37 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3196. An act to designate the facility of the United States Postal Service located at 20 Sussex Street in Port Jervis, New York, as the ''E. Arthur Gray Post Office Building''.

H.R. 4166. An act to designate the facility of the United States Postal Service located at 701 East Copeland Drive in Lebanon, Missouri, as the ''Steve W. Allee Carrier Annex''.

ENROLLED JOINT RESOLUTION SIGNED

The President pro tempore (Mr. BYRD) announced that on today, March 11, 2008, he had signed the following enrolled joint resolution, previously signed by the Speaker of the House:

S.J. Res. 25. Joint resolution providing for the appointment of John W. McCarter as a citizen regent of the Board of Regents of the Smithsonian Institution.

At 7:43 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House having proceeded to reconsider the bill (H.R. 2082) to authorize appropriations for fiscal year 2008 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was resolved that the said bill do not pass, two-thirds of the House of Representatives not agreeing to pass the same.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3196. An act to designate the facility of the United States Postal Service located at 20 Sussex Street in Port Jervis, New York, as the ''E. Arthur Gray Post Office Building''; to the Committee on Homeland Security and Governmental Affairs.

H.R. 4166. An act to designate the facility of the United States Postal Service located at 701 East Copeland Drive in Lebanon, Missouri, as the ''Steve W. Allee Carrier Annex''; to the Committee on Homeland Security and Governmental Affairs.

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time, and placed on the calendar:

S. 2738. A bill to identify and remove criminal aliens incarcerated in correctional facilities in the United States and for other purposes.

S. 2739. A bill to authorize certain programs and activities in the Department of the Interior, the Forest Service, and the Department of Energy, to implement further the Act approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, to amend the Compact of Free Association Amendments Act of 2003, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–5354. A communication from the Under Secretary of Defense (Personnel and Readiness), transmitting, a report on the approved retirement of Lieutenant General Daniel P. Leaf, United States Air Force, and his advancement to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

EC–5355. A communication from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Codification and Modification of Berry Amendment'' (DFARS Case 2002–D002) received on March 6, 2008; to the Committee on Armed Services.

EC–5356. A communication from the Assistant Secretary of the Navy (Installations and Environment), transmitting, pursuant to law, a report relative to the Department's decision to conduct a streamlined A–76 competition of aircraft maintenance; to the Committee on Armed Services.

EC–5357. A communication from the Under Secretary of Defense (Acquisition, Technology and Logistics), transmitting, pursuant to law, a report relative to the waiver of the requirement for full-up system-level live fire testing relative to the KC–X; to the Committee on Armed Services.

EC–5358. A communication from the Principal Deputy, Defense Research and Engineering, Department of Defense, transmitting, pursuant to law, an annual report relative to the activities of the Defense Production Act Title III fund for fiscal year 2007; to the Committee on Banking, Housing, and Urban Affairs.

EC–5359. A communication from the Acting Assistant Secretary for Export Administration, Bureau of Industry and Security, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Expanded Authorization for Temporary Exports and Reexports of Tools of Trade to Sudan'' (RIN0694–AE20) received on March 6, 2008; to the Committee on Banking, Housing, and Urban Affairs.

EC–5360. A communication from the Regulatory Specialist, Office of the Comptroller of the Currency, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Securities Offering Disclosure Rules'' (RIN1557–AD04) received on March 6, 2008; to the Committee on Banking, Housing, and Urban Affairs.

EC–5361. A communication from the Acting Administrator, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the Administration's Capital Investment Plan for fiscal year 2009 through fiscal year 2013; to the Committee on Commerce, Science, and Transportation.

EC–5362. A communication from the Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Revisions to the Aleutian Islands Habitat Conservation Area'' (RIN0648–AV62) received on March 6, 2008; to the Committee on Commerce, Science, and Transportation.

EC–5363. A communication from the Acting Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Non-American Fisheries Act Crab Vessels Catching Pacific Cod for Processing by the Inshore Component in the Central Regulatory Area of the Gulf of Alaska'' (RIN0648–XF57) received on March 6, 2008; to the Committee on Commerce, Science, and Transportation.

EC–5364. A communication from the Acting Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Atka Mackerel in the Bering Sea and Aleutian Islands Management Area'' (RIN0648–XD68) received on March 6, 2008; to the Committee on Commerce, Science, and Transportation.

EC–5365. A communication from the Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Catcher Vessels Less Than 60 Feet LOA Using Jig or Hook-and-Line Gear in the Bogoslof Pacific Cod Exemption Area in the Bering Sea and Aleutian Islands Management Area'' (RIN0648–XF62) received on March 6, 2008; to the Committee on Commerce, Science, and Transportation.

EC–5366. A communication from the Secretary of Transportation, transmitting, the report of proposed legislation intended to allow a State to use funds to promote the use of motorcycle helmets; to the Committee on Commerce, Science, and Transportation.

EC–5367. A communication from the Acting Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, a report relative to the disclosure of financial interest and recusal requirements; to the Committee on Commerce, Science, and Transportation.

EC–5368. A communication from the Secretary of Energy, transmitting, proposed legislation to authorize the Secretary to accept funds for use in Russia's plutonium disposition program; to the Committee on Energy and Natural Resources.

EC–5369. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the activities of the Office of the Medicare Ombudsman; to the Committee on Finance.

EC–5370. A communication from the Acting Chief, Customs and Border Protection, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Addition of Lithuania to the List of Nations Entitled to Special Tonnage Tax Exemption'' (CBP Dec. 08–02) received on March 6, 2008; to the Committee on Finance.

EC–5371. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Revenue Procedure: National Median Gross Income Figures for 2008'' (Rev. Proc. 2008–19) received on March 6, 2008; to the Committee on Finance.

EC–5372. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Amplification of Notice 2006–27; Certification of Energy Efficient Home Credit'' (Notice 2008–35) received on March 6, 2008; to the Committee on Finance.

EC–5373. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Amplification of Notice 2006–28; Energy Efficient Home Credit; Manufacture Homes'' (Notice 2008–36) received on March 6, 2008; to the Committee on Finance.

EC–5374. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Herbert V. Kohler, Jr., et al. v. Commissioner'' (AOD 2008–9) received on March 6, 2008; to the Committee on Finance.

EC–5375. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''2008 Section 280F Automobile Inflation Adjustments'' (Rev. Proc. 2008–22) received on March 6, 2008; to the Committee on Finance.

EC–5376. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Qualified Films Under Section 199'' ((RIN1545–BG33) (TD 9384)) received on March 6, 2008; to the Committee on Finance.

EC–5377. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Guidance Under Section 1502; Amendment of Meeting Rule for Certain Gains on Member Stock'' ((RIN1545–BH21) (TD 9383)) received on March 6, 2008; to the Committee on Finance.

EC–5378. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Alternative Disability Mortality Tables'' (Notice 2008–29) received on March 6, 2008; to the Committee on Finance.

EC–5379. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Guidance on Various Distribution Issues Effective in 2008 under the Pension Protection Act of 2008'' (Notice 2008–30) received on March 6, 2008; to the Committee on Finance.

EC–5380. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Voluntary Compliance Initiative Covering Policies of Insurance and Reinsurance Issues by Foreign Insurers and Foreign Reinsurers'' (Announcement 2008–18) received on March 6, 2008; to the Committee on Finance.

EC–5381. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Revenue Ruling 2008–15'' received on March 6, 2008; to the Committee on Finance.

EC–5382. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Diversification Requirements for Variable Annuity, Endowment, and Life Insurance Contracts'' ((RIN1545–BG65) (TD 9385)) received on March 6, 2008; to the Committee on Finance.

EC–5383. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to the Case-Zablocki Act, 1 U.S.C. 112b, as amended, the report of the texts and background statements of international agreements, other than treaties (List 2008–18—2008–20); to the Committee on Foreign Relations.

EC–5384. A communication from the Assistant Secretary, Office of Legislative Affairs, Department of State, transmitting, pursuant to law, the certification of a proposed manufacturing license agreement for the export of defense articles to the United Kingdom to support the manufacture of the MX–10205A/GRC Applique; to the Committee on Foreign Relations.

EC–5385. A communication from the Assistant Secretary, Office of Legislative Affairs, Department of State, transmitting, pursuant to law , the certification of a proposed manufacturing license agreement for the export of defense articles to the United Kingdom to support the replication of the Quick Fox software object code; to the Committee on Foreign Relations.

EC–5386. A communication from the Board of Trustees, National Railroad Retirement Investment Trust, transmitting, pursuant to law, an annual report relative to its operations and financial condition; to the Committee on Health, Education, Labor, and Pensions.

EC–5387. A communication from the Deputy Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled ''Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits'' (29 CFR Parts 4022 and 4044) received on March 6, 2008; to the Committee on Health, Education, Labor, and Pensions.

EC–5388. A communication from the Principal Deputy Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, a report relative to the use of the exemption from the antitrust laws provided by the Pandemic and All-Hazards Preparedness Act; to the Committee on Health, Education, Labor, and Pensions.

EC–5389. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 17–313 , ''Emergency Medical Services Improvement Amendment Act of 2008'' received on March 6, 2008; to the Committee on Homeland Security and Governmental Affairs.

EC–5390. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 17–292 , ''Commission on Fashion Arts and Events Establishment Act of 2008'' received on March 6, 2008; to the Committee on Homeland Security and Governmental Affairs.

EC–5391. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 17–312 , ''Evictions with Dignity Amendment Act of 2008'' received on March 6, 2008; to the Committee on Homeland Security and Governmental Affairs.

EC–5392. A communication from the Assistant Secretary, Office of Legislative Affairs, Department of Homeland Security, transmitting, pursuant to law, a report entitled, ''The Federal Agency Data Mining Reporting Act of 2007''; to the Committee on Homeland Security and Governmental Affairs.

EC–5393. A communication from the Chairman, Railroad Retirement Board, transmitting, pursuant to law, an annual report relative to the Board's compliance with the Sunshine Act during calendar year 2007; to the Committee on Homeland Security and Governmental Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Ms. LANDRIEU:

S. 2740. A bill to modify the project area for the project for navigation, Atchafalaya River, Bayous Chene, Bouef, and Black, Louisiana; to the Committee on Environment and Public Works.

By Mr. DODD:

S. 2741. A bill to amend the Internal Revenue Code of 1986 to provide for disability savings accounts, and for other purposes; to the Committee on Finance.

By Mr. COCHRAN:

S. 2742. A bill to reduce the incidence, progression, and impact of diabetes and its complications and establish the position of National Diabetes Coordinator; to the Committee on Health, Education, Labor, and Pensions.

By Mr. CASEY (for himself and Mr. HATCH):

S. 2743. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of financial security accounts for the care of family members with disabilities, and for other purposes; to the Committee on Finance.

By Mr. VOINOVICH:

S. 2744. A bill to amend the Workforce Investment Act of 1998 to increase the Nation's competitiveness and enhance the workforce investment systems by authorizing the implementation of Workforce Innovation in Regional Economic Development plans, the integration of appropriate programs and resources as part of such plans, and the provision of supplementary grant assistance and additional related activities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. MURKOWSKI (for herself, Mr. TESTER, Mr. SMITH, and Mr. BAUCUS):

S. Res. 479. A resolution designating March 20, 2008, as ''Second Annual National Native HIV/AIDS Awareness Day''; considered and agreed to.

ADDITIONAL COSPONSORS

S. 22

At the request of Mr. WEBB, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Minnesota (Mr. COLEMAN) were added as cosponsors of S. 22, a bill to amend title 38, United States Code, to establish a program of educational assistance for members of the Armed Forces who serve in the Armed Forces after September 11, 2001, and for other purposes.

S. 358

At the request of Ms. SNOWE, the name of the Senator from Montana (Mr. TESTER) was added as a cosponsor of S. 358, a bill to prohibit discrimination on the basis of genetic information with respect to health insurance and employment.

S. 594

At the request of Mrs. FEINSTEIN, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 594, a bill to limit the use, sale, and transfer of cluster munitions.

S. 755

At the request of Mr. SCHUMER, the name of the Senator from Montana (Mr. TESTER) was added as a cosponsor of S. 755, a bill to amend title XIX of the Social Security Act to require States to provide diabetes screening tests under the Medicaid program for adult enrollees with diabetes risk factors, to ensure that States offer a comprehensive package of benefits under that program for individuals with diabetes, and for other purposes.

S. 988

At the request of Ms. MIKULSKI, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 988, a bill to extend the termination date for the exemption of returning workers from the numerical limitations for temporary workers.

S. 1042

At the request of Mr. ENZI, the name of the Senator from Wyoming (Mr. BARRASSO) was added as a cosponsor of S. 1042, a bill to amend the Public Health Service Act to make the provision of technical services for medical imaging examinations and radiation therapy treatments safer, more accurate, and less costly.

S. 1506

At the request of Mr. LAUTENBERG, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 1506, a bill to amend the Federal Water Pollution Control Act to modify provisions relating to beach monitoring, and for other purposes.

S. 1711

At the request of Mr. BIDEN, the name of the Senator from Illinois (Mr. OBAMA) was added as a cosponsor of S. 1711, a bill to target cocaine kingpins and address sentencing disparity between crack and powder cocaine.

S. 1848

At the request of Mr. BAUCUS, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 1848, a bill to amend the Trade Act of 1974 to address the impact of globalization, to reauthorize trade adjustment assistance, to extend trade adjustment assistance to service workers, communities, firms, and farmers, and for other purposes.

S. 1924

At the request of Mr. CARDIN, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Rhode Island (Mr. WHITEHOUSE) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 1924, a bill to amend chapter 81 of title 5, United States Code, to create a presumption that a disability or death of a Federal employee in fire protection activities caused by any of certain diseases is the result of the performance of such employee's duty.

S. 1995

At the request of Mr. SALAZAR, the name of the Senator from Florida (Mr. MARTINEZ) was added as a cosponsor of S. 1995, a bill to amend the Internal Revenue Code of 1986 to reduce the tax on beer to its pre-1991 level.

S. 2004

At the request of Mrs. MURRAY, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 2004, a bill to amend title 38, United States Code, to establish epilepsy centers of excellence in the Veterans Health Administration of the Department of Veterans Affairs, and for other purposes.

S. 2123

At the request of Mr. KENNEDY, the names of the Senator from California (Mrs. BOXER) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 2123, a bill to provide collective bargaining rights for public safety officers employed by States or their political subdivisions.

S. 2162

At the request of Mr. AKAKA, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 2162, a bill to improve the treatment and services provided by the Department of Veterans Affairs to veterans with post-traumatic stress disorder and substance use disorders, and for other purposes.

S. 2275

At the request of Mrs. FEINSTEIN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 2275, a bill to prohibit the manufacture, sale, or distribution in commerce of certain children's products and child care articles that contain phthalates, and for other purposes.

S. 2291

At the request of Mr. AKAKA, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2291, a bill to enhance citizen access to Government information and services by establishing plain language as the standard style of Government documents issued to the public, and for other purposes.

S. 2335

At the request of Ms. LANDRIEU, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2335, a bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide adequate case management services.

S. 2337

At the request of Mr. GRASSLEY, the name of the Senator from South Carolina (Mr. GRAHAM) was added as a cosponsor of S. 2337, a bill to amend the Internal Revenue Code of 1986 to allow long-term care insurance to be offered under cafeteria plans and flexible spending arrangements and to provide additional consumer protections for long-term care insurance.

S. 2523

At the request of Mr. KERRY, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2523, a bill to establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the construction, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families.

S. 2550

At the request of Mrs. HUTCHISON, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2550, a bill to amend title 38, United States Code, to prohibit the Secretary of Veterans Affairs from collecting certain debts owed to the United States by members of the Armed Forces and veterans who die as a result of an injury incurred or aggravated on active duty in a combat zone, and for other purposes.

S. 2575

At the request of Mrs. HUTCHISON, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2575, a bill to amend title 38, United States Code, to remove certain limitations on the transfer of entitlement to basic educational assistance under Montgomery GI Bill, and for other purposes.

S. 2579

At the request of Mr. INOUYE, the names of the Senator from West Virginia (Mr. BYRD) and the Senator from Georgia (Mr. ISAKSON) were added as cosponsors of S. 2579, a bill to require the Secretary of the Treasury to mint coins in recognition and celebration of the establishment of the United States Army in 1775, to honor the American soldier of both today and yesterday, in wartime and in peace, and to commemorate the traditions, history, and heritage of the United States Army and its role in American society, from the colonial period to today.

S. 2586

At the request of Mr. ROCKEFELLER, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 2586, a bill to provide States with fiscal relief through a temporary increase in the Federal medical assistance percentage and direct payments to States.

S. 2606

At the request of Mr. DODD, the names of the Senator from Minnesota (Mr. COLEMAN) and the Senator from Delaware (Mr. CARPER) were added as cosponsors of S. 2606, a bill to reauthorize the United States Fire Administration, and for other purposes.

S. 2618

At the request of Ms. KLOBUCHAR, the name of the Senator from New Jersey (Mr. MENENDEZ) was added as a cosponsor of S. 2618, a bill to amend the Public Health Service Act to provide for research with respect to various forms of muscular dystrophy, including Becker, congenital, distal, Duchenne, Emery-Dreifuss Facioscapulohumeral, limb-girdle, myotonic, and oculopharyngeal muscular dystrophies.

S. 2639

At the request of Mr. JOHNSON, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2639, a bill to amend title 38, United States Code, to provide for an assured adequate level of funding for veterans health care.

S. 2657

At the request of Mr. KERRY, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 2657, a bill to require the Secretary of Commerce to prescribe regulations to reduce the incidence of vessels colliding with North Atlantic right whales by limiting the speed of vessels, and for other purposes.

S. 2668

At the request of Mr. KERRY, the names of the Senator from New York (Mr. SCHUMER) and the Senator from Kentucky (Mr. BUNNING) were added as cosponsors of S. 2668, a bill to amend the Internal Revenue Code of 1986 to remove cell phones from listed property under section 280F.

S. 2701

At the request of Mr. NELSON of Nebraska, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 2701, a bill to direct the Secretary of Veterans Affairs to establish a national cemetery in the eastern Nebraska region to serve veterans in the eastern Nebraska and western Iowa regions.

S. 2703

At the request of Mrs. DOLE, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2703, a bill to reduce the reporting and certification burdens for certain financial institutions of sections 302 and 404 of the Sarbanes-Oxley Act of 2002.

S. 2713

At the request of Mr. VITTER, the names of the Senator from Alabama (Mr. SESSIONS), the Senator from South Carolina (Mr. DEMINT), the Senator from Oklahoma (Mr. INHOFE) and the Senator from Oklahoma (Mr. COBURN) were added as cosponsors of S. 2713, a bill to prohibit appropriated funds from being used in contravention of section 642(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

S. 2714

At the request of Mr. VITTER, the names of the Senator from Alabama (Mr. SESSIONS), the Senator from South Carolina (Mr. DEMINT), the Senator from Oklahoma (Mr. INHOFE), the Senator from Oklahoma (Mr. COBURN) and the Senator from North Carolina (Mrs. DOLE) were added as cosponsors of S. 2714, a bill to close the loophole that allowed the 9/11 hijackers to obtain credit cards from United States banks that financed their terrorists activities, to ensure that illegal immigrants cannot obtain credit cards to evade United States immigration laws, and for other purposes.

S. 2731

At the request of Mr. BIDEN, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 2731, a bill to authorize appropriations for fiscal years 2009 through 2013 to provide assistance to foreign countries to combat HIV/AIDS, tuberculosis, and malaria, and for other purposes.

S.J. RES. 28

At the request of Mr. DORGAN, the names of the Senator from California (Mrs. BOXER) and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of S.J. Res. 28, a joint resolution disapproving the rule submitted by the Federal Communications Commission with respect to broadcast media ownership.

S. RES. 118

At the request of Mr. LEVIN, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. Res. 118, a resolution urging the Government of Canada to end the commercial seal hunt.

S. RES. 138

At the request of Mr. SALAZAR, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. Res. 138, a resolution honoring the accomplishments and legacy of Cesar Estrada Chavez.

S. RES. 390

At the request of Mr. KOHL, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. Res. 390, a resolution designating March 11, 2008, as National Funeral Director and Mortician Recognition Day.

S. RES. 476

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of S. Res. 476, a resolution designating March 25, 2008, as ''Greek Independence Day: A National Day of Celebration of Greek and American Democracy''.

AMENDMENT NO. 4148

At the request of Mr. KENNEDY, the names of the Senator from Connecticut (Mr. DODD), the Senator from Maryland (Ms. MIKULSKI), the Senator from New York (Mrs. CLINTON), the Senator from New Jersey (Mr. MENENDEZ) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of amendment No. 4148 intended to be proposed to S. Con. Res. 70, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DODD:

S. 2741. A bill to amend the Internal Revenue Code of 1986 to provide for disability savings accounts, and for other purposes; to the Committee on Finance.

Mr. DODD. Mr. President, I rise today to introduce the Disability Savings Act of 2008. This important legislation is designed to help individuals with disabilities live full and productive lives for all their years.

As we all know, disability is a part of human experience. The U.S. Census Bureau reports nearly 20 percent of Americans have some level of disability while 12.5 percent reported a severe disability. We should do what we can to make it possible for these Americans to live independently, exert control and choice over their lives, and fully participate in their communities. One of the key ways we can accomplish this goal is to help individuals with disabilities and their families save money for disability related expenses, especially those expected over the course of full life.

Over the years, Congress has provided incentives to American families to save for various long term goals: college education, home ownership, and retirement. These incentives have given families the tools to help their children, well after they have left the home.

But for families who have a child with a disability, particularly a cognitive disability, these goals may not match their needs. Many of these children will depend on Medicaid, Social Security Disability Insurance, and Supplemental Security Income. They cannot risk losing these benefits. And they may never get to the point where they can consider college or home ownership.

These individuals will frequently incur significant additional costs related to services and supports necessary to maintain health and independence. Parents also have to worry about what will happen to their children after they are gone.

The World Institute on Disability reports that over 1/3 of adults with disabilities live in households with income of $15,000 or less. According to the 2005 American Community Survey, median earnings for individuals with disabilities were a little more than half of the median income of those without disabilities.

It is common for families to provide for individuals with significant disabilities who cannot support themselves. These families often do this at great cost to themselves both financially and emotionally. They do it out of love, and they do not ask to be relieved of their burdens. But they are hoping that we can provide the tools to help them ensure their loved ones can lead full lives for many years.

That is why I am introducing the Disability Savings Act of 2008. This bill will encourage individuals with disabilities and their families to save money for their unique disability-related needs in Disability Savings Accounts. These accounts will provide a tax-advantaged mechanism for individuals with disabilities to save money.

The interest on these accounts, with a balance of up to $250,000, will be tax free. Expenditures from the accounts for specific qualified services such as education, medical services, employment training and support, and transportation, will not be subject to income tax. The accounts will be easier to manage, and use than other existing savings mechanisms for individuals with disabilities. To be sure these accounts are available to low and moderate income earners, there will be a refundable matching tax credit of up to $1000 for contributions. Account holders can even roll funds from college savings plans and special needs trusts for the same beneficiary into the Disability Savings Account without penalty. These accounts will supplement, not supplant, benefits provided by other, sources such as Medicaid, private insurance, and Supplemental Security Income, SSI, and the assets held within them will not be counted against eligibility for those programs.

In order to be eligible to have a Disability Savings Account, beneficiaries must be determined to be blind or disabled by the Social Security Administration or the Disability Determination Service of a state, and be under the age of 65. The accounts can be held and managed through a financial institution by the beneficiary, their spouse or family member, or a legal guardian.

I hope that my colleagues will see the benefit of this approach and join me in this effort. I urge them to cosponsor this legislation and work with me to give individuals with disabilities and their families the tools they need to live healthy independent lives.

Mr. President, I ask unanimous consent that the text of the bill and a letter of support be printed in the RECORD.

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

S. 2741

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Disability Savings Act of 2008''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Disability is a natural part of the human experience. Individuals with disabilities have the right to live independently, to exert control and choice over their own lives, and to fully participate in and contribute to their communities through full integration and inclusion in the economic, political, social, cultural, and educational mainstream of American society.

(2) Americans with disabilities are more likely to live in poverty than those without disabilities. According to the World Institute on Disability, over one-third of adults with disabilities live in households with income of $15,000 or less compared to only 12 percent of those without disabilities. According to the 2005 American Community Survey, median annual earnings for individuals without a disability were $25,000 compared with $12,800 for those with a severe disability.

(3) Families often provide the primary financial assistance necessary for individuals with significant disabilities who cannot support themselves. Families supporting members with disabilities often experience substantial negative effects on the vocational and economic health of the family.

(4) Individuals with disabilities often incur significant additional costs related to services and supports necessary to maintain the health and independence needed to fully participate in society.

(5) Throughout the years policymakers have provided incentives to Americans to save money for purposes such as home ownership, education and retirement. Many of these benefits do not meet the savings needs of individuals with disabilities and their families.

(6) Encouraging individuals with disabilities and their families to save funds will allow them to achieve greater control, choice, participation in community, security, and independence in their lives.

SEC. 3. PURPOSES.

The purposes of this Act are as follows:

(1) To encourage and assist individuals and families in saving private funds for the purpose of supporting individuals with disabilities to maintain health, independence, and quality of life.

(2) To provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, the Medicaid program under title XIX of the Social Security Act, the supplemental security income program under title XVI of such Act, the beneficiary's employment, and other sources.

SEC. 4. DISABILITY SAVINGS ACCOUNTS.

(a) IN GENERAL.—Subchapter F of chapter 1 of the Internal Revenue Code of 1986 (relating to exempt organizations) is amended by adding at the end the following new part:

''PART IX—DISABILITY SAVINGS ENTITIES

''Sec. 530A. Disability savings accounts.

''SEC. 530A. DISABILITY SAVINGS ACCOUNTS.

''(a) DISABILITY SAVINGS ACCOUNT DEFINED.—For purposes of this section, the term 'disability savings account' means a trust created or organized in the United States by a qualified individual exclusively for the benefit of a qualified beneficiary, but only if the written governing instrument creating the trust meets the following requirements:

''(1) No contribution shall be accepted—

''(A) unless it is in cash, or

''(B) if such contribution would result in the total aggregate contributions to such account exceeding $1,000,000.

''(2) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section or who has so demonstrated with respect to any individual retirement plan.

''(3) A qualified individual is designated for the purpose of administering requests for distributions from the trust.

''(4) No part of the trust assets will be invested in life insurance contracts.

''(5) The assets of the trust shall not be commingled with other property except in a common trust fund or common investment fund.

''(6) Except as provided in subsection (c)(6), in the case that the qualified beneficiary dies or ceases to be a qualified beneficiary, all amounts remaining in the trust up to an amount equal to the total medical assistance paid for the qualified beneficiary under any State Medicaid plan established under title XIX of the Social Security Act shall be distributed to each such State.

''(b) TAX TREATMENT OF INCOME.—

''(1) IN GENERAL.—A disability savings account which has a value of $250,000 or less for any taxable year shall be exempt from taxation under this subtitle. Notwithstanding the preceding sentence, a disability savings account shall be subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable organizations).

''(2) TAXABLE ACCOUNTS.—Any disability savings account which is not exempt from tax under paragraph (1) shall be taxed in the same manner as a qualified disability trust (as defined in section 642(b)(2)(C)(ii)).

''(3) DETERMINATION OF VALUE.—The value of a disability savings account shall be deemed to be in excess of $250,000 for a taxable year if the daily balance of such account (determined as of the close of business on any business day) exceeds $250,000 for the majority of business days during such taxable year.

''(c) TAX TREATMENT OF DISTRIBUTIONS.—

''(1) IN GENERAL.—Any distribution from a disability savings account shall be included in the gross income of the qualified beneficiary in the manner provided in section 72.

''(2) DISTRIBUTIONS FOR QUALIFIED SERVICES OR PRODUCTS.—

''(A) IN GENERAL.—No amount shall be included in gross income under paragraph (1) if such amount is distributed—

''(i) for a qualified service or product, and

''(ii) except as otherwise provided by the Secretary, by means of an electronic fund transfer to the person who provided the qualified service or product.

''(B) QUALIFIED SERVICE OR PRODUCT.—

''(i) IN GENERAL.—The term 'qualified service or product' means any service or product which is provided to a qualified beneficiary on account of such beneficiary's disability.

''(ii) CERTAIN SERVICES AND PRODUCTS INCLUDED.—Such term shall include preschool education, postsecondary education, tutoring, special education services, training, employment supports, personal assistance supports, community-based supports, respite care, clothing, assistive technology, home modifications, therapy, nutritional management, out-of-pocket medical, vision, or dental expenses, transportation services, vehicle purchases or modifications, insurance premiums, habilitation and rehabilitation services, funeral and burial expenses, and any other service or product consistent with the purposes of this section and allowed under regulations established by the Secretary, in consultation with the Secretary of Health and Human Services.

''(iii) PROHIBITED SERVICES AND PRODUCTS.—Such term shall not include any service or product paid for by a third-party payer, such as private insurance or a Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

''(C) DISALLOWANCE OF EXCLUDED AMOUNTS AS DEDUCTION, CREDIT, OR EXCLUSION.—No deduction, credit, or exclusion shall be allowed to the taxpayer under any other section of this chapter for any qualified service or product to the extent taken into account in determining the amount of exclusion under this paragraph.

''(3) EXCEPTION FOR DISTRIBUTIONS RETURNED BEFORE CERTAIN DATE.—Paragraph (1) shall not apply to any distribution made from a disability savings account during a taxable year on behalf of the qualified beneficiary if the qualified beneficiary makes a contribution to such disability savings account in an amount equal to the amount of such distribution before the date that is 180 days after such distribution was made.

''(4) ADDITIONAL TAX FOR DISTRIBUTIONS NOT USED FOR QUALIFIED SERVICES OR PRODUCTS.—The tax imposed by this chapter for any taxable year on any taxpayer who receives a payment or distribution from an disability savings account which is includible in gross income shall be increased by 10 percent of the amount which is so includible.

''(5) ROLLOVER CONTRIBUTIONS.—Paragraph (1) shall not apply to any amount paid or distributed from a disability savings account to the extent that the amount received is paid, not later than the 60th day after the date of such payment or distribution, into—

''(A) another disability savings account for the benefit of—

''(i) the same qualified beneficiary, or

''(ii) an individual who—

''(I) is the spouse of the qualified beneficiary or bears a relationship to the qualified beneficiary which is described in section 152(d)(2), and

''(II) is a qualified beneficiary, or

''(B) any trust which is described in subparagraph (A) or (C) of section 1917(d)(4) of the Social Security Act and which is for the benefit of and individual described in clause (i) or (ii) of subparagraph (A).

The preceding sentence shall not apply to any payment or distribution if it applied to any prior payment or distribution during the 12-month period ending on the date of the payment or distribution.

''(6) CHANGE IN BENEFICIARY.—Any change in the beneficiary of a disability savings account shall not be treated as a distribution for purposes of paragraph (1) if the new beneficiary is an individual described in paragraph (5)(A)(ii) as of the date of the change.

''(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) QUALIFIED BENEFICIARY.—The term 'qualified beneficiary' means any individual who—

''(A) is under the age of 65, and

''(B) has—

''(i) been determined by the Commissioner of Social Security or the Disability Determination Service of a State to be—

''(I) blind (as determined under section 1614(a)(2) of the Social Security Act, but without regard to any income or asset eligibility requirements that apply under such title), or

''(II) disabled (as determined under section 1614(a)(3) of the Social Security Act, but without regard to any income or asset eligibility requirements that apply under such title, or under section 216(d) of such Act), and

''(ii) not been determined by the Commissioner of Social Security or the Disability Determination Service of a State to be no longer blind or disabled (as so defined).

The term 'Disability Determination Service' means, with respect to each State, the entity that has an agreement with the Commissioner of Social Security to make disability determinations for purposes of title II or XVI of the Social Security Act.

''(2) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means, with respect to any disability savings account—

''(A) the qualified beneficiary,

''(B) any individual—

''(i) who is the spouse of the qualified beneficiary or bears a relationship to the qualified beneficiary which is described in section 152(d)(2), or

''(ii) provides over one half of such qualified beneficiary's support,

''(C) the legal guardian of the qualified beneficiary, or

''(D) in the case of any qualified beneficiary who is in the legal custody of a State or any agency thereof, any individual appointed for purposes of this paragraph by a court of competent jurisdiction.

''(3) ACCOUNT TERMINATIONS, ETC.—

''(A) PROHIBITED TRANSACTIONS.—If, during any taxable year of the qualified individual designated under subsection (a)(3), such qualified individual or the qualified beneficiary of the disability savings account engages in any transaction prohibited under section 4975, such account ceases to be an disability savings account as of the first day of such taxable year.

''(B) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year of the qualified beneficiary, the qualified beneficiary uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to the qualified beneficiary.

''(4) ONLY 1 ACCOUNT PER QUALIFIED BENEFICIARY.—No individual who is a qualified beneficiary may have more than 1 disability savings account. The Secretary may promulgate regulations necessary to carry out the purposes of this paragraph.

''(e) REPORTS.—The trustee of a disability savings account shall make such reports regarding such account to the Secretary and to the qualified individual designated under subsection (a)(3) with respect to contributions, distributions, fees (including the maximum, minimum, and average fees for such accounts), and such other matters as the Secretary may require. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required.

''(f) REGULATIONS.—The Secretary, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out the purposes of this section and to prevent the abuse of such purposes.''.

(b) ROLLOVERS FROM QUALIFIED TUITION PROGRAMS.—Paragraph (3) of section 529(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(E) ROLLOVERS TO DISABILITY SAVINGS ACCOUNTS.—

''(i) IN GENERAL.—Subparagraph (A) shall not apply to that portion of any distribution which, within 60 days of such distribution, is transferred to a disability savings account with respect to which the designated beneficiary is the qualified beneficiary (as defined by section 530A(d)(1)).

''(ii) LIMITATION.—Clause (i) shall not apply to any transfer if a prior transfer described in clause (i) has occurred at any time preceding such transfer.''.

(c) TAX ON PROHIBITED TRANSACTIONS.—

(1) IN GENERAL.—Paragraph (1) of section 4975(e) of the Internal Revenue Code of 1986 is amended by striking ''or'' at the end of subparagraph (F), by redesignating subparagraph (G) as subparagraph (F), and by inserting after subparagraph (F) the following new subparagraph:

''(G) a disability savings account described in section 530A(a), or''.

(2) SPECIAL RULE.—Section 4975(c) of such Code is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR DISABILITY SAVINGS ACCOUNTS.—A qualified beneficiary (as defined by section 530A(d)(1)) shall be exempt from the tax imposed by this section with respect to any transaction concerning a disability savings account (as defined by section 530A(a)) which would otherwise be taxable under this section if, with respect to such transaction, the account ceases to be a disability savings account by reason of the application of section 530A(d)(3)(A) to such account.''.

(d) FAILURE TO PROVIDE REPORTS ON DISABILITY SAVINGS ACCOUNTS.—Paragraph (2) of section 6693(a) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ''and'', and by inserting after subparagraph (E) the following new subparagraph:

''(F) section 530A(e) (relating to disability savings accounts).''.

(e) ANNUAL REPORTS TO CONGRESS.—The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services and the Commissioner of Social Security, shall report annually to Congress on the usage of disability savings accounts.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commissioner of Social Security for fiscal years beginning with fiscal year 2007, such sums as may be necessary for certifying and recertifying individuals as qualified beneficiaries for purposes of section 530A(d)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)). Amounts appropriated pursuant to the preceding sentence may be used by the Commissioner, as appropriate, for making payments to States for certifications and recertifications of individuals as such beneficiaries that are made under an agreement entered into between the Commissioner and by the Disability Determination Service for the State.

(g) CLERICAL AMENDMENT.—The table of parts for subchapter F of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''PART IX—DISABILITY SAVINGS ENTITIES''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 5. MATCHING TAX CREDIT FOR CONTRIBUTIONS TO DISABILITY SAVINGS ACCOUNTS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 36 as section 37 and by inserting after section 35 the following new section:

''SEC. 36. DISABILITY SAVINGS ACCOUNT MATCHING CONTRIBUTIONS.

''(a) ALLOWANCE OF CREDIT.—In the case of a qualified individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 50 percent of so much of the qualified disability savings contributions made during the taxable year as do not exceed $2,000.

''(b) LIMITATIONS.—

''(1) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be taken into account under subsection (a) for the taxable year shall be reduced (but not below zero) by the amount determined under subparagraph (B).

''(B) AMOUNT OF REDUCTION.—The amount determined under this subparagraph is the amount which bears the same ratio to the amount which would be so taken into account as—

''(i) the excess of—

''(I) the taxpayer's modified adjusted gross income for the taxable year, over

''(II) the applicable amount, bears to

''(ii) the phaseout amount.

''(C) APPLICABLE AMOUNT; PHASEOUT AMOUNT.—For purposes of subparagraph (B), the applicable amount and the phaseout amount shall be determined as follows:

‘‘	The applicable amount is:	The phase-out amount is:
In the case of a joint return	$60,000	$10,000
In the case of a head of household	$45,000	$7,500
In any other case	$30,000	$5,000

‘‘(D) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term ‘modified adjusted gross income’ means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

‘‘(E) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2008, each of the applicable amounts in the second column of the table in subparagraph (C) shall be increased by an amount equal to—

‘‘(i) such dollar amount, multiplied by

‘‘(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2007’ for ‘calendar year 1992’ in subparagraph (B) thereof.

Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $500.

‘‘(2) EARNED INCOME LIMITATION.—The amount of the credit allowable under subsection (a) to any taxpayer for any taxable year shall not exceed the earned income (as defined by section 32(c)(2)) of such taxpayer for such taxable year.

‘‘(c) QUALIFIED INDIVIDUAL.—For purposes of this section, the term ‘qualified individual’ means the individual designated as the qualified individual of the disability savings account (as defined in section 530A(a)).

‘‘(d) QUALIFIED DISABILITY SAVINGS CONTRIBUTIONS.—The term ‘qualified disability savings contributions’ means, with respect to any taxable year, the aggregate contributions made by the taxpayer to the disability savings account (as so defined) with respect to which such taxpayer is the qualified individual.

‘‘(e) TREATMENT OF CONTRIBUTIONS BY DEPENDENT.—If a deduction under section 151 with respect to an individual is allowed to another taxpayer for a taxable year beginning in the calendar year in which such individual’s taxable year begins—

‘‘(1) no credit shall be allowed under subsection (a) to such individual for such individual’s taxable year, and

‘‘(2) any qualified disability savings contributions made by such individual during such taxable year shall be treated for purposes of this section as made by such other taxpayer.’’.

(b) REFUNDABLE AMOUNT CREDITED TO INDIVIDUAL DISABILITY ACCOUNT.—

(1) TRANSFER OF AMOUNT TO DISABILITY SAVINGS ACCOUNTS.—Section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds) is amended by adding at the end the following new subsection:

‘‘(l) SPECIAL RULE FOR OVERPAYMENTS ATTRIBUTABLE TO CREDIT FOR CONTRIBUTIONS TO DISABILITY SAVINGS FUNDS.—

‘‘(1) IN GENERAL.—In the case of any overpayment attributable to the credit allowed under section 36, the Secretary shall transfer such amount to the disability savings account to which the taxpayer made a qualified disability savings contribution.

‘‘(2) TRANSFERS TO MORE THAN 1 ACCOUNT.—If the taxpayer made qualified disability savings contributions to more than 1 disability savings account, the Secretary shall transfer the overpayment described in paragraph (1) to each such disability savings account in an amount that bears the same ratio to the amount of such overpayment as—

‘‘(A) the amount of qualified disability savings contributions made by such taxpayer to such disability savings account, bears to

‘‘(B) the amount of qualified disability savings contribution made by such taxpayer to all disability savings accounts.

‘‘(3) QUALIFIED DISABILITY SAVINGS CONTRIBUTION.—For purposes of this subsection, the term ‘qualified disability savings contribution’ has the meaning given such term by section 36(d).’’.

(2) SEPARATE ACCOUNTING FOR REFUNDABLE AMOUNTS.—

(A) IN GENERAL.—Section 530A(a) of such Code, as added by this Act, is amended by adding at the end the following new paragraph:

‘‘(7) The trust provides a separate accounting for contributions transferred by the Secretary under section 6402(l).’’.

(B) SPECIAL RULES FOR CONTRIBUTIONS ATTRIBUTABLE TO DISABILITY SAVINGS ACCOUNT CREDIT.—Section 530A of such Code, as added by this Act, is amended by adding at the end the following new subsection:

‘‘(g) SPECIAL RULES FOR CONTRIBUTIONS ATTRIBUTABLE TO CREDIT FOR DISABILITY SAVINGS ACCOUNT CONTRIBUTIONS.—

‘‘(1) INCREASE IN ADDITIONAL TAX.—In the case of a distribution which includes an amount transferred by the Secretary under section 6402(l) (including any earnings attributable to such amount) and which, but for this paragraph, would be includible in gross income—

‘‘(A) such amount shall not be included in gross income, and

‘‘(B) subsection (c)(4) shall be applied by substituting ‘100 percent’ for ‘10 percent’.

‘‘(2) ORDERING RULES.—For purposes of applying this subsection to any distribution from a disability savings account—

‘‘(A) IN GENERAL.—Except as provided in subparagraph (B), such distribution shall be treated as made—

‘‘(i) first from amounts contributed to the account other than by reason of section 6402(l), and

‘‘(ii) second from amounts transferred by the Secretary under section 6402(l).

‘‘(B) EXCEPTION FOR DISTRIBUTIONS FOR QUALIFIED SERVICES OR PRODUCTS.—In the case of a distribution for qualified services or products, such distribution shall be treated as made—

‘‘(i) first from amounts transferred by the Secretary under section 6402(l), and

‘‘(ii) second from other amounts contributed to the account.’’.

(c) CONFORMING AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period at the end ‘‘, or enacted by the Disability Savings Act of 2008’’.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 36 and inserting the following:

‘‘Sec. 36. Disability savings account matching contributions.

‘‘Sec. 37. Overpayments of tax.’’.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 6. CREDIT TO INSTITUTIONS FOR MAINTAINING DISABILITY SAVINGS ACCOUNTS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

‘‘SEC. 45O. DISABILITY SAVINGS ACCOUNT INVESTMENT CREDIT.

‘‘(a) DETERMINATION OF AMOUNT.—For purposes of section 38, the disability savings account investment credit determined under this section with respect to any eligible entity for any taxable year is an amount equal to the disability savings account investment provided by such eligible entity during the taxable year.

‘‘(b) DISABILITY SAVINGS ACCOUNT INVESTMENT.—For purposes of this section, the term ‘disability savings account investment’ means an amount equal to $50 with respect to each disability savings account (as defined in section 530A(a)) maintained—

‘‘(1) as of the end of such taxable year, but only if such taxable year is within the 7-taxable-year period beginning with the taxable year in which such Account is opened, and

‘‘(2) with a balance of not less than $100 (other than the taxable year in which such account is opened).

‘‘(c) ELIGIBLE ENTITY.—For purposes of this section, except as provided in regulations, the term ‘eligible entity’ means any entity which is the trustee of a disability savings account (as so defined).

‘‘(d) DENIAL OF DOUBLE BENEFIT.—

‘‘(1) IN GENERAL.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which is attributable to the maintenance of a disability savings account.

‘‘(2) DETERMINATION OF AMOUNT.—Solely for purposes of paragraph (1), the amount attributable to the maintenance of a disability savings account shall be deemed to be the dollar amount of the credit allowed under this section for each taxable year such disability savings account is maintained.’’.

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) of such Code (relating to current year business credit) is amended by striking ‘‘plus’’ at the end of paragraph (30), by striking the period at the end of paragraph (31) and inserting ‘‘, plus’’, and by adding at the end the following new paragraph:

‘‘(32) the disability savings account investment credit determined under section 45O(a).’’.

(c) CONFORMING AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

‘‘Sec. 45O. Disability savings account investment credit.’’.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2007.

SEC. 7. TREATMENT OF DISABILITY SAVINGS ACCOUNTS UNDER CERTAIN FEDERAL PROGRAMS.

(a) TREATMENT AS A MEDICAID EXCEPTED TRUST.—Paragraph (4) of section 1917(d) of the Social Security Act (42 U.S.C. 1396p(d)(4)) is amended by adding at the end the following new subparagraph:

‘‘(D) A trust which is a disability savings account described in section 530A(a) of the Internal Revenue Code of 1986.’’.

(b) ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN OTHER MEANS-TESTED FEDERAL PROGRAMS.—

(1) IN GENERAL.—For purposes of determining eligibility for any applicable program, any amount (including earnings thereon) in any disability savings account (as defined in section 530A(a) of the Internal Revenue Code of 1986) established for the benefit of such individual and any distribution for qualified services or products (as defined in section 530A(c)(2)(B)) from such account shall be disregarded with respect to any period during which such individual maintains, makes contributions to, or receives distributions from such disability savings account.

(2) APPLICABLE PROGRAM.—For purposes of this subsection, the term ''applicable program'' means—

(A) the temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(B) a State program funded under part B or E of title IV of such Act (42 U.S.C. 621 et seq., 670 et seq.);

(C) a State program funded under part D of title IV of such Act (42 U.S.C. 651 et seq.);

(D) the supplemental security income program established under title XVI of such Act (42 U.S.C. 1381 et seq.);

(E) the Medicaid program under title XIX of the such Act (42 U.S.C. 1396 et seq.);

(F) the State children's health insurance program under title XXI of such Act (42 U.S.C. 1397aa et seq.);

(G) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(H) the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (422 U.S.C. 1786);

(I) a child nutrition program, as defined in section 25(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769f(b)); and

(J) any Federal low-income housing assistance program.

SEC. 8. MARKETING, OUTREACH, AND EDUCATION FOR DISABILITY SAVINGS ACCOUNTS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall establish a program for marketing, outreach, and education related to disability savings accounts (as defined in section 530A(a) of the Internal Revenue Code of 1986). Such program may utilize contracts with nonprofit organizations established for the purpose of assisting individuals with disabilities.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the program established under subsection (a).

EASTER SEALS,
Washington, DC, March 10, 2008.

Hon. CHRIS DODD,
U.S. Senate,
Washington, DC.

DEAR SENATOR DODD: Easter Seals has long been concerned that individuals with disabilities and their families have too few options to save for the future. Currently, individuals must have exceptionally low incomes in order to access essential public services and supports. In those situations in which an individual's family wants to save for the future, a complicated web of state rules that guide special needs trust must be followed, and in nearly every circumstance, families cannot navigate the system without the assistance of an attorney.

For these reasons, Easter Seals is pleased to support the Disability Savings Act of 2008. This legislation clearly identifies the essential need to establish new protocols that enable families with limited incomes to effectively save financial resources to meet the future needs of their family member with a disability. Such protocols must be easy for a family to navigate without a lawyer and must not impose barriers to future benefits such as those available through the Medicaid program. Easter Seals looks forward to working with you to see that legislation that can help these families is enacted in 2008.

As the leading non-profit provider of services for individuals with autism, developmental disabilities, physical and mental disabilities, and other special needs, Easter Seals works to ensure that individuals with disabilities can live, learn, work and play in their communities. Thank you for considering our views.

Sincerely,

KATHERINE BEH NEAS,
Vice President, Government Relations.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 479—DESIGNATING MARCH 20, 2008, AS ''SECOND ANNUAL NATIONAL NATIVE HIV/AIDS AWARENESS DAY''

Ms. MURKOWSKI (for herself, Mr. TESTER, Mr. SMITH, and Mr. BAUCUS) submitted the following resolution; which was considered and agreed to:

S. RES. 479

Whereas the number of human immunodeficiency virus and acquired immunodeficiency syndrome (hereafter ''HIV/AIDS'') cases among American Indian and Alaska Native communities has been increasing at an alarming rate and poses a significant threat to the public health of Native communities;

Whereas American Indians and Alaska Natives have the 3rd highest rate of HIV/AIDS infection in the United States, after Blacks and Hispanics;

Whereas, according to the Centers for Disease Control and Prevention HIV/AIDS Surveillance Report published in 2005, the rate per 100,000 persons of HIV/AIDS diagnosis for American Indians and Alaska Natives was 10.4;

Whereas American Indians and Alaska Natives experience the highest disease and mortality rates in the United States compared to other racial and ethnic groups, due to socioeconomic factors that include consistently high rates of poverty, inadequate education, and a lack of access to quality health services;

Whereas certain risk factors exist among Indian and Alaska Native populations that elevate the threat of the HIV/AIDS epidemic, including high rates of sexually transmitted diseases and substance abuse;

Whereas, according to the 2005 Centers for Disease Control and Prevention Sexually Transmitted Disease Surveillance Report, American Indians and Alaska Natives have the 2nd highest infection rates of gonorrhea and chlamydia in the United States and the 3rd highest infection rate of syphilis;

Whereas, according to the 2005 National Survey on Drug Use and Health, American Indians and Alaska Natives had a 12.8 percent higher rate of illicit drug use than any other races or ethnicities;

Whereas, during the years 1997–2004, of persons who had received a diagnosis of HIV/AIDS, American Indians and Alaska Natives had survived a shorter time than had Asians and Pacific Islanders, Whites, or Hispanics;

Whereas, after 9 years, 67 percent of American Indians and Alaska Natives who had been diagnosed with HIV/AIDS were alive, compared to 66 percent of Blacks, 74 percent of Hispanics, 75 percent of Whites, and 81 percent of Asians and Pacific Islanders;

Whereas, from 2001 through 2004, the estimated number of HIV/AIDS cases increased among Whites, Asians and Pacific Islanders, and American Indians and Alaska Natives, and decreased among Blacks and Hispanics; and

Whereas, from 2000 through 2004, the estimated number of deaths among persons with AIDS decreased among Whites, Blacks, and Asians and Pacific Islanders, but increased among American Indians and Alaska Natives: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the seriousness of the spread and threat of the human immunodeficiency virus and acquired immunodeficiency syndrome (HIV/AIDS) epidemic in American Indian and Alaska Native communities;

(2) encourages Federal, State, and tribal governments as well as Indian organizations and health care providers to coordinate efforts in HIV/AIDS testing and in the promotion of prevention activities to further efforts in the reduction of HIV/AIDS infection rates among American Indians and Alaska Natives; and

(3) designates March 20, 2008, as ''Second Annual National Native HIV/AIDS Awareness Day''.

AMENDMENTS SUBMITTED AND PROPOSED

SA 4153. Mr. BURR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013.; which was ordered to lie on the table.

SA 4154. Mr. REED (for himself, Ms. COLLINS, Mr. BAUCUS, Mr. BINGAMAN, Mr. BOND, Mr. BROWN, Mrs. CLINTON, Mr. DODD, Mr. DURBIN, Mr. KENNEDY, Mr. KERRY, Ms. MIKULSKI, Mr. OBAMA, Ms. SNOWE, MR. SUNUNU, and Mr. WHITEHOUSE) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4155. Mr. BROWN (for himself and Ms. STABENOW) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4156. Mrs. FEINSTEIN (for herself, Mr. SMITH, Mr. DURBIN, Mr. SUNUNU, Mr. DODD, Mr. COLEMAN, Mr. LEAHY, Mr. CORKER, Mrs. BOXER, Mr. MARTINEZ, Mr. VOINOVICH, Mr. MENENDEZ, Ms. MIKULSKI, Mr. LEVIN, Mrs. CLINTON, Mr. HAGEL, Mr. BINGAMAN, Mr. KERRY, and Ms. CANTWELL) submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4157. Mr. ALLARD submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4158. Mr. ALLARD submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4159. Mr. ALLARD submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4160. Mr. BAUCUS (for himself, Mr. BAYH, Mr. PRYOR, Mr. NELSON, of Florida, Mr. SALAZAR, Mr. ROCKEFELLER, Mr. TESTER, Mr. BROWN, Mr. MENENDEZ, Mr. BINGAMAN, Mr. CONRAD, Mr. LAUTENBERG, and Ms. LANDRIEU) proposed an amendment to the concurrent resolution S. Con. Res. 70, supra.

SA 4161. Mr. MARTINEZ submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4162. Mr. REID submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4163. Mr. SMITH (for himself and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4164. Mr. BIDEN (for himself, Mrs. BOXER, Mr. BROWN, Ms. CANTWELL, Mr. CASEY, Mrs. CLINTON, Mr. KOHL, Mr. LEAHY, Mr. MENENDEZ, Mr. NELSON of Florida, Mr. REED, and Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4165. Mr. BIDEN (for himself and Mr. BROWNBACK) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4166. Mr. BIDEN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4167. Mr. KERRY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4168. Mr. REED (for himself, Mr. VOINOVICH, Mr. BOND, Mrs. CLINTON, Ms. COLLINS, Mr. DODD, Mr. KENNEDY, Mr. KERRY, Ms. MIKULSKI, Mr. TESTER, Mr. WHITEHOUSE, Mr. LIEBERMAN, and Mr. SCHUMER) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4169. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4170. Mr. GRAHAM (for himself, Mr. MCCAIN, Mr. KYL, Mr. MCCONNELL, and Mr. DEMINT) proposed an amendment to the concurrent resolution S. Con. Res. 70, supra.

SA 4171. Mr. CASEY (for himself, Mr. DURBIN, Mr. BROWN, and Mr. GRASSLEY) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4172. Mr. CASEY (for himself, Mr. SESSIONS, and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4173. Mr. BINGAMAN (for himself, Mr. ALEXANDER, Mr. KENNEDY, Mr. DOMENICI, Ms. MIKULSKI, Mr. ENSIGN, Mr. DURBIN, Mrs. FEINSTEIN, Mr. LIEBERMAN, and Mr. SCHUMER) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4174. Mr. GRASSLEY (for himself and Mrs. MCCASKILL) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4175. Mr. CARPER (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4176. Mr. CARPER (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4177. Mr. BROWN (for Ms. MIKULSKI (for herself, Mr. KENNEDY, Mr. CORNYN, Mr. SPECTER, and Mr. LIEBERMAN)) proposed an amendment to the bill S. 2516, to assist members of the Armed Forces in obtaining United States citizenship, and for other purposes.

SA 4178. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table.

SA 4179. Mr. PRYOR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4180. Mr. PRYOR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4181. Mr. PRYOR (for himself, Ms. SNOWE, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4182. Mr. PRYOR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4183. Mr. PRYOR (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4184. Mr. PRYOR (for himself and Mr. DORGAN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

SA 4185. Mr. PRYOR (for himself, Mr. DORGAN, and Mr. KERRY) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 4153. Mr. BURR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 19, line 16, increase the amount by $148,000,000.

On page 19, line 17, increase the amount by $89,000,000.

On page 19, line 21, increase the amount by $44,000,000.

On page 19, line 25, increase the amount by $15,000,000.

On page 27, line 16, decrease the amount by $148,000,000.

On page 27, line 17, decrease the amount by $89,000,000.

On page 27, line 21, decrease the amount by $44,000,000.

On page 27, line 25, decrease the amount by $15,000,000.

SA 4154. Mr. REED (for himself, Ms. COLLINS, Mr. BAUCUS, Mr. BINGAMAN, Mr. BOND, Mr. BROWN, Mrs. CLINTON, Mr. DODD, Mr. DURBIN, Mr. KENNEDY, Mr. KERRY, Ms. MIKULSKI, Mr. OBAMA, Ms. SNOWE, Mr. SUNUNU, and Mr. WHITEHOUSE) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013.; which was ordered to lie on the table; as follows:

On page 19, line 16, increase the amount by $2,600,000,000.

On page 19, line 17, increase the amount by $1,820,000,000.

On page 19, line 21, increase the amount by $728,000,000.

On page 19, line 25, increase the amount by $52,000,000.

On page 27, line 16, decrease the amount by $2,600,000,000.

On page 27, line 17, decrease the amount by $1,820,000,000.

On page 27, line 21, decrease the amount by $728,000,000.

On page 27, line 25, decrease the amount by $52,000,000.

SA 4155. Mr. BROWN (for himself and Ms. STABENOW) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 51, line 9, insert after the comma, the following: ''by increasing efforts to train and retrain manufacturing workers,''.

SA 4156. Mrs. FEINSTEIN (for herself, Mr. SMITH, Mr. DURBIN, Mr. SUNUNU, Mr. DODD, Mr. COLEMAN, Mr. LEAHY, Mr. CORKER, Mrs. BOXER, Mr. MARTINEZ, Mr. VOINOVICH, Mr. MENENDEZ, Ms. MIKULSKI, Mr. LEVIN, Mrs. CLINTON, Mr. HAGEL, Mr. BINGAMAN, Mr. KERRY, and Ms. CANTWELL) submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 10, line 12, increase the amount by $2,639,000,000.

On page 10, line 13, increase the amount by $1,356,000,000.

On page 10, line 17, increase the amount by $673,000,000.

On page 10, line 21, increase the amount by $263,000,000.

On page 10, line 25, increase the amount by $159,000,000.

On page 11, line 4, increase the amount by $84,000,000.

On page 27, line 16, decrease the amount by $2,639,000,000.

On page 27, line 17, decrease the amount by $1,356,000,000.

On page 27, line 21, decrease the amount by $673,000,000.

On page 27, line 25, decrease the amount by $263,000,000.

On page 28, line 4, decrease the amount by $159,000,000.

On page 28, line 8, decrease the amount by $84,000,000.

SA 4157. Mr. ALLARD submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013.; which was ordered to lie on the table; as follows:

On page 4, line 5, increase the amount by $100,533,000,000.

On page 4, line 6, increase the amount by $2,674,000,000.

On page 4, line 7, increase the amount by $4,466,000,000.

On page 4, line 8, increase the amount by $4,906,000,000.

On page 4, line 9, increase by $5,221,000,000.

On page 4, line 14, increase the amount by $42,533,000,000.

On page 4, line 15, increase the amount by $60,674,000,000.

On page 4, line 16, increase the amount by $4,466,000,000.

On page 4, line 17, increase the amount by $4,906,000,000.

On page 4, line 18, increase the amount by $5,221,000,000.

On page 4, line 23, increase the amount by $42,533,000,000.

On page 4, line 24, increase the amount by $60,674,000,000.

On page 4, line 25, increase the amount by $4,466,000,000.

On page 5, line 1, increase the amount by $4,906,000,000.

On page 5, line 2, increase the amount by $5,221,000,000.

On page 5, line 8, increase the amount by $42,533,000,000.

On page 5, line 9, increase the amount by $103,208,000,000.

On page 5, line 10, increase the amount by $107,674,000,000.

On page 5, line 11, increase the amount by $112,580,000,000.

On page 5, line 12, increase the amount by $117,801,000,000.

On page 5, line 16, increase the amount by $42,533,000,000.

On page 5, line 17, increase the amount by $103,208,000,000.

On page 5, line 18, increase the amount by $107,674,000,000.

On page 5, line 19, increase the amount by $112,580,000,000.

On page 5, line 20, increase the amount by $117,801,000,000.

On page 9, line 13, increase the amount by $100,000,000,000.

On page 9, line 14, increase the amount by $42,000,000,000.

On page 9, line 18, increase the amount by $58,000,000,000.

On page 26, line 16, increase the amount by $533,000,000.

On page 26, line 17, increase the amount by $533,000,000.

On page 26, line 20, increase the amount by $2,674,000,000.

On page 26, line 21, increase the amount by $2,674,000,000.

On page 26, line 24, increase the amount by $4,466,000,000.

On page 26, line 25, increase the amount by $4,466,000,000.

On page 27, line 3, increase the amount by $4,906,000,000.

On page 27, line 4, increase the amount by $4,906,000,000.

On page 27, line 7, increase the amount by $5,221,000,000.

On page 27, line 8, increase the amount by $5,221,000,000.

On page 38, line 10, increase the amount by $100,000,000,000.

SA 4158. Mr. ALLARD submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

Strike subsection (a) of section 306 and insert the following:

(a) SCHIP.—The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that provides up to $50,000,000,000 in outlays over the period of the total of fiscal years 2008 through 2013 for reauthorization of SCHIP, if such legislation maintains coverage for those currently enrolled in SCHIP, continues efforts to enroll uninsured children who are already eligible for SCHIP or Medicaid but are not enrolled, or supports States in their efforts to move forward in covering more children, and amends the definition of the term ''targeted low-income child'' under title XXI of the Social Security Act to provide that such term means an individual under age 19, including the period from conception to birth, who is eligible for child health assistance under such title XXI by virtue of the definition of the term ''child'' under section 457.10 of title 42, Code of Federal Regulations, by the amounts provided in that legislation for those purposes, provided that the outlay adjustment shall not exceed $50,000,000,000 in outlays over the period of the total of fiscal years 2008 through 2013, and provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2008 through 2013 or the period of the total of fiscal years 2008 through 2018.

SA 4159. Mr. ALLARD submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

Strike paragraph (1) of section 306(e) and insert the following:

(1) RULES OR ADMINISTRATIVE ACTIONS.—The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that includes provisions regarding the final rule published on May 29, 2007, on pages 29748 through 29836 of volume 72, Federal Register (relating to parts 433, 447, and 457 of title 42, Code of Federal Regulations) or any other rule or other administrative action that would affect the Medicaid program or SCHIP in a similar manner, or place restrictions on coverage of or payment for graduate medical education, rehabilitation services, or school-based administration, school-based transportation, or optional case management services under title XIX of the Social Security Act, or includes provisions regarding administrative guidance issued in August 2007 affecting SCHIP or any other administrative action that would affect SCHIP in a similar manner, so long as no provision in such bill, joint resolution, amendment, motion or conference report shall be construed as prohibiting the Secretary of Health and Human Services from promulgating or implementing any rule, action, or guidance designed to prevent fraud and protect the integrity of the Medicaid program or SCHIP or reduce inappropriate spending under such programs, by the amounts provided in that legislation for those purposes, provided that such legislation would not increase the deficit over either the total of the period of fiscal years 2008 through 2013 or the total of the period of fiscal years 2008 through 2018.

SA 4160. Mr. BAUCUS (for himself, Mr. BAYH, Mr. PRYOR, Mr. NELSON of Florida, Mr. SALAZAR, Mr. ROCKEFELLER, Mr. TESTER, Mr. BROWN, Mr. MENENDEZ, Mr. BINGAMAN, Mr. CONRAD, Mr. LAUTENBERG, and Ms. LANDRIEU) proposed an amendment to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; as follows:

On page 3, line 11, decrease the amount by $1,755,000,000.

On page 3, line 12, decrease the amount by $ 1,730,000,000.

On page 3, line 13, decrease the amount by $28,324,000,000.

On page 3, line 14, decrease the amount by $167,072,000,000.

On page 3, line 15, decrease the amount by $141,689,000,000.

On page 3, line 20, decrease the amount by $1,755,000,000.

On page 3, line 21, decrease the amount by $1,730,000,000.

On page 3, line 22, decrease the amount by $28,324,000,000.

On page 3, line 23, decrease the amount by $167,072,000,000.

On page 3, line 24, decrease the amount by $141,689,000,000.

On page 4, line 5, increase the amount by $22,000,000.

On page 4, line 6, increase the amount by $97,000,000.

On page 4, line 7, increase the amount by $846,000,000.

On page 4, line 8, increase the amount by $5,664,000,000.

On page 4, line 9, increase the amount by $13,496,000,000.

On page 4, line 14, increase the amount by $22,000,000.

On page 4, line 15, increase the amount by $97,000,000.

On page 4, line 16, increase the amount by $846,000,000.

On page 4, line 17, increase the amount by $5,664,000,000.

On page 4, line 18, increase the amount by $13,496,000,000.

On page 4, line 23, increase the amount by $1,777,000,000.

On page 4, line 24, increase the amount by $1,827,000,000.

On page 4, line 25, increase the amount by $29,170,000,000.

On page 5, line 1, increase the amount by $172,736,000,000.

On page 5, line 2, increase the amount by $155,185,000,000.

On page 5, line 8, increase the amount by $1,777,000,000.

On page 5, line 9, increase the amount by $3,604,000,000.

On page 5, line 10, increase the amount by $32,774,000,000.

On page 5, line 11, increase the amount by $205,510,000,000.

On page 5, line 12, increase the amount by $360,695,000,000.

On page 5, line 16, increase the amount by $1,777,000,000.

On page 5, line 17, increase the amount by $3,604,000,000.

On page 5, line 18, increase the amount by $32,774,000,000.

On page 5, line 19, increase the amount by $205,510,000,000.

On page 5, line 20, increase the amount by $360,695,000,000.

On page 26, line 16, increase the amount by $22,000,000.

On page 26, line 17, increase the amount by $22,000,000.

On page 26, line 20, increase the amount by $97,000,000.

On page 26, line 21, increase the amount by $97,000,000.

On page 26, line 24, increase the amount by $846,000,000.

On page 26, line 25, increase the amount by $846,000,000.

On page 27, line 3, increase the amount by $5,664,000,000.

On page 27, line 4, increase the amount by $5,664,000,000.

On page 27, line 7, increase the amount by $13,496,000,000.

On page 27, line 8, increase the amount by $13,496,000,000.

SA 4161. Mr. MARTINEZ submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 3, line 11, decrease the amount by $63,000,000.

On page 3, line 12, decrease the amount by $239,000,000.

On page 3, line 13, decrease the amount by $484,000,000.

On page 3, line 14, decrease the amount by $687,000,000.

On page 3, line 15, decrease the amount by $780,000,000.

On page 27, line 16, decrease the amount by $63,000,000.

On page 27, line 17, decrease the amount by $63,000,000.

On page 27, line 20, decrease the amount by $239,000,000.

On page 27, line 21, decrease the amount by $239,000,000.

On page 27, line 24, decrease the amount by $484,000,000.

On page 27, line 25, decrease the amount by $484,000,000.

On page 28, line 3, decrease the amount by $687,000,000.

On page 28, line 4, decrease the amount by $687,000,000.

On page 28, line 7, decrease the amount by $780,000,000.

On page 28, line 8, decrease the amount by $780,000,000.

SA 4162. Mr. REID submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. DEFICIT-NEUTRAL RESERVE FUND FOR ACCELERATION OF PHASED-IN ELIGIBILITY FOR CONCURRENT RECEIPT OF BENEFITS.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels and limits in this resolution for a bill, joint resolution, amendment, motion, or conference report that provides for changing the date by which eligibility of members of the Armed Forces for concurrent receipt of retired pay and veterans' disability compensation under section 1414 of title 10, United States Code, is fully phased in from December 31, 2013, to September 30, 2008, by the amounts provided in that legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2008 through 2013 or the period of the total of fiscal years 2008 through 2018.

SA 4163. Mr. SMITH (for himself and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. DEFICIT-NEUTRAL RESERVE FUND FOR DEMONSTRATION PROJECT REGARDING MEDICAID COVERAGE OF LOW-INCOME HIV-INFECTED INDIVIDUALS.

The Chairman of the Senate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions or conference reports that provide for a demonstration project under which a State may apply under section 1115 of the Social Security Act (42 U.S.C. 1315) to provide medical assistance under a State Medicaid program to HIV-infected individuals who are not eligible for medical assistance under such program under section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)), by the amounts provided in that legislation for those purposes up to $500,000,000, provided that such legislation would not increase the deficit over either the total of the period of fiscal years 2008 through 2013 or the total of the period of fiscal years 2008 through 2018.

SA 4164. Mr. BIDEN (for himself, Mrs. BOXER, Mr. BROWN, Ms. CANTWELL, Mr. CASEY, Mrs. CLINTON, Mr. KOHL, Mr. LEAHY, Mr. MENENDEZ, Mr. NELSON of Florida, Mr. REED, and Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 24, line 16, increase the amount by $551,000,000.

On page 24, line 17, increase the amount by $66,000,000.

On page 24, line 21, increase the amount by $154,000,000.

On page 25, line 25, increase the amount by $138,000,000.

On page 26, line 4, increase the amount by $110,000,000.

On page 25, line 8, increase the amount by $83,000,000.

On page 27, line 16, decrease the amount by $551,000,000.

On page 27, line 17, decrease the amount by $66,000,000.

On page 27, line 21, decrease the amount by $154,000,000.

On page 27, line 25, decrease the amount by $138,000,000.

On page 28, line 4, decrease the amount by $110,000,000.

On page 28, line 8, decrease the amount by $83,000,000.

SA 4165. Mr. BIDEN (for himself and Mr. BROWNBACK) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 24, line 16, increase the amount by $162,000,000.

On page 24, line 17, increase the amount by $36,000,000.

On page 24, line 21, increase the amount by $49,000,000.

On page 24, line 25, increase the amount by $32,000,000.

On page 25, line 4, increase the amount by $24,000,000.

On page 25, line 8, increase the amount by $21,000,000.

On page 27, line 16, decrease the amount by $162,000,000.

On page 27, line 17, decrease the amount by $36,000,000.

On page 27, line 21, decrease the amount by $49,000,000.

On page 27, line 25, decrease the amount by $32,000,000.

On page 28, line 4, decrease the amount by $24,000,000.

On page 28, line 8, decrease the amount by $21,000,000.

SA 4166. Mr. BIDEN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 24, line 16, increase the amount by $100,000,000.

On page 24, line 17, increase the amount by $22,000,000.

On page 24, line 21, increase the amount by $30,000,000.

On page 24, line 25, increase the amount by $20,000,000.

On page 25, line 4, increase the amount by $15,000,000.

On page 25, line 8, increase the amount by $13,000,000.

On page 27, line 16, decrease the amount by $100,000,000.

On page 27, line 17, decrease the amount by $22,000,000.

On page 27, line 21, decrease the amount by $30,000,000.

On page 27, line 25, decrease the amount by $20,000,000.

On page 28, line 4, decrease the amount by $15,000,000.

On page 28, line 8, decrease the amount by $13,000,000.

SA 4167. Mr. KERRY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 56, line 12, after "transit" insert ", high speed passenger rail,".

SA 4168. Mr. REED (for himself, Mr. VOINOVICH, Mr. BOND, Mrs. CLINTON, Ms. COLLINS, Mr. DODD, Mr. KENNEDY, Mr. KERRY, Ms. MIKULSKI, Mr. TESTER, Mr. WHITEHOUSE, Mr. LIEBERMAN, and Mr. SCHUMER) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 13, line 13, increase the amount by $477,000,000.

On page 13, line 14, increase the amount by $19,000,000.

On page 13, line 18, increase the amount by $95,000,000.

On page 13, line 22, increase the amount by $143,000,000.

On page 14, line 1, increase the amount by $95,000,000.

On page 14, line 5, increase the amount by $48,000,000.

On page 27, line 16, decrease the amount by $477,000,000.

On page 27, line 17, decrease the amount by $19,000,000.

On page 27, line 21, decrease the amount by $95,000,000.

On page 27, line 25, decrease the amount by $143,000,000.

On page 28, line 4, decrease the amount by $95,000,000.

On page 28, line 8, decrease the amount by $48,000,000.

SA 4169. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

Beginning on page 66, strike line 6 and all that follows through page 67, line 5, and insert the following:

(1) RULES OR ADMINISTRATIVE ACTIONS.—The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that includes provisions regarding the final rule published on May 29, 2007, on pages 29748 through 29836 of volume 72, Federal Register (relating to parts 433, 447, and 457 of title 42, Code of Federal Regulations) or any other rule or other administrative action that would affect the Medicaid program or SCHIP in a similar manner, or place restrictions on coverage of or payment for graduate medical education, rehabilitation services, or school-based administration, school-based transportation, or optional case management services under title XIX of the Social Security Act, or includes provisions regarding administrative guidance issued in August 2007 affecting SCHIP or any other administrative action that would affect SCHIP in a similar manner, so long as such bill, joint resolution, amendment, motion or conference report also includes amendments to such title XIX clarifying the allowable uses of Federal funds paid to public providers, the appropriate methodologies States can use to bill the Federal Government for graduate medical education, the appropriate use of rehabilitation services by States, and the appropriate billing methodologies for school-based administration, school-based transportation, and case management services, by the amounts provided in that legislation for those purposes, provided that such legislation would not increase the deficit over either the total of the period of fiscal years 2008 through 2013 or the total of the period of fiscal years 2008 through 2018.

SA 4170. Mr. GRAHAM (for himself, Mr. MCCAIN, Mr. KYL, Mr. MCCONNELL, and Mr. DEMINT) proposed an amendment to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; as follows:

On page 3, line 11, decrease the amount by $949,000,000.

On page 3, line 12, decrease the amount by $3,215,000,000.

On page 3, line 13, decrease the amount by $93,791,000,000.

On page 3, line 14, decrease the amount by $127,024,000,000.

On page 3, line 15, decrease the amount by $151,137,000,000.

On page 3, line 20, decrease the amount by $949,000,000.

On page 3, line 21, decrease the amount by $3,215,000,000.

On page 3, line 22, decrease the amount by $93,791,000,000.

On page 3, line 23, decrease the amount by $127,024,000,000.

On page 3, line 24, decrease the amount by $151,137,000,000.

On page 4, line 5, increase the amount by $18,000,000.

On page 4, line 6, increase the amount by $110,000,000.

On page 4, line 7, increase the amount by $2,487,000,000.

On page 4, line 8, increase the amount by $8,005,000,000.

On page 4, line 9, increase the amount by $15,207,000,000.

On page 4, line 14, increase the amount by $18,000,000.

On page 4, line 15, increase the amount by $110,000,000.

On page 4, line 16, increase the amount by $2,487,000,000

On page 4, line 17, increase the amount by $8,005,000,000.

On page 4, line 18, increase the amount by $15,207,000,000.

On page 4, line 23, increase the amount by $967,000,000.

On page 4, line 24, increase the amount by $3,325,000,000.

On page 4, line 25, increase the amount by $96,278,000,000.

On page 5, line 1, increase the amount by $135,079,000,000.

On page 5, line 2, increase the amount by $166,344,000,000.

On page 5, line 8, increase the amount by $1,214,000,000.

On page 5, line 9, increase the amount by $4,539,000,000.

On page 5, line 10, increase the amount by $100,817,000,000.

On page 5, line 11, increase the amount by $235,846,000,000.

On page 5, line 12, increase the amount by $402,190,000,000.

On page 5, line 16, increase the amount by $1,214,000,000.

On page 5, line 17, increase the amount by $4,539,000,000.

On page 5, line 18, increase the amount by $100,817,000,000.

On page 5, line 19, increase the amount by $235,846,000,000.

On page 5, line 20, increase the amount by $402,190,000,000.

On page 26, line 16, increase the amount by $18,000,000.

On page 26, line 17, increase the amount by $18,000,000.

On page 26, line 20, increase the amount by $110,000,000.

On page 26, line 21, increase the amount by $110,000,000.

On page 26, line 24, increase the amount by $2,487,000,000.

On page 26, line 25, increase the amount by $2,487,000,000.

On page 27, line 3, increase the amount by $8,005,000,000.

On page 27, line 4, increase the amount by $8,005,000,000.

On page 27, line 7, increase the amount by $15,207,000,000.

On page 27, line 8, increase the amount by $15,207,000,000.

SA 4171. Mr. CASEY (for himself, Mr. DURBIN, Mr. BROWN, and Mr. GRASSLEY) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

At the end of title III, insert the following:

SEC. ___. DEFICIT-NEUTRAL RESERVE FUND FOR FOOD SAFETY.

The Chairman of the Senate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would expand the level of Food and Drug Administration and Department of Agriculture food safety inspection services, develop risk-based approaches to the inspection of domestic and imported food products, provide for infrastructure and information technology systems to enhance the safety of the food supply, expand scientific capacity and training programs, invest in improved surveillance and testing technologies, provide for foodborne illness awareness and education programs, and enhance the Food and Drug Administration's recall authority, by the amounts provided in such legislation for such purposes up to $1,500,000,000, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2008 through 2013 or the period of the total of fiscal years 2008 through 2018.

SA 4172. Mr. CASEY (for himself, Mr. SESSIONS, and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 58, line 23, strike "family members;" and insert "family members; or

(4) providing for the continuing payment to members of the Armed Forces who are retired or separated from the Armed Forces due to a combat-related injury after September 11, 2001, of bonuses that such members were entitled to before the retirement or separation and would continue to be entitled to such members were not retired or separated;

SA 4173. Mr. BINGAMAN (for himself, Mr. ALEXANDER, Mr. KENNEDY, Mr. DOMENICI, Ms. MIKULSKI, Mr. ENSIGN, Mr. DURBIN, Mrs. FEINSTEIN, Mr. LIEBERMAN, and Mr. SCHUMER) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 a including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table, as follows:

On page 11, line 13, increase the amount by $600,000,000.

On page 11, line 14, increase the amount by $306,000,000.

On page 11, line 18, increase the amount by $210,000,000.

On page 11, line 22, increase the amount by $60,000,000.

On page 12, line 1, increase the amount by $12,000,000.

On page 12, line 5, increase the amount by $12,000,000.

On page 27, line 16, decrease the amount by $600,000,000.

On page 27, line 17, decrease the amount by $306,000,000.

On page 27, line 21, decrease the amount by $210,000,000.

On page 27, line 25, decrease the amount by $60,000,000.

On page 28, line 4, decrease the amount by $12,000,000.

On page 28, line 8, decrease the amount by $12,000,000.

SA 4174. Mr. GRASSLEY (for himself and Mrs. MCCASKILL) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. SENSE OF THE SENATE REGARDING OVERSEAS CONTRACTING INTEGRITY REQUIREMENTS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Overseas contracts pose a significant potential for fraud and abuse.

(2) Fraud against the Federal Government, whether it occurs domestically or abroad, should be detected and prosecuted to the fullest extent of the law.

(3) On May 23, 2007, the Department of Justice requested amendments to the Federal Acquisition Regulation (referred to in this section as ''FAR'') that would require Federal Government contractors to—

(A) have a code of ethics and business conduct;

(B) establish and maintain specific internal controls to detect and prevent improper conduct in connection with the award or performance of Federal Government contracts or subcontracts; and

(C) notify contracting officers without delay whenever the contractor had become aware of violations of Federal criminal law with regards to such contracts or subcontracts.

(4) The Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration issued a Federal Acquisition Regulation entitled, ''Contractor Compliance Program and Integrity Reporting'' (FAR Case 2007-006), on November 14, 2007.

(5) The rule proposed in the regulation issued on November 14, 2007, included a loophole that would exempt from such regulation any contract or subcontract to be performed entirely outside the United States.

(6) The Department of Justice objected to the inclusion of such new loophole in a letter to the General Services Administration dated January 14, 2008.

(7) The proposed rule is currently under review by the Office of Management and Budget and continues to include such new loophole for overseas contracts.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) Federal Government contracts to be performed outside the United States should be subject to ethics, control, and reporting requirements that are the same, or at least as rigorous as those for contracts to be performed domestically; and

(2) any final rulemaking related to FAR Case 2007-006 should not exempt overseas contracts.

SA 4175. Mr. CARPER (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 69, after line 25, add the following:

SEC. 308. DEFICIT-NEUTRAL RESERVE FUND FOR DISPOSAL OF PROPERTY NOT MEETING FEDERAL NEEDS.

The Chairman of the Senate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that results in the disposal of property (as defined under section 102(9) of title 40, United States Code) that is not meeting Federal Government needs and uses any profits or savings realized to reduce the deficit, by the amounts provided in such legislation for such purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2008 through 2013 or the period of the total of fiscal years 2008 through 2018.

SA 4176. Mr. CARPER (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 69, after line 25, add the following:

SEC. 308. DEFICIT-NEUTRAL RESERVE FUND FOR INCREASED USE OF RECOVERY AUDITS.

The Chairman of the Senate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that achieves savings by requiring that agencies increase their use of recovery audits authorized under subchapter VI of chapter 35 of title 31, United States Code, (commonly referred to as the Erroneous Payments Recovery Act of 2001) and uses such savings to reduce the deficit, by the amounts provided in such legislation for such purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2008 through 2013 or the period of the total of fiscal years 2008 through 2018.

SA 4177. Mr. BROWN (for Ms. MIKULSKI (for herself, Mr. KENNEDY, Mr. CORNYN, Mr. SPECTER, and Mr. LIEBERMAN)) proposed an amendment to the bill S. 2516, to assist members of the Armed Forces in obtaining United states citizenship, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Kendell Frederick Citizenship Assistance Act''.

SEC. 2. FINGERPRINTS AND OTHER BIOMETRIC INFORMATION FOR MEMBERS OF THE UNITED STATES ARMED FORCES.

(a) IN GENERAL.—Notwithstanding any other provision of law, including section 552a of title 5, United States Code (commonly referred to as the ''Privacy Act of 1974''), the Secretary of Homeland Security shall use the fingerprints provided by an individual at the time the individual enlisted in the United States Armed Forces, or at the time the individual filed an application for adjustment of status, to satisfy any requirement for background and security checks in connection with an application for naturalization if—

(1) the individual may be naturalized pursuant to section 328 or 329 of the Immigration and Nationality Act (8 U.S.C. 1439, 1440);

(2) the individual was fingerprinted and provided other biometric information in accordance with the requirements of the Department of Defense at the time the individual enlisted in the United States Armed Forces;

(3) the individual—

(A) submitted an application for naturalization not later than 24 months after the date on which the individual enlisted in the United States Armed Forces; or

(B) provided the required biometric information to the Department of Homeland Security through a United States Citizenship and Immigration Services Application Support Center at the time of the individual's application for adjustment of status if filed not later than 24 months after the date on which the individual enlisted in the United States Armed Forces; and

(4) the Secretary of Homeland Security determines that the biometric information provided, including fingerprints, is sufficient to conduct the required background and security checks needed for the applicant's naturalization application.

(b) MORE TIMELY AND EFFECTIVE ADJUDICATION.—Nothing in this section precludes an individual described in subsection (a) from submitting a new set of biometric information, including fingerprints, to the Secretary of Homeland Security with an application for naturalization. If the Secretary determines that submitting a new set of biometric information, including fingerprints, would result in more timely and effective adjudication of the individual's naturalization application, the Secretary shall—

(1) inform the individual of such determination; and

(2) provide the individual with a description of how to submit such biometric information, including fingerprints.

(c) COOPERATION.—The Secretary of Homeland Security, in consultation with the Secretary of Defense, shall determine the format of biometric information, including fingerprints, acceptable for usage under subsection (a). The Secretary of Defense, or any other official having custody of the biometric information, including fingerprints, referred to in subsection (a), shall—

(1) make such prints available, without charge, to the Secretary of Homeland Security for the purpose described in subsection (a); and

(2) otherwise cooperate with the Secretary of Homeland Security to facilitate the processing of applications for naturalization under subsection (a).

(d) ELECTRONIC TRANSMISSION.—Not later than one year after the date of the enactment of this Act, the Secretary of Homeland Security shall, in coordination with the Secretary of Defense and the Director of the Federal Bureau of Investigation, implement procedures that will ensure the rapid electronic transmission of biometric information, including fingerprints, from existing repositories of such information needed for military personnel applying for naturalization as described in subsection (a) and that will safeguard privacy and civil liberties.

(e) CENTRALIZATION AND EXPEDITED PROCESSING.—

(1) CENTRALIZATION.—The Secretary of Homeland Security shall centralize the data processing of all applications for naturalization filed by members of the United States Armed Forces on active duty serving abroad.

(2) EXPEDITED PROCESSING.—The Secretary of Homeland Security, the Director of the Federal Bureau of Investigation, and the Director of National Intelligence shall take appropriate actions to ensure that applications for naturalization by members of the United States Armed Forces described in paragraph (1), and associated background checks, receive expedited processing and are adjudicated within 180 days of the receipt of responses to all background checks.

SEC. 3. PROVISION OF INFORMATION ON MILITARY NATURALIZATION.

(a) IN GENERAL.—Not later than 30 days after the effective date of any modification to a regulation related to naturalization under section 328 or 329 of the Immigration and Nationality Act (8 U.S.C. 1439, 1440), the Secretary of Homeland Security shall make appropriate updates to the Internet sites maintained by the Secretary to reflect such modification.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Homeland Security, not later than 180 days after each effective date described in subsection (a), should make necessary updates to the appropriate application forms of the Department of Homeland Security.

SEC. 4. REPORTS.

(a) ADJUDICATION PROCESS.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Homeland Security shall submit a report to the appropriate congressional committees on the entire process for the adjudication of an application for naturalization filed pursuant to section 328 or 329 of the Immigration and Nationality Act (8 U.S.C. 1439, 1440), including the process that—

(A) begins at the time the application is mailed to, or received by, the Secretary, regardless of whether the Secretary determines that such application is complete; and

(B) ends on the date of the final disposition of such application.

(2) CONTENTS.—The report submitted under paragraph (1) shall include a description of—

(A) the methods used by the Secretary of Homeland Security and the Secretary of Defense to prepare, handle, and adjudicate such applications;

(B) the effectiveness of the chain of authority, supervision, and training of employees of the Federal Government or of other entities, including contract employees, who have any role in such process or adjudication; and

(C) the ability of the Secretary of Homeland Security and the Secretary of Defense to use technology to facilitate or accomplish any aspect of such process or adjudication and to safeguard privacy and civil liberties

(b) IMPLEMENTATION.—

(1) STUDY.—The Comptroller General of the United States and the Inspector General of the Department of Homeland Security shall conduct a study on the implementation of this Act by the Secretary of Homeland Security and the Secretary of Defense, including an assessment of any technology that may be used to improve the efficiency of the naturalization process for members of the United States Armed Forces and an assessment of the impact of this Act on privacy and civil liberties.

(2) REPORT.—Not later than 180 days after the date on which the Secretary of Homeland Security submits the report required under subsection (a), the Comptroller General and the Inspector General shall submit a report to the appropriate congressional committees on the study required by paragraph (1) that includes recommendations for improving the implementation of this Act.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term "appropriate congressional committees" means—

(1) the Committee on Armed Services of the Senate;

(2) the Committee on Homeland Security and Governmental Affairs of the Senate;

(3) the Committee on the Judiciary of the Senate;

(4) the Committee on Armed Services of the House of Representatives;

(5) the Committee on Homeland Security of the House of Representatives; and

(6) the Committee on the Judiciary of the House of Representatives.

SA 4178. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 25, line 16, increase the amount by $703,000,000.

On page 25, line 17, increase the amount by $387,000,000.

On page 25, line 21, increase the amount by $316,000,000.

On page 27, line 16, decrease the amount by $703,000,000.

On page 27, line 17, decrease the amount by $387,000,000.

On page 27, line 21, decrease the amount by $316,000,000.

SA 4179. Mr. PRYOR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 58, line 17, insert "(including specially adapted housing grants)" after "disability benefits".

SA 4180. Mr. PRYOR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 9, line 13, increase the amount by $65,000,000.

On page 9, line 14, increase the amount by $32,000,000.

On page 9, line 18, increase the amount by $26,000,000.

On page 9, line 22, increase the amount by $5,000,000.

On page 27, line 16, decrease the amount by $65,000,000.

On page 27, line 17, decrease the amount by $32,000,000.

On page 27, line 21, decrease the amount by $26,000,000.

On page 27, line 25, decrease the amount by $5,000,000.

SA 4181. Mr. PRYOR (for himself, Ms. SNOWE, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

At the end of Title III, insert the following:

SEC. _____. DEFICIT-NEUTRAL RESERVE FUND FOR SCIENCE PARKS.

The Chairman of the Senate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would provide grants and loan guarantees for the development and construction of science parks to promote the clustering of innovation through high technology activities, by the amounts provided in such legislation for such purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2008 through 2013 or the period of the total of fiscal years 2008 through 2018.

SA 4182. Mr. PRYOR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

After "data" on page 64, line 6, strike "," and add the following:

"and activities by the Department of Health and Human Services to foster the use of electronic health record data at Community Health Centers,"

SA 4183. Mr. PRYOR (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013.; which was ordered to lie on the table; as follows:

At the end of Sec. 302, insert the following:

(b) The Chairman of the Senate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other levels and limits in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would improve student achievement during secondary education, including middle school completion, high school graduation and preparing students for higher education and the workforce, by the amounts provided in such legislation for such purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2008 through 2013 or the period of the total of fiscal years 2008 through 2018.

SA 4184. Mr. PRYOR (for himself and Mr. DORGAN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING THE ADOPTION AND DEPLOYMENT OF BROADBAND TECHNOLOGY.

It is the sense of the Senate that—

(1) sufficient resources should be provided for Federal agencies to exploit broadband technologies that—

(A) have the capability to electronically connect all Americans; and

(B) achieve greater applications and efficiencies for the economy, health care, public safety, and education;

(2) the United States Government should assess broadband deployment and adoption rates throughout the Nation to ensure that Federal initiatives are not redundant and are applicable to 21st Century requirements;

(3) the deployment and adoption of broadband technology has resulted in—

(A) enhanced economic development and public safety for communities across the Nation;

(B) improved health care and educational opportunities; and

(C) a better quality of life for all Americans;

(4) continued progress in the deployment and adoption of broadband technology is vital to ensuring that our Nation remains competitive and continues to create business and job growth;

(5) improving Federal data on the deployment and adoption of broadband service will assist in the development of broadband technology across all regions of the Nation;

(6) the Federal Government should—

(A) recognize and encourage complementary efforts by States to improve the quality and usefulness of broadband data; and

(B) encourage and support the partnership of the public and private sectors in the continued growth of broadband services and information technology for the residents and businesses of the Nation; and

(7) Federal broadband policies shall—

(A) continue to promote openness, competition, innovation, and affordable, ubiquitous broadband service for all individuals in the United States; and

(B) maintain the freedom to use for lawful purposes broadband networks without unreasonable interference from, or discrimination by, network operators.

SA 4185. Mr. PRYOR (for himself, Mr. DORGAN, and Mr. KERRY) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 70, setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013; which was ordered to lie on the table; as follows:

On page 56, line 12, after ''transit'' insert '', broadband technology,''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Ms. STABELOW. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, March 11, 2008, at 9:30 a.m., in open session to receive testimony on the United States Pacific Command and United States Forces Korea in review of the Defense Authorization request for fiscal year 2009 and the future years defense program.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on March 11, 2008, at 10 a.m., in order to conduct a hearing entitled the ''Condition of Our Nation's Infrastructure and Proposals For Needed Improvements.''

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday March 11, 2008, at 10 a.m., room 253 of the Russell Senate Office Building, in order to conduct a hearing.

At this hearing, the subcommittee will explore the importance of basic research to U.S. competitiveness. The hearing will examine research and development budgets at agencies in the Committee's jurisdiction, particularly the National Institute of Standards and Technology and the National Science Foundation, as well as interagency science programs addressing climate change, nanotechnology, and information technology.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, March 11, 2008, at 2:30 p.m., in room 253 of the Russell Senate Office Building, in order to conduct a hearing.

At this hearing, the Committee will conduct an oversight hearing on the Department of Transportation's current Cross-Border Truck Pilot Program. This pilot program, administered by the Federal Motor Carrier Safety Administration, provides temporary operating authority to a limited number of motor carriers domiciled in Mexico and the United States for cross-border commercial operation.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, March 11, 2008, at 10 a.m. in room 406 of the Dirksen Senate Office Building in order to hold a hearing entitled, ''Examining the President's Proposed Fiscal Year 2009 Budget for the Civil Works Program of the U.S. Army Corps of Engineers and the Implementation of the Water Resources Development Act (WRDA) of 2007''

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

COMMITTEE ON FOREIGN RELATIONS

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 11, 2008, at 10:15 a.m. in order to hold a hearing on U.S. policy options on the Horn of Africa.

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

COMMITTEE ON FOREIGN RELATIONS

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 11, 2008, at 2:30 p.m. in order hold a hearing on NATO enlargement and effectiveness.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet, during the session of the Senate, in order to conduct a hearing entitled ''The Broken Pipeline: Losing Opportunities in the Life Sciences'' on Tuesday, March 11, 2008. The hearing will commence at 11 a.m. in room 430 of the Dirksen Senate office building.

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

COMMITTEE ON THE JUDICIARY

Ms. STABENOW. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorization to meet during the session of the Senate, in order to conduct a hearing on pending executive nominations on Tuesday, March 11, 2008, at 2:30 p.m., in room SD–226 of the Dirksen Senate Office Building.

Witness list

Grace C. Becker, of New York, to be Assistant Attorney General for the Civil Rights Division, Department of Justice.

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

COMMITTEE ON VETERANS' AFFAIRS

Ms. STABENOW. Mr. President, I ask unanimous consent for the Committee on Veterans' Affairs to be authorized to meet during the session of the Senate on Tuesday, March 11, 2008 in order to conduct an oversight hearing entitled ''VA and DoD Cooperation and Collaboration: Caring for the Families of Wounded Warriors.'' The Committee will meet in room 418 of the Russell Senate Office Building, at 10 a.m.

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

SELECT COMMITTEE ON INTELLIGENCE

Ms. STABENOW. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on March 11, 2008, at 2:30 p.m. in order to hold a closed hearing.

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

PRIVILEGES OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that the following fellows and interns be allowed the privilege of the floor during consideration of the budget resolution: Arkaprava Deb, Ben Miller, Blake Thompson, Bridget Mallon, Bruce Ferguson, Cascade Tuholske, Claudia Garcia-Martinez, Connie Cookson, Damian Kudelka, Elise Anderson, Elise Stein, Emily Schwartz, Emma Redfoot, Ezana Teferra, Hy Hinojosa, Kayleigh Brown, Lily Alverson, Marissa Reeves, Mary Baker, Michael Bagel, Mike Yarnell, Mollie Lane, Ron Gebhausbauer, Stacy Celinsky, Susan Hinck, Suzanne Payne, Tamara Clay, Tom Louthan, and Tyler Gamble.

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

Mr. CARDIN. Mr. President, I ask unanimous consent that Jeffrey Phan, a fellow in Senator BINGAMAN's office, be granted the privileges of the floor for the pendency of S. Con. Res. 70, the budget resolution.

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

EXPRESSING THE SYMPATHY OF THE SENATE TO FAMILIES OF WOMEN AND GIRLS MURDERED IN GUATEMALA

On Monday, March 10, 2008, the Senate passed S. Res. 178, as amended, with its preamble, as amended, as follows:

S. RES. 178

Whereas since 2001, more than 2,000 women and girls have been murdered in Guatemala;

Whereas most of the victims are women ranging in age from 18 to 30, with many of the cases involving abduction, sexual violence, or brutal mutilation;

Whereas while the overall murder rate in Guatemala has increased substantially, the rate at which women have been murdered in Guatemala has increased at an alarming rate, almost doubling from 2001 to 2006;

Whereas according to data from Guatemala's Public Prosecutors Office, few arrests and fewer convictions have occurred, and prosecutors, forensics experts, and other state justice officials have not brought the perpetrators to justice;

Whereas from 2001 to 2006, there were only 20 convictions for the murders of women and girls;

Whereas the Human Rights Ombudsman of the Government of Guatemala has reported that in 1 year alone police officers were implicated on 10 separate occasions in the murder of women in Guatemala, and recommended that such officers and other officials be held accountable for their acts;

Whereas an effective, transparent, and impartial judicial system is key to the administration of justice, and the failure to ensure proper investigations and prosecutions hampers the ability to solve crimes and punish perpetrators;

Whereas inadequate financial, human, and technical resources, as well as a lack of forensic and technical expertise, have impeded the arrest and prosecution of suspects;

Whereas the Special Prosecutor for Crimes Against Women of the Government of Guatemala has reported that her office has reviewed approximately 800 incidents of domestic violence per month, with some of those cases ending in murder, and that deaths could have been prevented if the legal system of Guatemala provided for prison sentences in cases of domestic violence;

Whereas the murders of women and girls in Guatemala have brought pain to the families and friends of the victims as they struggle to cope with the loss of their loved ones and the fact that the perpetrators of these heinous acts remain unknown to the proper authorities;

Whereas many countries in Latin America face significant challenges in combating violence against women, and international cooperation is essential in addressing this serious issue;

Whereas the United States Agency for International Development (USAID) has provided assistance to the Government of Guatemala to implement judicial reform and rule of law programs, and in fiscal year 2006, Congress provided $1,500,000 for programs to combat impunity, corruption, and crimes of violence, of which $500,000 is to be allocated to strengthen the special prosecutorial units charged with investigating the murders of women in Guatemala;

Whereas the Government of Guatemala has undertaken efforts to prevent violence against women, as evidenced by its ratification of the United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, done at New York December 10, 1984, the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, done at New York December 18, 1979, the Inter-American Convention on the Prevention, Punishment, and Eradication of Violence Against Women, done at Belem do Para, Brazil June 9, 1994, and other international human rights treaties, and the enactment of laws and the creation of state institutions to promote and protect the rights of women;

Whereas the Government of Guatemala has created special police and prosecutorial units to address the brutal murders of women in Guatemala;

Whereas in June 2006, the Government of Guatemala successfully abolished the ''Rape Law'' which had absolved perpetrators of criminal responsibility for rape and certain other crimes of violence upon the perpetrator's marriage with the victim;

Whereas legislators from various parties in Guatemala have joined lawmakers from Mexico and Spain to form the ''Inter-parliamentary Network against 'Femicide' '';

Whereas the Government of Guatemala and the United Nations recently entered into an agreement to establish the International Commission Against Impunity in Guatemala (CICIG), which has a mandate to investigate and promote the prosecution of illegal security groups and clandestine security organizations that function with impunity and are suspected of attacking human rights defenders, justice officials, and other civil society actors; and

Whereas continuing impunity for crimes against women is a threat to the rule of law, democracy, and stability in Guatemala: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its sincerest condolences and deepest sympathy to the families of women and girls murdered in Guatemala, and recognizes their courageous struggle in seeking justice for the victims;

(2) expresses the solidarity of the people of the United States with the people of Guatemala in the face of these tragic and senseless acts;

(3) condemns the ongoing murders of women and girls in Guatemala, and encourages the Government of Guatemala to act with due diligence in order to promptly investigate these killings, prosecute those responsible, and continue to work toward eliminating violence against women;

(4) urges the Government of Guatemala to strengthen laws with respect to domestic violence and sexual harassment, to improve the integrity of the prosecutorial and judicial systems, and to provide the resources and commitment necessary to adequately enforce justice for crimes against women;

(5) urges the President and the Secretary of State to continue to incorporate the investigative and preventative efforts of the Government of Guatemala regarding the murder of women and girls into the bilateral agenda between the Governments of Guatemala and the United States;

(6) encourages the Secretary of State to continue to support efforts by the Government of Guatemala to train and equip the special police and prosecutorial units of the Government of Guatemala to conduct thorough and proper investigations of crimes of violence against women, and to implement judicial reform and rule of law programs;

(7) encourages the Secretary of State and the Attorney General to provide assistance in establishing a comprehensive missing persons system and an effective state protection program for witnesses, victims' relatives, and human rights defenders;

(8) urges the Government of Guatemala to hold accountable those law enforcement and judicial officials whose failure to investigate and prosecute the murders adequately, whether through negligence, omission, or abuse, has led to impunity for these crimes;

(9) encourages the Secretary of State to support efforts to identify perpetrators and unknown victims through forensic analysis, including assisting the Government of Guatemala in adequately funding the National

Institute for Forensic Science (INACIF) and training lab personnel in investigatory and evidence gathering protocols;

(10) urges the Secretary of State—

(A) to express support for the efforts of the victims' families and loved ones to seek justice for the victims,

(B) to express concern relating to any harassment of these families and the human rights defenders with whom they work, and

(C) to express concern with respect to impediments in the ability of the families to receive prompt and accurate information in their cases;

(11) encourages the Secretary of State to continue to include in the Department of State's annual Country Reports on Human Rights Practices instances of failure to investigate and prosecute crimes, threats against human rights activists, and the use of torture with respect to cases involving the murder and abduction of women and girls in Guatemala;

(12) recommends that the United States Ambassador to Guatemala continue to meet with the families of the victims, women's rights organizations, and the officials of the Government of Guatemala who are responsible for investigating these crimes; and

(13) recommends that the Secretary of State develop a comprehensive plan to address and combat the growing problem of violence against women in Latin America.

KENDELL FREDERICK CITIZENSHIP ASSISTANCE ACT

Mr. BROWN. I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. 2516 and the Senate proceed to its immediate consideration.

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

The clerk will report the bill by title.

The bill clerk read as follows:

A bill (S. 2516) to assist members of the Armed Forces in obtaining United States citizenship, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. LEAHY. Mr. President, I appreciate Senator MIKULSKI's commitment to helping those dedicated men and women who are not yet U.S. citizens but who have served all Americans as members of the Armed Forces. Easing the path to citizenship by removing duplicative procedures for these dedicated men and women is the right thing to do, and I am glad to support Senator MIKULSKI's efforts.

However, I also wish to note my concern with inclusion of language in the bill, at the administration's behest, that appears to anticipate a future expansion of the collection of biometric information from individuals who seek to become naturalized citizens or who seek other immigration benefits. In light of the purpose of Senator MIKULSKI's bill, which is to streamline the naturalization procedures for legal permanent residents serving in the military, it would make little sense to place additional obstacles in the path of those who have made the ultimate commitment to the United States.

I also register this concern to make clear that the language in this bill with respect to biometric information should in no way be misconstrued as authority for the administration to unilaterally expand the type of biometric information beyond what is currently required to obtain immigration benefits from the U.S. government. Federal immigration law is the province of the Congress, and Congress retains the sole power to determine the extent of rulemaking authority afforded to Federal immigration agencies. The involvement of Congress in these decisions is crucial to ensure that the procedures by which we admit or deny individuals entry to the United States take into account the interests of privacy, and are faithful to the welcoming traditions by which our nation has prospered. Only Congress can provide the deliberative, democratic process necessary to ensure that any future requirements are consistent with American values.

We all recognize the need for robust security at our borders. But over the last 7 years, the reputation of the United States as a welcoming nation has been diminished as a result of often misguided policies that take a reactionary, blunt, and hostile approach to immigration. The administration has met its failure to enact meaningful immigration reform with layer upon layer of security initiatives that in some cases do little more than foreclose the promise of our great Nation for so many who seek opportunity, advancement, or refuge. America's security now and in the future demands more than border walls and punitive, enforcement-only immigration policies. Our future security, as well as our future prosperity, depends upon the balance that has been absent for so long.

Mr. BROWN. I ask unanimous consent that the Mikulski substitute amendment, which is at the desk, be agreed to; the bill, as amended, be read a third time and passed; the motions to reconsider be laid on the table, with no intervening action or debate and any statements be printed in the RECORD.

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

The amendment (No. 4177) was agreed to as follows:

(Purpose: In the nature of a substitute)

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Kendell Frederick Citizenship Assistance Act''.

SEC. 2. FINGERPRINTS AND OTHER BIOMETRIC INFORMATION FOR MEMBERS OF THE UNITED STATES ARMED FORCES.

(a) IN GENERAL.—Notwithstanding any other provision of law, including section 552a of title 5, United States Code (commonly referred to as the ''Privacy Act of 1974''), the Secretary of Homeland Security shall use the fingerprints provided by an individual at the time the individual enlisted in the United States Armed Forces, or at the time the individual filed an application for adjustment of status, to satisfy any requirement for background and security checks in connection with an application for naturalization if—

(1) the individual may be naturalized pursuant to section 328 or 329 of the Immigration and Nationality Act (8 U.S.C. 1439, 1440);

(2) the individual was fingerprinted and provided other biometric information in accordance with the requirements of the Department of Defense at the time the individual enlisted in the United States Armed Forces;

(3) the individual—

(A) submitted an application for naturalization not later than 24 months after the date on which the individual enlisted in the United States Armed Forces; or

(B) provided the required biometric information to the Department of Homeland Security through a United States Citizenship and Immigration Services Application Support Center at the time of the individual's application for adjustment of status if filed not later than 24 months after the date on which the individual enlisted in the United States Armed Forces; and

(4) the Secretary of Homeland Security determines that the biometric information provided, including fingerprints, is sufficient to conduct the required background and security checks needed for the applicant's naturalization application.

(b) MORE TIMELY AND EFFECTIVE ADJUDICATION.—Nothing in this section precludes an individual described in subsection (a) from submitting a new set of biometric information, including fingerprints, to the Secretary of Homeland Security with an application for naturalization. If the Secretary determines that submitting a new set of biometric information, including fingerprints, would result in more timely and effective adjudication of the individual's naturalization application, the Secretary shall—

(1) inform the individual of such determination; and

(2) provide the individual with a description of how to submit such biometric information, including fingerprints.

(c) COOPERATION.—The Secretary of Homeland Security, in consultation with the Secretary of Defense, shall determine the format of biometric information, including fingerprints, acceptable for usage under subsection (a). The Secretary of Defense, or any other official having custody of the biometric information, including fingerprints, referred to in subsection (a), shall—

(1) make such prints available, without charge, to the Secretary of Homeland Security for the purpose described in subsection (a); and

(2) otherwise cooperate with the Secretary of Homeland Security to facilitate the processing of applications for naturalization under subsection (a).

(d) ELECTRONIC TRANSMISSION.—Not later than one year after the date of the enactment of this Act, the Secretary of Homeland Security shall, in coordination with the Secretary of Defense and the Director of the Federal Bureau of Investigation, implement procedures that will ensure the rapid electronic transmission of biometric information, including fingerprints, from existing repositories of such information needed for military personnel applying for naturalization as described in subsection (a) and that will safeguard privacy and civil liberties.

(e) CENTRALIZATION AND EXPEDITED PROCESSING.—

(1) CENTRALIZATION.—The Secretary of Homeland Security shall centralize the data processing of all applications for naturalization filed by members of the United States Armed Forces on active duty serving abroad.

(2) EXPEDITED PROCESSING.—The Secretary of Homeland Security, the Director of the Federal Bureau of Investigation, and the Director of National Intelligence shall take appropriate actions to ensure that applications for naturalization by members of the United States Armed Forces described in paragraph

(1), and associated background checks, receive expedited processing and are adjudicated within 180 days of the receipt of responses to all background checks.

SEC. 3. PROVISION OF INFORMATION ON MILITARY NATURALIZATION.

(a) IN GENERAL.—Not later than 30 days after the effective date of any modification to a regulation related to naturalization under section 328 or 329 of the Immigration and Nationality Act (8 U.S.C. 1439, 1440), the Secretary of Homeland Security shall make appropriate updates to the Internet sites maintained by the Secretary to reflect such modification.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Homeland Security, not later than 180 days after each effective date described in subsection (a), should make necessary updates to the appropriate application forms of the Department of Homeland Security.

SEC. 4. REPORTS.

(a) ADJUDICATION PROCESS.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Homeland Security shall submit a report to the appropriate congressional committees on the entire process for the adjudication of an application for naturalization filed pursuant to section 328 or 329 of the Immigration and Nationality Act (8 U.S.C. 1439, 1440), including the process that—

(A) begins at the time the application is mailed to, or received by, the Secretary, regardless of whether the Secretary determines that such application is complete; and

(B) ends on the date of the final disposition of such application.

(2) CONTENTS.—The report submitted under paragraph (1) shall include a description of—

(A) the methods used by the Secretary of Homeland Security and the Secretary of Defense to prepare, handle, and adjudicate such applications;

(B) the effectiveness of the chain of authority, supervision, and training of employees of the Federal Government or of other entities, including contract employees, who have any role in such process or adjudication; and

(C) the ability of the Secretary of Homeland Security and the Secretary of Defense to use technology to facilitate or accomplish any aspect of such process or adjudication and to safeguard privacy and civil liberties

(b) IMPLEMENTATION.—

(1) STUDY.—The Comptroller General of the United States and the Inspector General of the Department of Homeland Security shall conduct a study on the implementation of this Act by the Secretary of Homeland Security and the Secretary of Defense, including an assessment of any technology that may be used to improve the efficiency of the naturalization process for members of the United States Armed Forces and an assessment of the impact of this Act on privacy and civil liberties.

(2) REPORT.—Not later than 180 days after the date on which the Secretary of Homeland Security submits the report required under subsection (a), the Comptroller General and the Inspector General shall submit a report to the appropriate congressional committees on the study required by paragraph (1) that includes recommendations for improving the implementation of this Act.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Armed Services of the Senate;

(2) the Committee on Homeland Security and Governmental Affairs of the Senate;

(3) the Committee on the Judiciary of the Senate;

(4) the Committee on Armed Services of the House of Representatives;

(5) the Committee on Homeland Security of the House of Representatives; and

(6) the Committee on the Judiciary of the House of Representatives.

The bill (S. 2516), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed.

NATIONAL FUNERAL DIRECTOR AND MORTICIAN RECOGNITION DAY

Mr. BROWN. I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Res. 390 and the Senate proceed to its immediate consideration.

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

The clerk will report the resolution by title.

The bill clerk read as follows:

A resolution (S. Res. 390) designating March 11, 2008, as National Funeral Director and Mortician Recognition Day.

There being no objection, the Senate proceeded to consider the resolution.

Mr. BROWN. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid on the table, with no intervening action or debate, and any statements be printed in the RECORD.

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

The resolution (S. Res. 390) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 390

Whereas the death of a family member, friend, or loved one is a devastating emotional event;

Whereas the memorialization and celebration of the decedent's life is the fabric of today's funeral service;

Whereas the family of the decedent has traditionally looked to funeral directors and morticians for consolation, strength, and guidance in the planning and implementation of a meaningful funeral ceremony;

Whereas funeral directors and morticians have dedicated their professional lives to serving the families of their communities in their times of need for generations with caring, compassion, and integrity;

Whereas these special men and women see their chosen profession as a higher calling, a sacred trust, in serving every family regardless of social standing, financial means, or time of day or day of the year, whenever a death occurs; and

Whereas on this special day, March 11, 2008, it would be appropriate to pay tribute to these funeral directors and morticians who, day in and day out, assist our Nation's families in their times of sadness and grief and help families mourn a death and celebrate a life: Now, therefore, be it

Resolved, That the Senate—

(1) takes this opportunity to pay the Nation's collective debt of gratitude for all the hours and all the times they have put someone ahead of themselves by serving the living while caring for the dead;

(2) urges every American of every walk of life to embrace each of these special individuals with heartfelt thanks for their dedication to their profession; and

(3) designates March 11, 2008, as ''National Funeral Director and Mortician Recognition Day''.

SECOND ANNUAL NATIONAL NATIVE HIV/AIDS AWARENESS DAY

Mr. BROWN. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of S. Res. 479, which was submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The bill clerk read as follows:

A resolution (S. Res. 479) designating March 20, 2008, as ''Second Annual National Native HIV/AIDS Awareness Day.''

There being no objection, the Senate proceeded to consider the resolution.

Mr. BROWN. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be laid on the table.

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

The resolution (S. Res. 479) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 479

Whereas the number of human immunodeficiency virus and acquired immunodeficiency syndrome (hereafter ''HIV/AIDS'') cases among American Indian and Alaska Native communities has been increasing at an alarming rate and poses a significant threat to the public health of Native communities;

Whereas American Indians and Alaska Natives have the 3rd highest rate of HIV/AIDS infection in the United States, after Blacks and Hispanics;

Whereas, according to the Centers for Disease Control and Prevention HIV/AIDS Surveillance Report published in 2005, the rate per 100,000 persons of HIV/AIDS diagnosis for American Indians and Alaska Natives was 10.4;

Whereas American Indians and Alaska Natives experience the highest disease and mortality rates in the United States compared to other racial and ethnic groups, due to socioeconomic factors that include consistently high rates of poverty, inadequate education, and a lack of access to quality health services;

Whereas certain risk factors exist among Indian and Alaska Native populations that elevate the threat of the HIV/AIDS epidemic, including high rates of sexually transmitted diseases and substance abuse;

Whereas, according to the 2005 Centers for Disease Control and Prevention Sexually Transmitted Disease Surveillance Report, American Indians and Alaska Natives have the 2nd highest infection rates of gonorrhea and chlamydia in the United States and the 3rd highest infection rate of syphilis;

Whereas, according to the 2005 National Survey on Drug Use and Health, American Indians and Alaska Natives had a 12.8 percent higher rate of illicit drug use than any other races or ethnicities;

Whereas, during the years 1997–2004, of persons who had received a diagnosis of HIV/AIDS, American Indians and Alaska Natives had survived a shorter time than had Asians and Pacific Islanders, Whites, or Hispanics;

Whereas, after 9 years, 67 percent of American Indians and Alaska Natives who had been diagnosed with HIV/AIDS were alive, compared to 66 percent of Blacks, 74 percent of Hispanics, 75 percent of Whites, and 81 percent of Asians and Pacific Islanders;

Whereas, from 2001 through 2004, the estimated number of HIV/AIDS cases increased among Whites, Asians and Pacific Islanders, and American Indians and Alaska Natives, and decreased among Blacks and Hispanics; and

Whereas, from 2000 through 2004, the estimated number of deaths among persons with AIDS decreased among Whites, Blacks, and Asians and Pacific Islanders, but increased among American Indians and Alaska Natives: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the seriousness of the spread and threat of the human immunodeficiency virus and acquired immunodeficiency syndrome (HIV/AIDS) epidemic in American Indian and Alaska Native communities;

(2) encourages Federal, State, and tribal governments as well as Indian organizations and health care providers to coordinate efforts in HIV/AIDS testing and in the promotion of prevention activities to further efforts in the reduction of HIV/AIDS infection rates among American Indians and Alaska Natives; and

(3) designates March 20, 2008, as ''Second Annual National Native HIV/AIDS Awareness Day''.

PERMITTING THE USE OF THE ROTUNDA

Mr. BROWN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 306 received from the House and at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The bill clerk read as follows:

A concurrent resolution (H. Con. Res. 306) permitting the use of the Rotunda of the Capitol for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BROWN. I ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 306) was agreed to.

ORDERS FOR WEDNESDAY, MARCH 12, 2008

Mr. BROWN. I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 9:30 a.m., Wednesday, March 12; that on Wednesday, following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day and that the Senate then resume consideration of H. Con. Res. 70, the concurrent resolution on the budget.

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

PROGRAM

Mr. BROWN. Tomorrow, the Senate will resume debate on the budget resolution. Senator BINGAMAN is expected to be here to offer the next amendment.

ORDER OF PROCEDURE

Mr. BROWN. I ask unanimous consent that all time during this period of morning business be charged equally against each side on the resolution and that morning business now be closed and that the Senate resume consideration of the budget resolution, and following the remarks of Senator COBURN, who was generous with his time this evening, and I am grateful for that, and the remarks of Senator SANDERS, that the Senate stand adjourned under the previous order.

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

TO CORRECT THE ENROLLMENT OF H.R. 1593

Mr. BROWN. I ask unanimous consent that the Judiciary Committee be discharged from further consideration of H. Con. Res. 270 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the concurrent resolution by title.

The bill clerk read as follows:

A concurrent resolution (H. Con. Res. 270) to make corrections in the enrollment of the bill H.R. 1593.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BROWN. I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid on the table, and any statements relating to the measure be printed in the RECORD.

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

The concurrent resolution (H. Con. Res. 270) was agreed to.

SECOND CHANCE ACT OF 2007

Mr. BROWN. I ask unanimous consent the Judiciary Committee be discharged from further consideration of H.R. 1593 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1593) to reauthorize the grant program for reentry of offenders into the community in the Omnibus Crime Control and Safe Streets Act of 1968, to improve reentry planning and implementation, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. LEAHY. Mr. President, I was pleased to join Senators SPECTER, BIDEN, and BROWNBACK last year as an original cosponsor of S. 1060, the Recidivism Reduction and Second Chance Act, and to help to shepherd that legislation through the Senate Judiciary Committee. I am pleased that now our hard work will finally enable us to take up and pass the House version of the legislation, which represents significant work and compromise on the part of the bill's Senate sponsors as well as those in the House, in order to move this important bill one step closer to becoming law.

Over the past several years that we have been working on this bill, I and others have had to make many painful compromises in order to ensure that this important bill could receive the support it needs to pass and become law. In spite of these sacrifices, the Second Chance Act is a good first step toward a new direction in criminal justice that focuses on making America safer by helping prisoners turn their lives around and become contributing members of society.

In recent years, this Congress and the States have passed a myriad of new criminal laws creating more and longer sentences for more and more crimes. As a result, this country sends more and more people to prison every year. There are currently more than 2 million people in jail or prison, and there are more than 13 million people who spend some time in jail or prison each year. Most of these people will at some point return to our communities. What kind of experience inmates have in prison, how we prepare them to rejoin society, and how we integrate them into the broader community when they get out are issues that profoundly affect the communities in which we live.

As a former prosecutor, I believe strongly in securing tough and appropriate prison sentences for people who break our laws. But it is also important that we do everything we can to ensure that when these people get out of prison, they enter our communities as productive members of society, so we can start to reverse the dangerous cycles of recidivism and violence. I hope that the Second Chance Act will help us begin to break that cycle.

The Second Chance Act would fund collaborations between State and local corrections agencies, nonprofits, educational institutions, service providers, and families to ensure that offenders released into society have the resources and support they need to become contributing members of the community. The bill would require that the programs supported by these grants demonstrate measurable positive results, including a reduction in recidivism. We should be supporting good programs and demanding results for our federal tax dollars.

The bill would also set up a task force to determine ways to improve the effectiveness and efficiency of federal programs related to prisoner reentry and would authorize additional programs that would encourage employment of released prisoners, improve substance abuse treatment programs for prisoners, and assist the children of prisoners.

I thank Senator BIDEN, Senator SPECTER, and Senator BROWNBACK for consistently working with me to make a good bill even better. They accepted my suggestion to fix a provision that would have made it difficult for States without large urban areas to obtain grants. They also agreed with me that it made sense for victim services agencies to have a role in administering grants, for victims' needs to be specifically addressed by grants authorized by the bill, and for safeguards to be added to provisions aiming to integrate families of offenders in order to ensure that children are protected.

They also worked with me to include in the Senate's legislation an important study of the collateral consequences of criminal convictions federally and in the States, which would encourage appropriate policy to help successfully reintegrate released offenders into society. I am disappointed that partisan and unprincipled objections prevented this study, which is very important but in no way provocative, from being a part of the final bill. I am glad to report, though, that this important study was passed into law in December as part of the Court Security Improvement Act of 2007. I am similarly glad that we are moving now to pass the best version of the Second Chance Act that we can.

I thank the Vermont Department of Corrections and the Vermont Center for Crime Victim Services for helping me to identify important improvements and to make this bill better for the people of Vermont and the people of America. The Vermont Department of Corrections and many others in Vermont strongly support the Second Chance Act, which gives me confidence that this legislation we pass today represents an important step in making our country safer.

Mr. BROWN. I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, with no intervening action or debate, and any statements be printed in the RECORD.

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

The bill (H.R. 1593) was ordered to be read a third time, was read the third time, and passed.

Mr. BROWNBACK. Mr. President, Today, I rise to congratulate my colleagues on the passage of the Second Chance Act, a bill that we have been working on for over 4 years. I am pleased to join with Senators BIDEN and SPECTER and Chairman LEAHY in supporting the passage of this bill. I, like my colleagues, have worked long and hard on this bipartisan legislation that is supported by over 200 bicameral and bipartisan organizations.

I truly believe that with this bill, we have an incredible opportunity to reshape the way in which our Nation fights crime, addresses poverty, and provides for safer communities. Indeed, we have all seen the statistic. Over 650,000 individuals will be released from our Federal and State prisons, and 9 million are released from jails. Approximately two out of every three individuals released from prison or jail commit more crimes and will be rearrested within 3 years of release, placing increasing financial burdens on our States and decreasing public safety.

This is unacceptable and must be addressed. Recidivism is costly, in both personal and financial terms. Consider: the American taxpayers spent approximately $9 billion per year on corrections in 1982, and in 2002—nearly two decades later—taxpayers spent $60 billion.

In addition to the astronomical costs of recidivism, the Nation's prison population is projected to continue to grow over the next 5 years by an additional 13 percent. According to ''Public Safety, Public Spending: Forecasting America's Prison Population 2007—2017'', State and Federal prison populations are expected to add approximately 192,000 persons at a cost of $27.5 billion between 2007 and 2011.

If that is not astonishing enough, State spending on corrections has risen faster over 20 years than spending on nearly any other State budget item—increasing from $9 billion to $41 billion a year. The average annual operating cost per State inmate in 2001 was $22,650, or $62.05 per day. Among facilities operated by the Federal Bureau of Prisons, it was $22,632 per inmate, or $62.01 per day. These figures do not include the cost of arrest and prosecution, nor do they take into account the cost to victims.

Despite that fact that taxpayers went from spending $9 billion per year on corrections in 1982 to $60 billion two decades later, the failure rate of our prison system has not improved over the last 30 years.

However, my concerns with our correctional system do not stop here. Not only do we need to ensure that our communities are safer, that the money spent on corrections result in drastically lower recidivism rates, but we must also look at the cost to the children of incarcerated individuals. A recent study found that children of prisoners are five times as likely to be incarcerated later in life as a child who has not had a parent incarcerated. Fifty-five percent of prisoners have children under the age of 18 and, tragically, more than 7 million children can claim a parent in prison, in jail, under parole, or under probation supervision.

Additionally, some incarcerated parents owe more than $20,000 in child support debt upon their release. Parents play a vital role in the lives of their children—and the role of incarcerated parents is no different. The children of individuals in our prison system often depend upon their incarcerated parent, at least in part, for financial support, and look to that parent for guidance in many aspects of their lives. Failing to address this very important facet of the family structure within the prison population could be contributing to the deterioration of families.

We must stop subsidizing programs that do not work and that lead, in turn, to negative behavior less safety, more crime, and more money wasted.

The Second Chance Act of 2007, coauthored by Senator BIDEN, Ranking Member SPECTER, Chairman LEAHY, and myself, as well as our counterparts in the House of Representatives, is a bill that will address this issue by providing grant money to States through the Department of Justice and the Department of Labor to encourage the creation of innovative programs geared toward improving public safety, decreasing the financial burden on States and successfully reintegrating exoffenders into society.

Additionally, this bill authorizes two grant programs designed to aid nonprofit organizations—faith-based and community based organizations—that provide programs to those incarcerated. As you may know, faith-based programs are very successful in reintegrating offenders into society. A 2002 study found that faith-based prison programs result in a significantly lower rate of re-arrest than vocation-based programs—16 percent versus 36 percent.

A 2003 study on Prison Fellowship Ministries' Texas InnerChange Freedom Initiative, IFI, program found that IFI graduates were 50 percent less likely to be re-arrested. The 2-year postrelease re-arrest rate among IFI postrelease graduates in Texas was 17 percent compared with 35 percent of the matched comparison group. And finally, the study found that IFI graduates were 60 percent less likely to be reincarcerated and the 2-year postrelease reincarceration rate was 8 percent of IFI graduates—8 percent—versus 20.3 percent with the matched comparison group from a nonfaith-based program.

The bill also focuses on systematic changes within the criminal justice system by encouraging more coordination between Government agencies, encourages States, and local governments to reevaluate their current statutes in order to streamline their budgets and provide for more effective transition programs for inmates, which include: education, job training, life and family skills, programs for children of incarcerated parents, as well as substance abuse treatment.

Further, I want my colleagues to know that there are real accountability measures within this bill. If grantees do not show significant progress in reducing the recidivism rates for program participants they will not be eligible to receive further funding under this act.

States have already shown that recidivism rates can be dramatically cut with innovative programs, and I am proud that my State, Kansas, is a leader in this regard. In Kansas, the Shawnee County Re-Entry Program engages corrections officials and community partners to develop comprehensive reentry plans for people in prison who have been assessed as high-risk for reoffending upon release. In the 12 months prior to release, program participants work closely with case managers to develop their reentry plans. Case managers continue to provide support as needed following release.

The Shawnee community is closely involved in the program as well, serving on accountability panels and as volunteer community connectors. The program also developed a data collection system to enable facility and parole case managers to enter information more easily. The system allows facility staff and case workers to share data with other data systems within other State agencies, and faith and community-based providers. A Web-based data system would also help build the capacity of community and faith-based organizations to track data similar to State data collections methods. In this way, State agencies can more easily compare data and outcomes with information collected by faith and community groups. This is just one example of innovation in addressing the concerns facing our criminal justice system.

Indeed this bill is much needed and will serve as a catalyst for systemic change. This bill could not have happened without the hard work and determination of over 200 organizations, such as Prison Fellowship Ministries, Open Society, the Council of State Governments, and the U.S. Conference of Catholic Bishops, as well as many State and local government correction officials and law enforcement officials—a truly bipartisan/bicameral coalition of partners committed to changing the criminal justice system.

Mr. President, I thank my colleagues, Senators BIDEN and SPECTER, and Chairman LEAHY. Together we were able to implement vital legislation geared to improve public safety, give aid to States, and to truly give those incarcerated a second chance not only to fully integrate into society in a positive way but to provide them with a hope for a positive future not only for themselves but for their families as well.

Mr. BROWN. Mr. President, I yield the floor to my colleague from Oklahoma, Senator COBURN.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2009—Continued

Mr. COBURN. Mr. President, I am going to spend a little while tonight talking about the budget. I have listened to the budget debate all day, just like I did yesterday. I came in yesterday and listened to the debate. I have heard about tax increases and I have heard about spending and I have heard the things going back and forth. But what I did not hear was anything that had to do with this: This is the oath of a Senator. There are some interesting things. Let me read it first:

> I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter: So help me God.

The interesting thing about that oath is nowhere in that oath does it mention your State. There was, by design, never any intended part by our Founders that we would place parochialism ahead of our duty to this country. Yet where do we find ourselves today? With $9 trillion, almost $10 trillion, at the end of this fiscal year, in direct debt.

We have heard all sorts of numbers quoted today. The actual number for the obligated unpaid-for liabilities that our next generations will face is actually $79 trillion. It is interesting where that comes from because that comes from the retirement benefits for our service personnel, the retirement benefits for Federal employees, including people who work in this Chamber, Medicare payments, Medicaid payments, all the various trust funds we have set up through the years, such as the Inland Waterway Trust Fund, the trust funds associated with other distinct obligations in terms of infrastructure in this country. We are stealing all that money every year that is supposed to go to it. As a matter of fact, the budget deficit this year will be, in real accounting standards—not Enron accounting standards—$607 billion, of which about $160 billion of that is going to come from Social Security and about another $30 billion to $35 billion from all these other trust funds.

So when you hear a number that comes from Washington, I want us to be very suspect because we are much like the CEO at Enron, Ken Lay. We are not going to send you the real number. It is not because we do not intend to be honest; it is because we have sold out to parochialism.

Now, I want us to think about that for a minute. Later on, I am going to show some examples. I am going to go through $350 billion-plus worth of waste that occurs annually in this country. But how is it that we have $350 billion—by the way, it is not going to be disputable. There is going to be an absolute reference to either a GAO study, a CBO score, a congressional hearing or published reports that are out there. So it is not going to be TOM COBURN's estimate. It is going to be a factual basis of what is occurring in our country.

But how is it we got to the point where Members of Congress—both of the House and of the Senate—have all of a sudden forgotten what their oath is; that, in fact, their primary means is: How do I send more money home to my State? How is it that we have gotten to where we have $79 trillion in unfunded liabilities? We have $10 trillion in true debt, at the end of this fiscal year. We are going to have a $600 billion deficit—real deficit—this year, which we are going to obligate our children to pay for.

I would put forth: We forgot our oath. We forgot what it is about. Our State is not mentioned. When I am parochial for my State, there is no way I can live up to the oath I took when I came into this body. There is no way, if I am parochial for Oklahoma or Ohio, I can possibly make a decision that is in the long-term best interest of the country, when I am thinking about the best interest of my State in the short term.

So, consequently, what came about from that? Well, here is what we saw in terms of earmarks, the growth of earmarks and the growth of Government spending. Isn't it interesting, we have heard all the debate today about tax increases, but nobody, except Senator BROWNBACK, talked about cutting spending. Here we have the earmarks in 2006. In 2007, there were another 11,800 earmarks. So it went to 12,000 earmarks. But the spending continues to rise. There is a correlation between earmarks and spending, and it is this: Earmarks are the gateway drug for overspending.

Let me explain how it works. If I want something for Oklahoma and I submit a request and the appropriators are kind enough to honor that request and I do not vote for the bill, regardless of whether I agree with the bill, the next time another appropriations bill comes up and I have a request, I will not get it. So all of a sudden my earmark blinds me on a parochial basis for what is best for Oklahoma, but I do not do what is best for the country. So you see this trend going up, and it continues to go up. If you had one for debt, you would see that. If you had one for unfunded liabilities, you would see the same thing.

Now, what did our Founders have to say:

> Congress had not unlimited powers to provide for the general welfare, but were restrained to those specifically enumerated.

This is Thomas Jefferson, the founder of the Democratic Party. This is what he said:

> As it was never meant they should provide for that welfare but by the exercise of the enumerated powers.

Earmarks are not enumerated powers. The only power they are is how we find ways to get ourselves reelected. That is the power they are. Here is the founder of the modern Democratic Party who now chastises us with his words about what earmarks are.

Yet what do we do? We are going to have a vote. We are going to have a vote on this budget on a moratorium on earmarks. I am very thankful to Senator DEMINT for bringing that up.

The argument about earmarks is over everywhere except in Washington. If you look at all the polling data throughout the country, in every State, it does not matter if you are Democrat or Republican or Independent, it is over. They have already decided the issue. Eighty-five percent of the people in this country say we should not be doing it. It does not have anything to do with age. It does not have anything to do with party. Do you know what it has to do with? Those people who are getting them and are well heeled and well connected to politicians, they are the ones who do not want the earmark party to be over. That ought to send a warning signal to the rest of Americans that there is something wrong with this process.

Here is what is wrong with the process:

[T]he principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale.

This is the same bright man who was very involved in the genesis of our country, talking to us from history about what is important on earmarks.

In 1996, there were less than 900 earmarks. How did we go—in 10 short years—from 3,000 to 15,000? What changed? The argument is: We have an obligation not to let the bureaucrats spend the money. Does that mean all the time before this, when they were much lower, we were not doing a good job? Or could it be that all of a sudden the political tool of earmarks became the soup du jour that politicians use to get themselves reelected and collect campaign money by accomplishing those things?

So I wish to spend a little time tonight talking about the unsustainable course we are on. International markets now doubt our ability to pay off our debt. Our AAA credit rating is in jeopardy. The dollar is declining. Medicare has hit a trigger for the first time in its history that signals we are dipping into general revenues at a rate that is unsustainable. By the way, Medicare was never intended to be paid for with funds from general revenue. Do we have a moral obligation as Members of Congress to do what every other family does in tough times and tighten our belts?

So what I am going to try to do tonight is lay out $388 billion worth of things the Congress could do tomorrow that would save us $388 billion.

Now, somebody may dispute the fact that if we totally changed the Tax Code to either a flat tax or a sales tax we might not have a tax gap—the amount that is owed that is not paid—of $350 billion or $370 billion. We may only have one of $270 billion. I will admit that. So you can take an arrow at that. But the rest of it you cannot take an arrow at. All the rest of it is indisputable.

As a matter of fact, we had testimony before the Budget Committee and before the Finance Committee by the IRS that said if, in fact, you funded them properly, they could get between $30 billion and $40 billion of the tax gap back over a period of 5 years. We know for every $1 we give them in terms of enforcement, they get $3 to $4 back.

The problem in our country is overspending and wasteful spending. It is not undertaxation. It is a moral question whether we will ask the American people for more money when, in fact, we are terrible slobs with the way we control and manage the money they have today, where we are wasteful.

The American people would expect us to get rid of fraud, waste, and abuse before we raise their taxes. Calling for higher taxes is akin to saying you want a performance bonus for us. That is what it is saying. It is absurd to claim the Government is operating at peak efficiency and spending cannot be cut anywhere. But yet we do not see it. It is not just the Democratic budgets. It is the Republican budgets. I will give credit to President Bush. At least he has a park program and at least they have brought forward recommendations of getting rid of programs that absolutely are not functioning, absolutely do not come anywhere close to meeting the goals. Because they have special interests, they are protected by individual Senators. Blocking new spending is not about obstructionism. The real obstruction is wasteful spending and not going after the wasteful spending at a time when we are asking Americans, who are tightening their belts, to give more money to the Government. That is the real obstruction.

Looking for new ways to spend money is not our job. Our job is to conduct oversight and eliminate programs that are not working. We are not doing our oversight. As a matter of fact, the CRS did a study on oversight. If we put this sign right up here and we look at oversight hearings, what you will see is: As the earmarks have gone up, oversight has gone down. Do you know why? Because the only thing the Appropriations staff has time to do is to barely get the bill out and then manage all the earmarks. So where is the oversight to see what is working and what is not? It isn't there.

The other assumption with this budget is that we have a blank check—and with Republican budgets, not just the majority's budgets—to spend money however we desire, however we choose. Well, that does not appear in the Constitution. We have totally thrown it away when it comes to spending. We have totally thrown it away under the concept of either the interstate commerce clause or the general welfare clause. We have decided that those do not mean anything, even though the significant Founders of our country believed they did.

So let's go back to the oath. Does the oath mean anything? I will ''defend the Constitution'' is what it says. Oh, that means I will twist it to make sure I can do parochial things that make me look good at home. Is that what it means? Can I fully represent and do what is best for our country when I am worried about doing what is best for my State and me? Which one is the more moral position?

James Madison, the father of our Constitution, was very clear on this point. He said:

With respect to the two words ''general welfare,'' I have always regarded them as qualified by the detail of powers enumerated in the Constitution that are connected with it. To take them in a literal and unlimited sense would be a metamorphosis of the Constitution into a character which there is a host of proofs was not contemplated by its creators.

In other words, when you are starting to fudge the deal, that is not what we intended, guys. When you are starting to play games with the Constitution, that is not what we intended. And he spoke it in anticipation so that he would be on record. And we would know what his record was about, what they intended about general welfare. The arguments we hear in defense of earmarks would be ridiculed by our Founders after they got over their nausea.

President Reagan criticized the 1987 highway bill because it had 152 earmarks. As a matter of fact, the one before that he vetoed and sent back, and it had even fewer than that. So this isn't an old phenomenon; this is a modern phenomenon. This is something modern that we need to change.

It is interesting that so many in this body seem more interested in adhering to the constitutional scholarship of Jack Abramoff rather than James Madison, much to our detriment. Why do you think we have between an 11 and 22 percent confidence rating from the American people about whether we are doing their business in the best interests of the country, rather than our business?

Another argument I hear often is that we know better than faceless bureaucrats. Yet if we don't like what an agency is doing, we don't have anyone to blame but ourselves. We have the power of the purse and the power of oversight. The problem is we only use the power of the purse to spend, not to restrict. The last time a rescission bill—and for those who don't know what that is, it is a bill that decreases rather than increases spending—went through Congress was 1995.

Overcoming our addiction to earmarks will help us confront the massive waste that is in the Federal budget. We have to do a top-down review of everything in this country if, in fact, we want to hold to the things that are really important, the things that are really worth our sacrifice, which is the next two generations.

Now, it is really interesting that the Government Accounting Office says that every family today is responsible for an unfunded liability of almost a half million dollars. If we think about what that means in terms of carrying that interest, paying your regular taxes and then carrying that—the other thing is if you divide the unfunded liability by the 200 million kids who are going to come on between now and the next 75 years, what we are talking about is $400,000 per child; $400,000 per individual child who is born starting today and moving forward that we are going to add. Think about carrying the interest. Think about what will happen to them.

Now, let me put up a chart, and we will go through this for a minute. This has $383 billion—actually a more recent chart shows $385 billion—in annual expenditures that are wasted. I would like to spend a minute on that, but let me describe what it is. It is $3,000 for every American household in this country down the drain. It is a full 4-year scholarship for two-thirds of all of the college students in this country. It is enough money to buy a new home for 2 million Americans, based on the average price of a home. It is enough money to get the 2 million Americans who are facing foreclosure out of foreclosure and pay for their entire mortgage. That is what we are wasting in one year. It is enough money to pay for the health care of everybody in this country who is either underinsured or uninsured. All 47 million who are uninsured and the 35 million who are underinsured, we can pay for them, just by getting rid of this waste.

It is more than the gross domestic product of 85 percent of every country on Earth. How much we are wasting through fraud and abuse and waste is greater than 85 percent of the gross domestic product of every country on this Earth. It is more than the gross domestic product of 40 States in our Union. It is enough to meet the one campaign's annual goals to end extreme poverty over the next 10 years, over 10 times not enough. More importantly, it is enough to build 1,500 bridges to nowhere over every river in the world, times 10. That is how much money it is.

So what are the crises that we face? It is important that we put ourselves in the shoes of the typical American family in this time of tightening. What do they do? They reassess. They look for waste. Their debt is fixed. They try not to get additional debt. They try to spend less money. They try to conserve. They try to turn the thermostat down. They try to only drive when they have to drive. They try to buy cheaper foods. They don't buy the things they would like to buy. They buy and spend money only on bare necessities, if they can.

Well, a $607 billion deficit this year, a $10 trillion debt, and a $79 trillion unfunded liability ought to cause us to do the same thing, except we have only heard 1 percent in 2 days of debate talk about eliminating wasteful spending, and that was Senator SAM BROWNBACK from Kansas.

In the short term, we will get through this economic slowdown. Hopefully, energy prices will become more affordable for us. But everybody knows in this body, whether we want to admit it or not, we are approaching the day of reckoning that we would not get through. As David Walker, who is the Comptroller General of the United States, a nonpartisan position, said: We are on an unsustainable course. It is absolutely unsustainable. The question is whether our kids are worth us making the hard choices.

Economists on the left and the right from groups ranging from the Brookings Institute to the Heritage Foundation recognize the course we are on. We hear all the time that the only problems are the mandatory programs: Medicare, Social Security, and Medicaid. I am going to show tonight that it is not the only problem. It is a lot of the problem, there is no question about it. It is not just the demographics of it and the growth. There are a lot of management problems that we fail to address.

Each family's share, which I spoke about a minute ago, of the unfunded liabilities is over $450,000 right now. By 2040—and this is not my number, this is the Government Accounting Office—total Federal spending will have to be cut by 60 percent or we will have to double Federal income tax rates.

Now, we heard Senator HATCH talk about how 50 percent of the country now pays 97 percent of the taxes. What happens when we double our tax rates, or another question is, what happens when we don't have any Government programs except Medicare and Medicaid and Social Security? No military, no Department of Education, no NASA, no NIH, no CDC. All of those are gone in a very few short years. More importantly, in 2012, my generation starts heavily hitting Medicare and Social Security, the first baby boomers. What happens if we don't address that?

We would be wise to remember the words of Will Durant:

> A great civilization is not conquered from without until it has destroyed itself from within.

For the typical family sitting around the dinner table right now across America, the answer is obvious. It is time for some belt tightening. It is time for us to do the hard work of eliminating the duplication of wasteful programs. From their perspective, if they have to tighten their belt, we should too. It is not our money, it is theirs. Yet in this body we don't believe we have to live by the same set of rules. We have demonstrated that by our behavior. We like to pretend that we don't live in the world of credit ratings and scores. We ignore economic realities and look for ways to spend money on things that aren't necessary—they may be nice but aren't necessary—with little regard to how our decisions are going to affect our ability to pay for things we must pay for.

By arguing that Americans aren't taxed enough, Members of Congress are claiming that Government spending can't be cut any more in the budget because the Government is running so efficiently it deserves a raise. I don't think there is hardly anybody out in America's midsection, northeast, northwest, southeast, southwest, south central, who believes that. That is a fairy tale that is believed here, except we don't confront it.

Every year we have given Congress a performance bonus that has been adamantly unearned. Americans find this absurd. That is one of the reasons our approval rating is so low.

A question we should ask probably is, if our Nation's survival were at stake right now, would we be acting any differently? Would we have this budget, or the Republican budget, from 2006? Would those have been the budgets? No, they wouldn't have been. We would have been thinking long term. We would have been making the hard decisions. We would have said: Our country is worth us irritating some special interest group over some item that is no longer efficient or no longer effective. We wouldn't be worried about weighing the future of our children and our grandchildren against the special interests and monied of this country. We wouldn't worry about it.

Well, the fact is, the future is on the line, and if we don't act in the next couple of years, we are going to fall into Will Durant's trap, as we will have rotted inside our own excesses of politics, as we quietly didn't do the things that we could have done to fix the problems that are in front of this country.

It is called maintenance. It is like when you don't mow your grass or you don't pick up the trash in front of your yard. What happens is the value goes down, the pride goes down. Well, that is what has happened to us because myself and the vast majority of Americans believe overspending is a greater moral challenge than undertaxation.

I want to spend some time now going through what I call 2008, a waste odyssey. This waste odyssey is—I am going to be describing a few areas of Government, and I am going to go through them fairly fast so we can see it, and it will be on my Web site in the next week or so. But I am going to outline at least $385 billion, of which I will guarantee $355 billion of it cannot be legitimately challenged that is not waste; $355 billion annually that is wasted or defrauded from the taxpayers of this country, and we are doing nothing about it. This budget doesn't do anything about it; our appropriations oversight committees don't do anything about it. The committees don't make the amendments to do something about it. We do nothing about it. So we come back to that all-important oath. Mr. President, $385 billion listed, $383 billion on this one chart, $385 billion of which $355 billion nobody will be able to dispute.

(Mr. BROWN assumed the Chair.)

Mr. COBURN. Here is what we know. Medicare fraud, out and out pure Medicare fraud. It is somewhere between $70 billion and $90 billion. I picked the middle, which is $80 billion. We have testimony and studies and lots of data on that that will show us that at least $80 billion worth of Medicare money is being ripped off every year.

Let me give some examples. I will go through some. Here is one company that billed Medicare $170 million for HIV drugs. Do you know how much in HIV drugs they did? Less than a million. But they billed $170 million. There was $142 million for nonexistent delivery of supplies and parts and medical equipment—$142 million.

How about taking Medicare numbers from seniors and billing Medicare for prosthetic arms on people who already have two arms? That came to $1.4 billion last year. Think about that—$1.4 billion was billed to Medicare for prosthetic arms for people who don't need prosthetic arms.

How about 80 percent of the drugs billed across the entire United States for HIV under Medicare went to the State of Florida, which has less than 10 percent of the HIV patients who are eligible for Medicare. How is that possible? How about one wheelchair that got billed to Medicare? It was never sent, but they billed $5 million to Medicare through multiple billings. It is easy to add up to $80 billion.

I could go on. How about fake Medicare providers for the elderly, when they steal their number and send multiple bills to multiple locations throughout the country for the same Medicare patient. That is $10 billion in improper payments. The actual improper payments were $37 billion the year before last, and $27 billion last year and of that, $10 billion of it is unrecoverable. We paid too much or we paid the wrong person. That is $10 billion out the door, which is $250 per man, woman, and child in this country in improper payments on Medicare.

Medicaid is another one. There was $30 billion worth of fraud. It is higher than that; that is only the Federal Government's portion of it. It is easily documented, but we cannot document it because Medicaid doesn't file improper payments like the law says they are supposed to. Why? It is because we have not had the guts to put any teeth into forcing HHS to have improper payments. Last year, finally we got 6 months of improper payments on only direct payments to doctors. They found $13 billion worth of improper payments. We have a report that says there is probably $15 billion worth of fraud in Medicaid in New York City alone, of which the Federal Government's share would be about $8 billion to $9 billion.

How about the fact that we paid, in 10 States, over $30 million for payments for Medicaid services to people who are dead? Yes, we paid that. We have a great system that is working well. How about the fact that 65 percent of all Medicaid rehabilitative services are fraudulent? So of the rehab bills that are filed with Medicaid through CMS, 65 percent are fraudulent.

Why do we continue to let that happen? Where is the oversight? Ninety percent of New York Medicaid school-based service claims were illegitimate. Case management. CMS reports that in one State, 72.4 percent of the claims weren't valid in terms of Medicaid case management.

Then we have the infamous drug scandals with the drug companies that have been overbilling to the tune of a billion dollars.

How about Social Security disability fraud? We have that listed at $2.5 billion. What we know is the following: There is at least $6.5 billion in improper payments in Social Security disability. So we have paid them a much smaller percentage than we have on any other improper payment program throughout the Federal Government and said we will take a small percentage of that, less than 40 percent, which is normally 80 percent, and we will list it at $2.5 billion. It is coming out of Social Security every year—totally wrong—and that $2.5 billion could stay in the SSI program to fund people who were truly disabled. Yet we let $2.5 billion sneak out. Why? That is us. We have not done the oversight.

If you add up all of the rest of the improper payments in the Federal Government, you come to $55 billion. That is what is reported. But that doesn't include the 18 agencies of the Federal Government that don't even report improper payments, even though it is the law, which accounts for another $179 billion worth of spending. And if they are anywhere close to the rest of it, there is 5 to 10 percent of improper payments. So there is anywhere from $3 billion to $7 billion more in improper payments.

DOD performance awards. Here is what we have done. Over the last 3 years, the DOD paid out $8 billion on average a year to contractors for performance bonuses that didn't meet the performance requirements of their contract. Think about that—$8 billion a year. That is almost twice the total budget of my home State that we are paying for performance bonuses for contractors that don't meet the requirements of the contract, but we pay them anyway. Why do we allow that? Why do we allow that to happen?

How about DOD maintenance of unneeded properties? We have testimony and a report that shows they have 22,000 pieces of property they don't want. They are spending about $3 billion maintaining properties they don't want. But we put roadblocks in the way so they cannot get rid of them. Is that Americans' fault or is that something we should have addressed? We didn't do it. Consequently, we are going to throw out $3 billion more this year to maintain properties we should have sold 5 to 10 years ago.

We also know that within the Federal Government, outside of the DOD, we have another $18 billion worth of properties we cannot get rid of because we cannot go through the hundreds of hoops we have to be able to get rid of them. That is a one-time savings. That is not even on here. That is a one-time savings we would achieve if we had a real property reform that forced the bureaucracy to do what was best when it came to real property.

Going back to the performance bonuses, when GAO looked at it, they found no connection between the payment of performance bonuses at the Pentagon and performance—not just on this $8 billion they said was paid erroneously, but on the rest of it. I think we have an Armed Services Committee in the Senate. We certainly have a DOD Appropriations Committee in the Senate. You would think this might be one thing we wanted to do oversight on. Yet no oversight hearing has happened. Why is that? Why haven't we looked at how we are wasting this money?

How about no-bid contracts. This is my favorite. We have seen the problems between Boeing and Northrup-Grumman on a new tanker, a $35 billion new contract—except we know we have needed a new tanker for 12 years. We have had planning on that for 12 years. We are letting a cost-plus contract go through because we don't know what we want. Do we not think whoever won that contract ought to have to take some risk, development risk? Do we think the American taxpayer ought to pay that? We know we lose at least $5 billion a year across the Government in no-bid contracts. That is probably minor. That is a small estimate within the Pentagon. We have not even looked at all the other no-bid contracts throughout FEMA, which we know was tremendously wasteful during Katrina. We know that at least $3 billion of the money we spent during Katrina, from hearings we had on homeland security, was wasted. When the average price we pay to pick up debris from Katrina to the guy actually picking it up is $6 a yard, and we are paying the Corps of Engineers $32 a yard, there is a problem. The taxpayers are getting swindled by 500 percent. Yet we did that to the tune of billions of dollars after Katrina, with no management or oversight.

What we know is in homeland security—and especially from Congressmen WAXMAN and DAVIS in the House—32 Homeland Security Department contracts, worth a total of $34 billion in no-bid contracts, have experienced significant overcharges, wasteful spending, and mismanagement. Between 2003 and 2005, the no-bid contracts in the Department of Homeland Security increased by 739 percent. There is no management. We are allowing that to happen. When we argue that we cannot let the bureaucrats control it, when we say we have to do earmarks, but we don't do oversight, we are letting the bureaucrats control it. If there is $300 billion worth of waste, fraud, and abuse here, and our earmarks account for $18 billion, what price are we paying by not managing the Federal Government and having oversight? We are not doing it.

Emergency spending, another one we won't be critical of ourselves. We put emergency spending in on the floor and add from $20 billion to $40 billion and call it an emergency, and none of it meets the definition of an emergency. We do that so we can go outside of the spending parameters that we have limited ourselves to either through pay-go or the budget. But it looks good at home—or does it? It looks good at home until we start talking about the waste, talking about the fraud, talking about the mismanagement, talking about the denial of our oath we took when we came here to uphold the Constitution. When we allow bureaucracies to waste money, when we don't have oversight of those bureaucracies, then in fact we have abandoned our oath.

It is interesting, in emergencies, up until recently, when we had emergency spending, we paid for it. In my home State of Oklahoma we had the Oklahoma City bombing, a tremendous tragedy. It was the first major internal terrorist act we had. All of the money that went toward restoration of that was paid for. We didn't borrow it from our grandchildren. Let me go back again. When we don't pay for things with emergency spending, we charge it to them. When we have a true emergency, which we might say we didn't plan for, that is one thing, but when we know what we are putting into the bill is not an emergency, we are saying they don't matter, we don't care. We care more about looking good and getting some constituent satisfied than thinking about the future of these kids.

How about other areas? How about crop insurance? Do you realize that for every dollar we pay out in crop insurance, we spend over $3 in administrative fees and underwriting to insurance companies? How is that a good deal? Regardless of where you are on the farm bill, why would we do that? That is at a rate of five times what the rest of the insurance industry earns.

Who has the sweet deal here? Who has the sweet deal? It is not these kids. They don't have a sweet deal, when we are paying three times more than we should to administer a crop insurance program and not requiring farmers to participate. That is the minimum we can save—$4 billion a year—by saying you can earn the same amount of money as everybody else in the casualty insurance business, and no more. No more sweet deals for crop insurance firms. But do we do it? No. I voted wrong on one of the amendments for it. It may have been the amendment of the person sitting in the chair. But we didn't do it.

One of my favorites is the United Nations. We sent $5.3 billion last year to the U.N. and we cannot get the State Department to tell us what our total was in 2007. That was 2006. By law, they are supposed to provide that, but they don't comply. The Foreign Relations Committee won't make them comply, and the Appropriations Committee won't do it, because we don't want to know how much we send. But the American people want to know. But the Secretary of State does not want to give it to us. Our committees will not force them to do it. What do we know about that, of the leaked documents that came out looking at how money is spent? What we know is on procurement and peacekeeping that at least 40 percent of the money that is spent is wasted. Think about that. At least 40 percent is influenced through people of influence and does not ever get to what it is supposed to be doing. It never gets into the peacekeeping field. Only 60 percent of the procurement money actually ever gets to where we want peacekeeping, and yet we don't do anything about it.

We have asked for transparency at the United Nations. This body voted 99 to 1 to condition last year's money on that transparency. It went to conference, and all of a sudden for some reason that was dropped. I wonder why that happened? We thought the United Nations owed us an explanation to tell us where they spent our $5.3 billion but, in our wisdom, we did not accede to that because it might have upset the U.N. Consequently, about $1 billion a year of what we send to the United Nations is pure waste—pure waste. It goes to fraud. It goes to buy off people. It goes to not accomplishing the goals.

If we look at what we are trying to do in Darfur and the new U.N. program over there in terms of sending an interdiction force, what we know is 40 percent of the money has been wasted. It has been scavenged. It has been taken away. It is not going to make a difference in somebody's life.

It is interesting, the U.N. peacekeeping budget this year will grow from $5 billion to $7 billion, a 40-percent growth in 1 year. And of the top five contributors to the U.N. budget, which is us, the United Kingdom, France, Japan, and Germany, all of our budgets are going to grow around 6 or 7 percent. But because we do not have any transparency, we do not have any management at the United Nations, we have a spoil system and we do not have the courage in our body to hold them accountable, we are going to throw $1 billion to $2 billion of our kids' money away.

Oh, I know, we shouldn't rock the boat at the United Nations. They are the people who care about freedom in the world. It is hard to see. If they care about freedom, transparency would be one of the No. 1 things they would assure themselves.

How about another $10-billion worth of savings? We have $64 billion worth of IT contracts going on right now; $27 billion of those are on the high-risk list. In other words, we routinely lose about 20 percent of our investments in ITs. They don't ever accomplish their goals. We spend the money, and we never get anything for it. Where is the management for that program? Where is the accountability for that? It is similar to the tanker program: Give me a cost-plus program, I don't know what I want now, but I know I want something, and I will tell you as we go what I want. And so the bills start adding up. So out of the $64 billion we spent last year, $27 billion of it is questionable we are ever getting anything out of it.

Take a conservative estimate of that, which is less than what we know historically the IT oversight from GAO has told us, and we are going to lose $10 billion on programs that were not asked for right, were not managed properly or we just flat did not get what we asked for and parted our ways and threw these kids' money away.

Then there is another $17.5 billion we can save from the National Flood Insurance Program. It was created in 1968 by Congress to prevent the need for future emergency spending for large floods. It was designed to be self-supporting, to pay back any debts with proceeds from ratepayers. But what happened was, on the way to the store, the politicians got in between them. So now we have a vast majority of properties that have been grandfathered in that historically have made claims. They were built before the NFIP construction standards, and they receive premium subsidies. In the wake of Katrina, we have a one-time savings of $17.5 billion that we could have had we had that program. But where are we? We now have Gulf Coast States lobbying us that we should increase that program, except the kids I showed the picture of are responsible for that.

The other item, and I challenge all my colleagues to start talking with Federal workers about where they can save money. If you ask them, every one of them says, yes, we can save money. As a matter of fact, we can save a lot of money, but nobody is asking. As a matter of fact, the system is, if we haven't spent the money by the 10th month, we are told to spend it, we are told to spend the money because we might not get enough money next year, and if we don't spend it, then it looks like we don't need it and, therefore, our budgets will be declined. In fact, out of the $1.36 trillion we are going to spend this year, we could save 5 percent easily, 5 percent efficiency. If we can save it, if the Federal employees, the thousands with whom I have talked, are right, why aren't we saving?

Let's go down through a few more, and then I will finish.

We know if we simplify the Tax Code, either change it to a flat tax or straight tax or a value-added tax—whichever one you want, it doesn't matter—what we know is if we did that, we could get significant savings. Let me tell you how.

One is we know compliance will be better. But we also know we have a $10 billion budget for employees at the IRS that if, in fact, we could create a simpler, fairer, straighter system—you pick which kind, I don't care, value-added tax, whatever it is—that we would not need nearly that many employees and we would not spend $160 billion a year paying our taxes, which is what we pay other people outside the IRS.

We also know the IRS, for every dollar they spend investing in compliance, gets between $3 and $4 back. So somewhere between $50 billion and $100 billion out of the $370 billion that we don't get now, we can save. But we tend to want to use it for a political debate.

How about eliminating outdated and wasteful programs. Let me go through some of them. That is $18 billion. Science fiction weapons, $431 million, got nothing for it over the last 10 years, nothing for it, and we spent $431 million and got nothing.

The Coast Guard lengthened eight patrol boats through an earmark. It cost $100 million. They are all worthless now. We have to buy eight patrol boats. Somebody had a good idea.

How about excessive fuel costs? At minimum, $35 million a year, and what we know now looks like in Iraq another $12 million worth of fraud occurring in the fuel depots inside Baghdad. Another $40 million, $50 million on fuel.

How about improper travel payments at the Defense Department, $4 million a year? Security clearances—it costs us half a billion dollars a year to do security clearances because we are doing it in the Dark Ages when, in fact, for almost every other thing around this country we have developed modern systems, computer-aided IT to develop how fast and how often we can clear security items. Yet we spend half a billion, and it takes a year to get somebody cleared. We could cut that in half.

We had a wonderful earmark for polyester t-shirts for our marines. The only problem is, if their MRAP or humvee has a fire, it sticks to their skin. But we still spend $3 million on them.

How about a ferry to nowhere, 84 million bucks? We rejected the developmental boat proposed from a defense contractor in 2002, and the U.S. Navy was required to accept the project and the bid and deploy it to the seas for field engagement, even though it never proved economically worthwhile.

How about a James Bond boat, $4.5 million, three of them?

A high-altitude airship. The President knows something about this. The Missile Defense Agency did not request funding for this program. As a matter of fact, they said they canceled the program called the high-altitude airship because of capability limitations. Yet we continue to spend at least $1 million a year every year on that program because somebody wants it. Some constituent, some moneyed interest, somebody who might employ 20 or 30 people wants it. Somebody wants it, so we have to look good.

How about the American Embassy in Iraq, $592 million? We know a good 20 percent of it is pure waste. We have seen the fraud. We have seen the reports. We know what is going on there. Have we cut back the amount of money? Have we limited the amount of money on it? No. We offered an amendment and couldn't get it done.

How about USAID in Afghanistan, $5.68 billion spent for schools. In the first snow, the roofs collapsed on them. Did we do anything about it? No, we hired the contractor to do more stuff on a cost-plus basis.

How about hospital clinics that were supposedly built, except after we paid for them, the Afghanistan Government told us they didn't build them. How do we let that happen? That is us. That isn't the bureaucracy; that is us. We are letting it happen. We are allowing it.

We spend $20 billion on Federal AIDS programs and what we know is lots of it gets wasted. We know there is widespread deficiencies within the Centers for Disease Control and Prevention in the HIV prevention program. Those are not my words; that is the HHS inspector general.

Two million dollars was embezzled at the San Juan AIDS Institute. NIH is spending $120 million right now on a vaccine program. The starter of that program and the major scientists who started it said it will not work, and they are not contributing, but we continue to spend $120 million on a program everybody in science knows is not going to work, but we are doing it.

By the way, we spent $300,000 or $400,000 on HIV Vaccine Awareness Day, and we don't even have a vaccine. It is important we spend it, but we cannot get rid of it because somebody objects.

AIDS housing, millions of dollars wasted.

Here is my favorite. How about $1 million paid to dead farmers? A billion, I am sorry, a billion dollars paid to dead farmers for their crops. They are dead. We are continuing to pay them, up to 15 years some of them. It is the only program you can continue to collect after you are dead, and yet we have an Agriculture Department that allows that to happen.

How about this—this is great—the National Park Service centennial celebration. We are going to spend $100 million in a time when our deficit is $607 billion, our debt $10 trillion, and our unfunded liabilities are $7 trillion, and we are going to spend $100 million to celebrate our national parks? That doesn't pass the smell test. Nobody is sitting around their dinner table tonight saying if we are ever in the kind of shape we are in, we ought to be doing that.

How about $100 million for the conventions that we did under emergency funding? We spent $100 million, everybody's money, for each city so we could have the conventions in Denver and Minneapolis.

The other interesting thing about the national parks is it doesn't turn 100 until 2016, 8 years from now, but we are going to spend the money.

How about a $30 billion subsidy to Amtrak? Amtrak started with a subsidy and was supposed to get better. We continue to not hold them accountable. How about a $244 million subsidy for food on Amtrak? Maybe we want to continue to have Amtrak. Maybe it is worth it to us to have a $1.5 billion subsidy every year on Amtrak. I would agree with that. Maybe that is the right priority. But should we be subsidizing a quarter of a million dollars a year for people's food on Amtrak? But we are.

Other items—essential air service to small communities that are within driving distance of another community, we are going to spend $110 million this year. How about the fact that we are going to pay Federal employees $250 million to ride the transit? Nobody else in this country gets paid to ride the transit. Nobody else gets their transit bills paid. But Federal employees, we are going to take a quarter of a billion dollars every year, and we are going to say to some of the best paid, best benefited workers in the country that we are going to give you a quarter of a billion dollars in subsidy so you will ride the transit. Well, economics will tell them to ride the transit. The American taxpayer shouldn't do that.

Well, I am wearing thin, I know, my colleagues, and so I will stop and enter into the RECORD the remaining 50 pages of examples I have of stupidity for which we are responsible. The real important thing to keep in mind, if you have been listening to this, is that we are on an unsustainable course, that, in fact, a child born today is going to inherit something different from what we did. We inherited opportunity. They are going to inherit debt. We inherited a leadership and a heritage that says you sacrifice for the next generation. They are going to inherit a legacy that says you kick the next generation in the teeth.

Everything I have outlined today is something we could have controlled, we as Members of the Senate, but we are so busy doing earmarks that we don't do any oversight. Now, what I just outlined to this body is what my staff has discovered in 3 years. Think what would happen if all of us were aggressively oversighting every agency of the Federal Government. Think how efficient it would be. Think how much waste wouldn't be there. Think about what a great deal we would be doing for these kids.

America expects us to tighten our belt. They expect us to do what they are having to do right now. They are tired of our wasteful spending, they are tired of our earmarks, and they are tired of our bridges to nowhere. We better listen. There is a rumble, and if we don't listen, it is our own fault that we will continue to decline in esteem in front of the American people. We will have well earned it.

So the next time somebody says they want to raise your taxes, ask them how much of that they got rid of before they do it. We don't have a shortage of money. We have a shortage of courage. We have a shortage of character. We have a shortage of intensity to solve the real problems that are facing this country. And until we tackle this, we should not say one thing to anybody in this country about increased taxes. It is morally reprehensible, it violates our oath, and most of all, it does great damage to our country.

I ask unanimous consent that the examples that I referred to be printed in the RECORD.

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

Homeland Security Funds for Fish Fries and Spaghetti Dinners

Indiana homeland security officials warned one county in 2006 to stop using electronic emergency message boards to advertise fish fries, spaghetti dinners and other events. Homeland Security, which bought the 11 signs for $300,000, said the county could risk losing Federal money. The Newport Chemical Depot, which is considered a potential terrorist target, is located in the same county in western Indiana. In the case of an evacuation, the signs could flash routes for drivers to take. The message boards also could be used during floods or other natural disasters. Using them for ads violates federal rules and could dull the public's attentiveness to the boards, said the executive director of the Indiana Department of Homeland Security.

Department of Homeland Security Grants

There isn't a training program out there that DHS doesn't like to fund. Overlap and duplication abounds within FEMA's office of Grants and Training and the multiple grant programs it manages that fund counter-terrorism training for State and local first responders. One of these programs, the Demonstration, Training, Grant Program, has received $63.6 million from 2004 to 2007 and has awarded 29 grants ranging from $750,000 to $6.5 million. However, despite this considerable investment by the American taxpayers, as of 2007, none of the training programs developed using Demonstration Training Grant funding have been deployed for use. In addition, some of the programs appear to duplicate other training programs provided both within DHS and with counter-terrorism training programs provided through other Federal agencies. Even the Administration saw that continuing to fund this program was a waste of money. The President did not request funding for the Demonstration Training Program in fiscal years 2007 and 2008 yet Congress chose to continue funding the program, giving it $30 million in 2007 and $28 million in 2008.

DHS—Customs and Border Protection Request a Shopping Trip

The Department of Homeland Security recently requested that a training conference be located within walking distance of a major shopping center. According to a solicitation notice from the Department of Homeland Security Customs and Border Protection (CBP), the federal agency ''desires a hotel located within walking distance of (or short courtesy van trip) a major shopping mall which includes multiple significant department stores and/or the Tanger Outlet mall (near exit 213), for the convenience of the participants/guests'' of an upcoming training conference. The notice also states that ''Contractor shall provide/or assist with local transportation to/from local eateries and shopping, within the surrounding areas of Contractor's establishment, to include major mall and/or Tanger Outlet Mall.''

Interoperable Communications Grant Programs

There are currently two identical grant programs in the federal government that fund interoperable communications, with one housed at the Federal Emergency Management Agency within DHS, and the other at the Department of Commerce. The Interoperable, Communications Grant Program operated by FEMA was created in 2007 and authorized to spend 3.3 billion, while the Public Safety Interoperable Communications Grant Program at Commerce was created in 2005 and authorized to distribute $1 billion. Both programs are identical in every possible way except for their authorized funding levels and the Departments in which they are located. To further highlight the duplication, it should be noted that the Department of Commerce contracted with FEMA to administer its program, meaning both identical programs are being administered by the same agency. Various public safety organizations commented that having two identical programs simply created confusion and wasted resources. A Coburn amendment was filed last year to combine both programs by eliminating the Commerce program and adding it's funding to the FEMA program, but the amendment was voted down by the full Senate.

KATRINA

Katrina Waste

FEMA's Individuals and Households Program (IHP), provides direct assistance (temporary housing units) and financial assistance (grant funding for temporary housing and other disaster-related needs) to eligible individuals affected by disasters. A September 2006 Government Accountability Report found that management of the IHP program in response to Hurricanes Katrina and Rita resulted in as much as $1.4 billion in improper and potentially fraudulent payments due to invalid registration data. In addition, duplicate payments were made and FEMA lacked accountability for the debit cards (each with a $2,000 spending amount) that were given to disaster victims. Examples of abuse included the purchase of a $200 bottle of Dom Perignon champagne at a San Antonio Hooters restaurant, payment for divorces, a sex changes operation, luxury handbags, a Caribbean vacation, professional football tickets, and adult entertainment. And because of FEMA's notoriously bad financial controls and reporting after Hurricanes Katrina and Rita, these are likely only a fraction of the total cost of mismanaging this program.

MISCELLANEOUS

Abraham Lincoln Bicentennial Commission

The Commission was authorized in FY 2002 to create education programs, public forums and arts projects to provide an opportunity to re-examine what it means to be American in the 21st century finding unity in our diversity. ''The Bicentennial commemoration of his [Lincoln's] life and legacy will be a bright beacon to completing our nation's 'unfinished work.''' The Bicentennial celebration will culminate in a Washington DC ''Bicentennial Birthday Gala'' with a ''world class concert and entertainment special'' in DC with ''nineteenth century popular and patriotic music'' being performed by ''outstanding military bands.'' The Birthday Gala will be followed by a Lincoln Memorial Rededication with a ''memorable public program.'' Additionally, a Joint Meeting of Congress will take place in the U.S. Capitol's Statuary Hall. After a keynote address by a political leader or ''senior Lincoln historian'', guests will proceed to lunch at the library. So far, all the planning and arranging of these and other national activities has cost the American taxpayer $2.95 million.

Inspector General Investigation of an Employment Training Grant

The inspector general for the Department of Labor issued a scathing report in February 28 highlighting more than $11 million in improper expenditures by the Consortium for Worker Education (CWE). The grant for CWE was issued to provide employment services to participants and employers impacted by the events of September 11, 2001. According to the inspector general, ''CWE reported it registered 24,195 enrolled participants, but only documented 20,513 registered participants of which 366 were ineligible and 115 were missing support documentation.'' Labor department investigators also found that ''Federal requirements were not followed when charging costs to the grant'' and that four out of five of the program's reported outcome measures could not even be audited. The inspector general also noted that it may be forced to recover $13 million from the grant if CWE does not adequately justify its expenditures and accounting methods.

NOAA's Totally Bogus Taxpayer Funded Birthday Bash

In June 2007, the National Oceanic and Atmospheric Administration (NOAA) announced that it planned to spend scarce taxpayer resources on a ''200 year anniversary celebration.'' The announcement was especially odd given that NOAA was only 37 years old at the time. According to the department's website, ''[T]hroughout the year, NOAA will be hosting an array of events around the country to celebrate the agency's 200-year history.'' Events listed included a Washington, D.C. gala, a reception for .members of Congress, a festival and concert at Hawaii's Waikiki beach park, outreach at the Iowa State Fair, and other activities. Oddly enough, the department's website also stated that ''during 2000, NOAA celebrated its 30th anniversary as a federal agency[.]'' A series of costly celebrations were also held that year in honor of the ''anniversary.'' According to NOAA, the total cost of the bogus 200th birthday bash was nearly $1.6 million.

Low-Income Legal Aid Wasted on Chauffeurs, Lavish Meals and Foreign Trips

A 2006 investigation of the Legal Services Corporation by the Associated Press found that the agency's executives wasted taxpayer money on chocolate desserts, $400 chauffeured rides to locations within cab distance from their offices, and luxury office space in ''Washington's tony Georgetown district.'' Although the Legal Services Corporation, which was created to provide legal assistance to low-income Americans, turns away half its applicants for lack of resources, it still found plenty of ways to spend money on lavish items. In one instance, the agency's board members even gave themselves meal allowances that doubled the amounts given to other staff. Other extravagant expenditures found by the Associated Press include a $59 three-entrée buffet, an $18 breakfast featuring scrambled eggs with chives, a $28 deli buffet, and $14 ''Death by Chocolate'' desserts. Total cost?

EPA Grant for a Caribbean Shopping Trip

In 2007, the inspector general for the Environmental Protection Agency (EPA) found that the agency spent $356,012 to send Philadelphia high school students on a shopping trip to the U.S. Virgin Islands. According to the trip agendas, the U.S. students were to take a kayak tour, attend a lecture, and visit a camp in the Virgin Islands. The agency spent $261,590 to pay for students in the Virgin Islands to travel to Philadelphia. The inspector general wrote in its report on the grant that ''[t]he U.S. students also visited Coral World Ocean Park and resort locations, while both groups took shopping trips.'' Although the grant was supposed to promote environmental stewardship, a majority of money for the grant (52 percent) was spent on travel, and less than half the time of the trips was spent on environmental-related activities. The grant was also used to purchase 128 computers that met only general education needs that were not even part of EPA's mission.

Smithsonian Director

According to an investigation by the Washington Post, the director of the Smithsonian Museum of the American Indian spent $250,000 in taxpayer money on ''first-class transportation and plush lodging in hotels all around the world, including more than a dozen trips to Paris.'' A separate investigation found that another top Smithsonian official accumulated nearly $90,000 in unauthorized expenses between 2000 and 2005. His expenses included ''charges for jet travel, his wife's trip to Cambodia, hotel rooms, luxury car service, catered staff meals and expensive gifts.'' The Smithsonian inspector general found that a few months after this Smithsonian head took office, he stopped filing the required monthly documentation ''for administrative ease.''

Government Printing Office, Daily Printing of the Congressional Record

The Government Printing Office prints approximately 5,600 copies of the Congressional Record for each day Congress is in session. This cost the American taxpayer over $6.5 million annually. Of the 5,600 copies printed daily, over 1,400 are distributed to House offices, Committees and post offices, over 1,500 are distributed to Senate offices and Committees, and the remaining copies are distributed to various sources, including federal agencies and federal depository libraries all at the taxpayers' expense. The daily Congressional Record is available online and previous Congressional Records are available online dating back to 1989. Instead of accepting that we live in an increasingly paperless world and stopping the wasteful printing of the Congressional Record, we would rather just continue big spending as usual by throwing millions of dollars and tons of paper in the waste basket.

ECHO Center

$97,000 was appropriated in the 2008 Omnibus for the ECHO Center in Burlington, VT, for education regarding the Lake Champlain Quadracentennial. According to its Website, the ECHO Center, also known as the Ecology, Culture, History, and Opportunity at the Leahy Center, is a lake aquarium, science center, and community resource. Its purpose is to ''educate and delight people about the Ecology, Culture, History, and Opportunities for stewardship of the Lake Champlain Basin.'' To complete the ECHO center, a $14.5 million ten-year fundraising campaign was necessary. According to its Website, more than half of the funds for this campaign came from the federal government. The Lake Champlain Basin Science Center—the non-profit organization that runs ECHO—listed a total of more than $12 million in assets at the close of the 2005 fiscal year and has received more than $4.4 million in federal grants since 2000—including more than $600,000 last year. It is expected that the quadracentennial will bring in revenues of up to $133 million. In light of these estimates why is further federal investment outside of the competitive bidding process for an educational exhibit regarding this special event necessary? The fact that numerous other educational and heritage-related initiatives already exist, or are being pursued on the state and local level makes this request for additional federal funds unnecessary and duplicative. Given that the ECHO center has already spent over $7 million in federal taxpayer funds on national priorities such as becoming the first LEED-certified building in Vermont, and offering a waterplay space for kids to build dams and float boats, and that its net assets total more than $12 million, the federal taxpayer may be forgiven for thinking this is a poor investment of federal funds.

DOT—Museum of Glass

In FY 2006, Congress gave $500,000 to the Museum of Glass in Tacoma, Washington. The mission of the museum is to provide a dynamic learning environment to appreciate the medium of glass through creative experiences, collections and exhibitions. The museum showcases works by internationally known artists who illuminate trends in contemporary art, highlighting glass within a full range of media. The Museum of Glass has featured exhibits in Mining Glass, which showcases the work of eight internationally distinguished contemporary artists working with glass, as well as Czech Glass from the 1945–1980 period. The museum also features live glassmaking in the Hot Shop Amphitheater and dining in the Gallucci's Glass Café.

Beach Nourishment for Imperial Beach and other Beaches

An earmark included in the Water Resources Development Act of 2007 authorized $8.5 million for current beach nourishment for Imperial Beach in Southern California and federal funding for periodic beach nourishment every ten years for a period of 50 years for an estimated cost of $20,550,000 in federal funds. Such ''nourishment,'' however, is not essential and does not merit siphoning funds away from higher priority Corps projects, such as protecting the thousands living in the Sacramento valley who are still at risk of catastrophic flooding. The White House Statement of Administration Policy urged eliminating funding for beach nourishment in WRDA and President Clinton also sought to discourage federal beach nourishment projects. Adding sand to beaches, at best, provides a temporary fix to local erosion concerns that could potentially lead to property damage and encourages risky development and construction along shorelines at federal taxpayer expense. The $1.2 billion wasted through beach restoration federal appropriations from 1995–2005 could have been spent on other federal priorities or gone to pay off our growing national debt.

Wake Ferry, WA

$1.54 million was appropriated in the 2008 Omnibus for the Kitsap Transit, Rich-Passage Wake Impact Study. ''[This] study . . . is working to finalize the design plans and specifications for a high speed passenger ferry service between Bremerton and Seattle. The funding will be used to study the response of the sands and gravels on the beaches along the route through Rich Passage, biological monitoring and analysis, financial feasibility analysis and public outreach including a website and newsletter. The funds will also include the use of an existing foil assisted catamaran to simulate actual operating conditions of a designed boat so that potential impacts, if any, can be assessed and appropriate measures can be taken to protect the shoreline.'' In total $7.79 million has been appropriated for this study along with $4 million for earmarks for a ''low-wake, passenger-only ferry.'' Both of these projects have been almost entirely federally-funded during a time when the Kitsap Transit Authority moved into a new 45,000 sq. ft office and retail complex that offers stunning water and mountain views. Not to worry, though, they can be assured that their taxpayer dollars have created the ''lowest-wake boat in the world'' when it hits the water. While environmentally-friendly high-speed ferries may be convenient and provide greater economic opportunities for certain communities, they are not national priorities and should not be funded by federal taxpayer dollars until more pressing national infrastructure concerns are addressed.

Bangor Waterfront, ME

$262,500 was earmarked in the 2008 Omnibus for development of the Bangor Waterfront Park on the Penobscot River for the city of Bangor, ME. Federal funding for developing this waterfront exceeds $4.5 million through various earmarks, grants, and contracts. ''The park will be the centerpiece of Bangor's waterfront destination for local and regional populations and out-of-state tourists alike. It will provide several venues for outdoor performances including the American Folk Festival. The park will complete long-term efforts to acquire, clear, remediate, and redevelop Bangor's historic waterfront.'' Playgrounds, a fitness area for adults, a trail system, and a picnic area are things that the community is expecting to see on the waterfront. These regional desires, however, should not be prioritized over national infrastructure needs like deficient federal bridges.

Chesapeake Buoy

$446,500 was appropriated in the 2008 omnibus for an interpretive buoy system along the Captain John Smith Chesapeake National Historic Trail. The purpose of the buoys is to ''promote awareness of the Bay's condition, and to support the stewardship efforts of educators, trail users, government, and civic organizations dedicated to the preservation of the Bay and its natural environment.'' This buoy system will ''mark'' the newly created John Smith National Water Trail on the Chesapeake Bay. The ''water trail'' is the first entirely water-based National Historic Trail. The recipient of this earmark is the Conservation Fund of Arlington, Virginia; and other partners of this project include the National Geographic Society, the Chesapeake Bay Foundation, Sultana, Verizon, and others. The Conservation Fund is listed as having net assets totaling more than $275 million and has received over $23 million in federal funds since 2000, according to FedSpending.org. The Chesapeake Bay Foundation, which has encouraged the creation of this NPS trail, boasts just under $70 million in net assets and had a revenue surplus of $7 million in 2005 alone. The National Geographic Society reported an income of $531,595,929 with over $45,000,000 in profits and total assets of $1,127,705,462 in 2005. Promoting tourism in the Chesapeake Bay and increasing understanding of the historic voyages of Captain Smith are well intentioned goals but are clearly not urgent, federal priorities. Likewise interactive buoys may be innovative ways to educate tourists and visitors about the Bay and Captain Smith's voyages, but they are inessential extravagances. Fortunately, the organizations that are heading up this effort, including the recipient of the earmark, have sufficient financial assets to ensure the continuation of this project.

Earmarks for relatives

According to a recent investigation by USA Today, in 2006 ''lobbying groups employed 30 family members to influence spending bills that their relatives with ties to the House and Senate appropriations committees oversaw or helped write.'' 2006 appropriations bills contained $750 million for projects championed by these lobbyists. Of the 53 relatives or former top aides to lawmakers on the powerful appropriations committees working at lobbying firms last year, 30 lobbied the legislator or the legislator's top aide for appropriations that the Member oversaw. Of those 30, 22 succeeded in their quest to insert specific earmarks in appropriations bills. That incredible rate of success—almost 75 percent—explains why lobbyists with personal ties to Members have been in high demand. Projects procured with the help of such lobbyists have included $1.5 million for an underground facility in a cavern that would be used to protect financial information, $2 million for an earmark not requested by the Department of Defense for a company that produces armor products that gave nearly $11,000 to the sponsor of the earmark, $1.28 million to widen a road near an upscale shopping center the earmark's sponsor helped to develop, and the creation of a fish marketing board that has received tens of millions in federal earmarks and whose initial chairman was related to the earmark sponsor. Ethics rules that do not prohibit this clear conflict of interest that borders on the corrupt enable such wasteful and inappropriate spending to occur at the cost of the American taxpayer.

ITBC

The InterTribal Bison Cooperative's (ITBC) bison restoration program has received $8.2 million in federal earmarks since 2000. ITBC seeks to ''restor[e] buffalo to Indian Country, to preserve [the Indian] historical, cultural, traditional and spiritual relationship for future generations.'' ITBC members also claim that ITBC enables Native Americans to eat more buffalo meet, which is healthier than other forms of meat. President Bush has repeatedly attempted to eliminate this program because it is not central to the Bureau of Indian Affairs (BIA) core missions or responsibilities. BIA has concerns with the management of the program, as of the roughly $4 million in funding appropriated in 2006, less than $1 million was directed to individual tribal projects. Specifically, out of the almost $4 million funded by taxpayers, only $859,180 was distributed to 15 tribes for bison projects. A total of $3,127,782 was left for ITBC administration and technical assistance; meaning that for every one dollar allocated to the ITBC, 27 cents went to bison projects. Furthermore, despite an increase in funding of $1,786,962 in for fiscal year 2006, only an additional $30 was allocated to bison projects (previously spread among 21 tribes). These funds would be better spent on providing necessary Indian health services. More than $8 million has been wasted on this program.

HUD—International Peace Garden

The Fiscal Year 2008 appropriations bill for the Department of Housing and Urban Development (HUD) included a provision directing $450,000 to renovate facilities at the International Peace Garden in Dunseith, ND. The International Peace Garden is a 2,339 acre botanical garden on the U.S. and Canadian borders of North Dakota and Manitoba, created in 1932 as a symbol of friendship between the two nations. According to the garden's website, ''Reflecting pools and dazzling colorful floral displays of over 150,000 flowers splash across the grounds of the Formal Garden's terraced walkways.'' While the International Peace Garden center may stand a symbol of the friendship between the United States and Canada, renovation is not essential, especially when it is estimated there are 700,000 homeless persons living in the U.S. According to HUD's website: ''HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.'' Nearly half a million dollars for facility renovations to the International Peace Garden does not appear to advance this mission.

Cleveland-based Head Start provider accused of pocketing $7.5 million for poor children it did not serve

Head Start is a national program that promotes school readiness by enhancing the social and cognitive development of children through the provision of educational, health, nutritional, social and other services to enrolled children and families. A recent state audit accused a Cleveland-based Head Start provider of pocketing $7.5 million for poor children it did not serve. The audit, says the Ministerial Day Care Association was paid for 5,162 children in 1998 through 2000, but could only document serving 3,415 youngsters. It's the second major finding against the Ministerial Day Care Association, which was accused in a 2002 state audit of wrongly collecting $3.8 million in taxpayer dollars. The State no longer funds the agency, but the group still collects Federal Head Start money as well as funding from the Council for Economic Opportunity in Cleveland, Ohio.

Duplication—Early Education

In 2000, the Government Accountability Office published a report titled, ''Early Education and Care: Overlap Indicates Need to Assess Crosscutting Programs.'' The report identified duplicative programs providing education or care for children under the age of 5. The GAO report found 69 early education programs administered by 9 different agencies. GAO revisited this report in 2005, and found that the landscape of federal programs remained largely the same as in 2000. Five years after the original GAO report warned that a large number of programs creates the potential for inefficient service and difficulty accessing services, GAO found 69 early education programs exist, the same number as in 2000, but the programs are now administered by 10 different agencies. During the 5 years between GAO reports, 16 programs were removed from the list, and 16 were added back.

HHS—Four Federal Agencies Sponsor Conference at Walt Disney World

A three-day, expense-paid trip to Walt Disney World Resorts sound like a dream vacation—but it's not. It's research, according to four federal agencies who sponsored a conference in Orlando, Florida. The 2007 Academy Health Research Meeting was held at the Walt Disney World Swan and Dolphin resort in Orlando, Florida. The posh resort boasts ''an environment of elegance and opulence'' featuring ''the beauty and tranquility of waterways and tropical landscaping.'' Federal sponsors included the Agency for Healthcare Research and Quality (AHRQ), the Centers for Medicare and Medicaid Services, the National Center for Health Statistics, and the Health Services Research and Development Service of the Department of Veterans Affairs.

USDA—Goose Poop Cleanup

For 3 consecutive years (Fiscal Years 2004 through 2006) Congress has appropriated money for the ''Goose Control Program.'' The Goose Control Program uses humane methods to stop Canadian geese from ruining parks and fields in New York. Canadian geese in Long Island, NY pose a year- round problem, destroying golf courses, parks and fields at important public facilities. The Goose Control Program partners with ''GeesePeace,'' an organization using environmentally-safe and non-lethal methods to reduce the number of geese and redirect them away from public places.

USDA—Imiloa Astronomy Center in Hawaii

Last year, Congress gave NASA $1.5 million to fund the Imiloa Astronomy Center. The Imiloa Astronomy Center is located on a nine-acre campus above the University of Hawaii-Hilo, and according to the website, features interactive exhibits, planetarium shows, group tours, a store and a cafe for visitors to explore the connections between Hawaiian cultural traditions and the science of astronomy. The center was formerly called the ''Mauna Kea Astronomy Education Center'' and has received more than $30 million in federal funding since FY 1999.

USDA—Subterranean Termite Research

The Department of Agriculture gives funding to scientists to develop and implement alternative methods to control and prevent termite damage to homes and other structures. The scientists devise and test control methods that are consistent with public health and environmental safety in warm weather states. Supporters argue that with increasing environmental concerns, especially ozone depletion due to fumigation control methods, as well as concerns for public health and safety, there is a continuing need to develop safe methods to control this devastating pest.

The National Science Foundation

The National Science Foundation is an independent federal agency created by Congress in 1950 to promote the progress of science. With an annual budget of about $6.06 billion, NSF is the major source of federal backing in many fields such as mathematics, computer science and the social sciences. The NSF website features the ''Discoveries'' made possible with NSF funding and support, including:

Helpful Robot Alters Family Life: Robotic vacuums are warming their way into homes and even taking on a personality for some families.

The Smell of Money: Research suggests an absence of metallic chemicals in the strong metallic odors that result from people handling coins and other metals.

Company Name Influences Stock Performance: Easy to pronounce names perform better in stock markets.

Monkey Business: The discovery of capuchin monkeys in the wild using stones as nutcrackers may tell us something about the monkeys' ingenuity, and more about ourselves.

The Implications of Making Care-Giving Robots Lifelike: Robots designed to help the elderly may be given the ability to interact in human-like ways but what are the implications of doing this?

Advanced Technology Program

The Advanced Technology Program (ATP) was created in 1988 to increase our country's global competitiveness by investing in businesses and ideas that could not attract private investment. Instead of promoting successful business initiatives, however, the program quickly became a vehicle for wasteful corporate welfare. For example, such struggling small businesses as GE, IBM, and Motorola have received hundreds of millions of dollars from this federal program. A Government Accountability Office study of the program even found it ''unlikely that ATP can avoid funding research already being pursued by the private sector[.]'' And according to the Program Assessment Rating Tool developed by the Office of Management and Budget, ATP does not address a specific need and is not even designed to make a unique contribution. Between 1990 and 2004, the program spent over $2 billion on various investments of dubious value. Last year, instead of addressing the core problems within the federal program, Congress just chose to tinker around its edges and give it a new name.

HHS—Head Start

The Head Start program was established in 1965 to promote the school readiness of low-income children. In 2005, GAO issued a report that raised concerns about the effectiveness of the Department of Health and Human Services (HHS) Administration for Children and Families' (ACF) oversight of about 1,600 local organizations that receive nearly $7 billion in Head Start grants. The report found that among other program risks, ACF made limited use of financial reports and audits to ensure that all grantees effectively resolved financial management problems. ACF had also made little use of its authority to terminate grantees that did not meet program requirements and fund new grantees to replace them. A GAO report released just last month found that ACF has not undertaken a comprehensive assessment of risks to the federal Head Start program, despite the 2005 recommendation. The report stated, ''In light of federal budget limitations and increasing expectations for program accountability, ACF's ability to demonstrate effective stewardship over billions of dollars in Head Start grants has never been more critical.''

Working for America Institute

The Department of Labor's Working for America Institute (WFA) was originally funded through the Workforce Investment Act in 1998 which revised job training laws and set up systems of local and state ''Workforce Investment Boards.'' WFA and other organizations were funded across the country to help the new Boards develop their capacity to implement WIA. The Department of Labor phased out the capacity building programs in 2003 after they determined that the Boards had enough capacity and experience with WIA implementation and that funding should instead go to actual service delivery for job training programs. DOL also found that the assistance provided by WFA was duplicative and less effective than similar programs already funded through DOL's Employment and Training Administration which has the primary mission of administering federal job training programs. Despite the duplication and ineffectiveness, WFA received $3.5 million in Congressional funding from 2004–2007.

Small Business Child Care Grants

This brand new program directs the Secretary of Health and Human Services to establish grants to assist states in providing funds to encourage the establishment and operation of employer-operated child-care programs. The program is unnecessary and duplicative. HHS already administers the Child Care and Development Fund which consists of two block grants totaling more than $5 billion annually available to States for providing child care to low income workers. Additionally, states can transfer funds from their TANF block grants for child care assistance. In FY06 States transferred more than $1.8 billion from TANF for child care and could have transferred even more since States left $2.15 billion unspent in their TANF accounts. Another HHS program available to states for various purposes including child care assistance is the Social Services Block Grant. Child care assistance routinely ranks in the top 5 uses for the grant with states spending about $1.7 billion annually on child care assistance. Despite the billions of HHS grant dollars already available and utilized by States for child care assistance, the Small Business Child Care Grant program was funded by Congress at $5 million in 2007.

Dwight D. Eisenhower Memorial Commission

The Commission was authorized in FY2000 to create an enduring Eisenhower National Memorial in the nation's capital. The Commission selected a site for the Memorial and won Congressional approval in 2006. The memorial site is near the Department of Education which was originally created by Ike within the ''Department of Health, Education and Welfare'' which later split into HHS and Department of Education. The Commission's next step is to select a design for the memorial. Since 2000, Congress has allocated $6.35 million to the still unfinished project.

Community Development Block Grants. The Community Development Block Grant, or CDBG, program is a $3.87 billion program housed at the Department of Housing and Urban Development. CDBG transfers federal funds to certain local governments for broad uses such as housing, so-called ''economic development'' activities, social services, and infrastructure. CDBG has insufficient accountability, ambiguous goals, untargeted funding and no standardized outcome indicators. The CDBG formulas used to disperse the funding have not been updated since the late 1970's. As a result, many wealthy communities receive 3–4 times more CDBG funds per capita than many poor communities. As one example of unfair targeting, in 2005, Temple, TX had an average $20,000 per capita income and received $15 per capita in CDBG funds. Meanwhile, wealthy Oak Park, IL averaged $36,000 per capita income and received $39 per capita from the program. Portions of CDBG are used by Appropriators to carve out earmarks for things like aquariums, speed skating rinks, ski chalets, whitewater rapid training centers, boat houses and parking garages. Since 2005, the total cost of these earmarks ranged from $180 to $350 million. During the past 3 years, the Inspector General has audited a miniscule number of CDBG grantees and yet found more than $100 million in waste, fraud and abuse of CDBG funds. If the Inspector General had the resources to comprehensively audit the program, the total waste and abuse of funds could be many times greater.

TV Converter Box Coupon Program. The Department of Commerce TV Converter Box Coupon Program was established in 2005 to help people pay for the equipment they would need to keep their televisions working once all broadcast signals convert to a digital format next year. Starting in January of this year, every household in America became eligible to request up to two $40 coupons from the Dept. of Commerce to pay for converter boxes for their televisions. Columnist George Will, outraged by Congress' willingness to turn television into an entitlement, dubbed the provision that created this program the ''No Couch Potato Left Behind Act.'' Ironically, the $3 billion that was authorized for this program came out of the ''Deficit Reduction Act,'' though it will do nothing but add to the deficit. Even though the administration is only requesting $130 million for FY2009, this program is wasteful in any amount because it uses taxpayer money to pay for private television use at a time of deficit spending.

Official Time for Unions. Federal employees are allowed under current law to do union work while on the clock for their federal government job—this is known as ''official time.'' Between 2002–2004 federal employees consumed 13.6 million hours of official time to do union work, which is equivalent to more than 6,500 full-time work years over that time. Incidentally, there are numerous reports of federal employees who do no work for their employing agencies at all, but are paid entirely to work on behalf of their union. The estimated cost of paying federal employees to do union work over just those three years is about $300–$400 million. This means that taxpayers who might not support the political aims of federal unions are being forced to subsidize their operations on a massive scale. While the Administration started collecting government-wide statistics for official time in 2004, official time has remained stubbornly in place and is badly in need of being addressed by the Congress. Ideally, federal employees would be limited in their ability to do union work no more than 10% of the time, though even that seems far higher than is reasonable.

Additional Examples of Fraud Waste and Abuse of Taxpayer Dollars 2008

National Science Foundation grant money misspent to purchase Waverunner, Widescreen TV, season tickets to football games, a $1,900 frozen-drink-machine, and holographic lighted palm trees. Federal agents recently searched the home of a former Georgia Tech employee who is accused of ringing up more than $316,000 in personal charges on her state-issued credit card, using grant money from the National Science Foundation, federal documents charge. The former administrative coordinator bought more than 3,800 items, including a Waverunner personal watercraft, a wide-screen television, and items ranging from season tickets to Auburn University football games in Alabama to a $1,900 frozen drink machine and holographic lighted palm trees. She also bought an electric double wall oven, dishwasher and high priced Henckel knives for her kitchen. She charged air conditioning units for her RV and had hundreds of packages shipped to her Marietta home, charging thousands of dollars at Web sites such as Amazon.com and Nordstrom. The staggering number of purchases went unnoticed until August 2007, when a tipster contacted the Georgia Tech Department of Internal Auditing, according to the search warrant.''

Local and national taxayers suffer due to poor oversight over D.C. Health Safety network $129 million annual program. The District of Columbia launched the D.C. Healthcare Alliance in 2001. The program, which faced a $40 million deficit last year, provides free care to D.C. residents who earn too little to afford private insurance but too much to qualify for Medicaid benefits, and has a budget this year of $129 million. Lax oversight over the program has opened the door to costly fraud, critics of the program have said. A new audit details the complete failure of the D.C. government to prevent outsiders from ripping off a health care program financed by city taxpayers that is designed to provide a safety net for the city's poorest. One audit finding showed that eleven District addresses, not including homeless shelters, accounted for 271 Alliance members, and another 216 addresses accounted for 1,866 members. The auditor also found that 16,720 of 63,167 Alliance data records contained no Social Security number, which may be explained by a large number of illegal immigrants in the program. The alliance costs the District $212.21 per member per month, meaning local and federal taxpayers are out 1 million a year for every 400 people who scam it. In 2008, $3.9 million come from federal tax dollars.

Ohio Association of Chiefs of Police unit told to halt spending association misspent tens of thousands of Homeland Security grant dollars on services such as lawn care, window washing and pest control. Taxpayers have a right to expect that the millions of dollars from their pockets spent to bolster state's homeland security efforts will have concrete results. Instead, one state agency misspent more than $182,000 in 2005. According to a recent Inspector General report, ''A state agency has ordered the Ohio Association of Chiefs of Police to stop spending homeland security money while a federal auditor reviews allegations of misspending.'' A state audit found the chiefs association has misspent tens of thousands of federal dollars on such services as lawn care, window washing and pest control, and has continued to fail to document hundreds of other costs. The chiefs association was awarded $7 million a year in 2004, 2005 and 2006, tripling a budget that had been used to train officers and develop crime-fighting programs. The state Emergency Management Agency found incomplete records and irregularities for each of the three years the unit was awarded funds.

2007

Centers for Disease Control (CDC) can't find $22 million in equipment. More than $22 million worth of scientific equipment and other items is missing from the CDC, raising ''troubling issues'' about the Atlanta-based agency's ability to manage its property, according to members of a congressional oversight committee. There were 5,547 items of property, worth more than $22 million, unaccounted for at CDC as of February 22, 2007.

CDC funded Hollywood to help write TV Shows with millions from taxpayexs.

CDC has spent $2.01 million—and plans to spend up to $250,000 in FY08—to fund a Hollywood liaison to help TV shows like ''General Hospital,'' ''The Young & The Restless,'' and ''24'' with their fictitious storylines. CDC used $51,500 in CDC terrorism funds for the Hollywood liaison program. Based on CDC data, the agency spent approximately $6,000 per TV episode consultation. CDC's media affairs office could field questions from the entertainment industry and free up millions in CDC funds for health and biosecurity needs.

NIH paying $1.3 million monthly for unused lab as vibrations still an issue at new Baltimore facility. The federal government has begun paying millions of dollars in rent for a new medical laboratory facility in Southeast Baltimore, but federal scientists, who were supposed to relocate there a year ago, are still months away from moving in. The National Institutes of Health expects it will take three more months to determine whether vibration problems with the building have been fixed and whether all scientists who were supposed to transfer there will be able to. The Sun reported last year that the agency and many researchers feared the vibrations would skew results of sensitive microscopes and other lab equipment. The $250 million building, called the Biomedical Research Center, is on the Johns Hopkins Bayview Medical Center campus. The building has been promoted as a state-of-the-art facility for research programs on aging and drug abuse, and is a cornerstone for redevelopment in the Southeast Baltimore neighborhood. Last month, NIH began paying more than $1.3 million a month in rent and upkeep.

Feds Spending Thousands of Taxpayer Dollars on Social Networking Sites.

Most federal agencies maintain websites publicizing their mission, work and outreach. Some press reports estimate the number of federal websites to be in the range of 20,000. Apparently the proliferation of websites promoting U.S. government federal agencies and their work is not enough. Some agencies, such as the Centers for Disease Control (CDC) at the Department of Health and Human Services, the National Aeronautic and Space Administration (NASA) and the National Oceanic and Atmospheric Administration (NOAA) at the Department of Commerce are looking towards social networking sites as a new publicity front. NOAA has spent 25,000 for publicity on Care2 networking site to promote 2008 as the ''International Year of the Reef'' and hosts ''virtual island'' on the Second Life site.

Over $100 million in fraud is found in the Federal Employee Health Program.

The Inspector General for the Office of Personnel Management (OPM), the federal agency that administers health benefits for government employees, found that the health benefits program was defrauded of $106 million by participating providers. According to the OIG report, the fraudulent spending came as the result of medical companies overcharging the government or arranging kickback schemes to promote the use of their products. OPM recovered $97 million from a large settlement with one such company, and the largest case resulted in a $155 million settlement from Medco Health Solutions, which provides mail order prescriptions and related benefits to federal employees. The company settled a complaint that it paid kickbacks to health plans to gain their business, took money from drug manufacturers to favor their drugs and destroyed prescriptions to avoid penalties for delays in filling them.

NASA's 4-Star parties cost taxpayers millions as agency pays $4 million a year for resort parties to honor some employees and lots of NASA contractors. On the same day NASA got an emergency $1 billion in extra appropriations from the Senate, and former astronaut and Senator Ben Nelson (D–NE) said, ''Right now we're at a critical point because NASA has been starved of funds,'' NASA put out a bid request for a four-star hotel for its December awards ceremony that will cost taxpayers between $400,0001 and $500,000. A NASA spokesman sat down with CBS News and didn't think the event was frivolous or extravagant. In fact, instead of asking taxpayers if the resort parties should be a priority, he told CBS, ''I think what I would do is ask the people who we have honored to give me an idea if they think this thing was reasonable, if they felt they were honored properly.'' NASA holds such a party every time there's a shuttle launch, for what CBS estimates is about $4 million a year. This December's event will be the third of 2007. Amazingly, when asked by CBS News if NASA was told to cut their party money in half, its spokesman said, ''If we were told that we had to reduce it I think we would reduce the number of honorees rather than trying to go to a poor place or a place that doesn't have good service.''

Snacks Take Big Bite Out of DOJ Budget.—''double-dipping'' for meal reimbursement by DOJ employees increases cost to taxpayers. An internal Justice audit showed the department spent nearly $7 million to plan, host, or send employees to 10 conferences over the last two years. This included paying $4 per meatball at one lavish dinner and spreading an average of $25 worth of snacks around to each participant at a movie- themed party. The report, which looked at the 10 priciest Justice Department conferences between October 2004 and September 2006, was ordered by the Senate Appropriations Committee. It also found that three-quarters of the employees who attended the conferences demanded daily reimbursement for the cost of meals while traveling—effectively double-dipping into government funds. The audit did not compare Justice's conference costs to those at other government agencies.

Pentagon paid $998,798 to ship two 19-cent washers as little oversight lead to blatant abuse of system. A small South Carolina parts supplier collected about $20.5 million over, six years from the Pentagon for fraudulent shipping costs, including $998,798 for sending two 19-cent washers to an Army base in Texas, U.S. officials said. The company also billed and was paid $455,009 to ship three machine screws costing $1.31 each to Marines in Habbaniyah, Iraq, and $293,451 to ship an 89-cent split washer to Patrick Air Force Base in Cape Canaveral, Florida, Pentagon records show.

Untold Millions, Spent on Repetitive ''Bullying'' Programs in Multiple Federal Agencies? One program, HRSA's ''Stop Bullying Now'' was estimated to cost $6.5 million in 2 years. In 2004, the Health Resources and Service's Administration (HRSA) through the Health and Human Services Administration (HHS) launched the program Stop Bullying Now. The extensive website includes a ''stop bullying now jingle,'' 12 games (''Bully-wood Squares,'' connect the dots to reveal the bully, (etc), 12 ''animated webisodes'' featuring characters that ''just might remind you of people you know.'' (see illustration) along with a promise to ''post a new one every couple of weeks,'' along with advice and letters from HRSA's bullying ''experts,'' Senorita Ortega and Mr. Bittner. CNN reported in 2003 that HRSA's bullying program would cost $3.4 million. However, in a response to a July 2006 congressional request, HRSA reported that $6.2 million had been spent since the establishment of the program, almost double the amount of the original estimation. The program was not enumerated in HRSA's 2007 or 2008 budget justifications submitted by the agency to Congress.

Comic Capers at NIH. Congress doubled funding for the National Institutes of Health (NIH) over the past decade. While we haven't discovered a cure for cancer yet, the agency does provide you the opportunity to create and print your very own Garfield comic strips.

$61.7 million in federal AIDS funds went unspent that could have been used to treat patients on AIDS drug waiting lists. An HHS OIG report reveals that bureaucratic inaction at the Health Resources and Services Administration (HRSA), not a lack of federal resources, has contributed to the patient waiting lists for AIDS drugs. ''HRSA did not use the offset authority provided by the CARE Act and HHS grants policy to manage States' unobligated balances. . . . By doing so, HRSA would have had available a larger amount of current-year funding to address program needs. For example, the offsetting option might have been useful in grant year 2002, when 10 States had unobligated Title II balances totaling $61.7 million and 8 States had no balances or small balances and a documented need for additional resources. HRSA stated that it had opted against using the offset authority provided by the CARE Act.

Over $45 million in Title I Ryan White CARE Act funds unspent over 5 year period while AIDS patients wait for drug assistance. The Health and Human Services Inspector General issued a review of unspent Ryan White CARE Act Title I funds (AIDS care grants provided to 51 metropolitan areas in the U.S.) and found that 46 eligible areas carried over more than $45 million in unspent federal funds from two to five years beyond the original budget period between 1999 and 2003. During this period, there were hundreds of patients on waiting lists for AIDS Drug Assistance Programs throughout the country. A number of patients on these waiting lists died in South Carolina, Kentucky and West Virginia.

The Washington Post reported that NIH was paying an employee $100,000 a year to do nothing. According to the article, ''NIH Scientist Says He's Paid To Do Nothing: Agency Denies Administrator's Surreal Situation of Collecting $100,000 Salary for No Work,'' every weekday at 6.30 a.m., Edward McSweegan climbs into his Volkswagen Passat for the hour-long commute to the National Institutes of Health. He has an office in Bethesda, a job title—health scientist administrator—and an annual salary of about $100,000. What McSweegan says he does not have—and has not had for the last seven years—is any real work. He was hired by the National Institute of Allergy and Infectious

Diseases in 1988, but says his bosses transferred the research grants he administered to other workers eight years later, leaving him with occasional tasks more suitable for a typist or ''gofer.''

Letter for Stimulus Rebate Checks. The recently passed stimulus package will provide rebate checks to 130 million households. Before those checks are issued, though, the Internal Revenue Service will send a letter out to each household that will get a rebate check to inform them that the check is on the way. Unfortunately, the cost of sending these pre-rebate letters will be $42 million once the costs are tallied for postage and printing. The letter will not contain the actual rebate, but will merely explain that the stimulus package was passed and what a citizen should do with the check once they receive it. It is not clear why this information could not be provided with the actual check at its time of arrival, leading some to think that the letter serves no higher purpose than to give Congress and the President a pat on the back. Surely, there could be a better use for the $42 million—like giving it back to taxpayers.

Senate Restaurants. The Senate Restaurants, which is overseen by the Architect of the Capitol, operates the Senate cafeterias, catering services, snack shops, vending machine and the Senate Members Dining Room. A recently GAO audit found that the American taxpayers have covered the Senate restaurants' $2.36 million operating losses during the last two combined fiscal years. The operating loss rose from $1.02 million in 2006 to $1.34 million in 2007. After taking in just over $10 million of revenues in 2007, being $1.34 million in the red translates into a 13.4% operating loss for the Senate Restaurants. No business could operate in the private sector with these kinds of losses but this is the kind of waste that we are seeing all throughout the federal government. Prompted, the recent GAO audit, the Senate Committee on Rules and Administration is now seeking an outside vendor to take over operations of the Senate Restaurants.

Unneeded Federal Buildings. The federal government currently owns 21,000 buildings that it says it no longer needs, which are all together worth $18 billion. At the Department of Energy alone, the unneeded property is equivalent to three times the amount of square footage in the Pentagon—the largest building in the world. Unfortunately, the rules and regulations in place make it nearly impossible for federal agencies to sell these buildings in a timely manner on the open market. According to the rules, before an agency sells a property it is required to conduct extensive reviews to determine if the property could be used to meet some public benefit, such as a homeless shelter, school, airport runway or path for telephone wires. If a determination is made that the property could be used in this way, after a process that can take years, it is then available to be given away at no cost to an applicant. In the years that these rules have been in place, 30,000 properties have been required to undergo these reviews, but only a fraction of a percent of have ever been given away. Unfortunately, because all properties are required to undergo this process there is a tremendous bottle-necking effect, preventing agencies from selling unneeded properties. This hurts agencies in two ways: first, it means that agencies are deprived of the money that they could earn by selling the property, and second, it means that agencies are required to pay for upkeep of buildings they don't need. Instead of allowing these properties to be sold on behalf of taxpayers, Congress has chosen to keep the rules in place and wasted the opportunity to make $18 billion.

2010 Decennial Census. The 2010 Decennial Census will use a six-question survey to count every person in the country, as required by the Constitution for apportioning the House of Representatives. The Census Bureau has recently estimated that the overall cost of the census would be $11.8 billion, which is nearly double what was spent to conduct operations in 2000. More recently, though, we have found out that the Bureau has so grossly mismanaged a $600 million contract for handheld computers that cost overruns as high as $2 billion are possible. Most of this cost would be the result of needing to abandon the handheld computers in favor of conducting the census entirely by paper. Due to the recent revelations, the Government Accountability Office has placed the 2010 Census on its High Risk List, which is reserved only for the most problematic programs in the federal government.

Mr. COBURN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. SANDERS. Mr. President, let me begin by commending my friend from Oklahoma, who I think makes some very important points. There is no question that there is an enormous amount of waste and fraud and abuse in this Government. There is no question, in my mind, that Congress has not been vigilant enough in rooting out that waste and fraud to the tune of billions and billions of dollars.

I would simply say that while it is absolutely appropriate to condemn the Congress, it is also important to note that we have an administration in this city, in Washington, DC, and the function of an administration is to administer. That means that when there is waste and fraud, you have an administration that should also be on top of that situation. And I think of the many failings of the Bush administration, which, in my view, will go down in history as one of the worst in our country's history—clearly their overall incompetence will be one of those areas people will focus on.

The second point I would make—and I see my friend from Oklahoma has left—is that he is absolutely right that a $9.2 trillion national debt is unsustainable. But one of the areas I don't believe he mentioned in terms of driving up that national debt is the war in Iraq.

Now, we can have a great debate about the wisdom of that war. I voted against it when I was in the House. I think we should bring our troops home as soon as possible. But right now, we are not on the war, we are on the budget. And the question regarding the budget is, For all those people who support the war, why don't you pay for the war now rather than forcing our kids and grandchildren to pay to the tune of $150 billion a year? And some say the cost of this war eventually will run into the trillions of dollars. So all of those people who talk about fiscal irresponsibility refuse not to pay for the war.

I was reading a book about Dwight David Eisenhower, and in the book it points out that during the Korean war, Truman imposed a surtax on people's personal income tax and an excess-profits tax in order to pay for the war. I don't see the advocates of the war in Iraq coming forward and saying: We don't want to leave that burden of $150 billion a year to our kids and grandchildren, so we are going to come up and pay for it now. I didn't hear my friend from Oklahoma raise that issue.

I hear other people coming to the floor and they say: Well, we have this tremendous national debt, and they have pictures of the kids, and yet they propose to completely eliminate the estate tax, which over the course of 20 years will cause us a loss of $1 trillion. How is that going to be paid for? Oh, I guess we don't have to pay for it. I guess we can just pass that on to the kids. So I think that some of our friends who talk about fiscal responsibility might, in fact, want to pay for this war today, not pass it on to future generations. And when they are talking about giving huge tax breaks to the wealthiest people in this country, let them understand that is all they are doing, is driving up the national debt so that our kids and grandchildren will be forced to pay for that.

We are in the midst of a debate about the budget, and as you know a budget is a lot more than just numbers; it reflects the values and the priorities of our Nation. And when we look at what is going on in this country, as important as a $9.2 trillion national debt is, it is not the only issue of importance. What is also important is to understand today what is going on in terms of the needs and the lives of middle-class and working people.

One of the realities we do not talk about very much today is that poverty in America is increasing. In fact, since President Bush has been in office, almost 5 million more Americans have joined the ranks of the poor. That is part of the Bush economy. We now have almost 36.5 million Americans who are living in poverty. Many of these people are working, and they are working 40 or 50 hours a week, but they are making 8 bucks an hour, they are making 7 bucks an hour, and they are just not making enough money in order to lift themselves out of poverty. In fact, the United States of America today has the highest rate of poverty of any major nation on Earth, and that is an issue which we should address here in the Senate.

When we are talking about Americans living in poverty, we are not, of course, just talking about adults. Tragically, we are also talking about children. I know our President and many others talk about family values. Well, this is not a family value. Under President Bush's administration, since he has been in office, 1.2 million more children are now living in poverty, and we have almost 13 million kids in this country who live in poverty. That is not a family value. That is a national disgrace. As a matter of fact, the United States has the dubious distinction of having the highest childhood poverty rate in the industrialized world.

I hear some of my friends coming to the floor to compare this or that aspect of American society or our tax policy with Europe and other countries. Well, I think it is important that we look at this chart—how we treat our children.

What this chart shows is that Finland, Norway, and Sweden all have childhood poverty rates of less than 5 percent. Switzerland, Belgium, Austria, France, Denmark, and Germany all have childhood poverty rates of less than 10 percent. The Netherlands has a childhood poverty rate of slightly more than 10 percent. But in the United States of America, the childhood poverty rate is 21.9 percent, or more than double that of France, Germany, Austria, or the Netherlands.

Now, why is that an important fact? It is important, obviously, that the children are vulnerable; that as adults, we are responsible for the children and we are failing those children. But it is also important to note that we have, as a nation, more people behind bars, incarcerated, than any other nation on Earth, including China. And if anyone thinks there is not a direct correlation between high poverty rates for kids and kids who mentally drop out of society, get involved in self-destructive activity at young ages, and then end up in jail, you would be kidding yourself. And the issue here is whether we address this crisis of 21 percent of our kids living in poverty, whether we provide for those kids or, 15 or 18 or 20 years later, whether we lock them up at $50,000 a pop.

There have been recent discussions about the economy, whether we are in a recession or entering a recession. But the truth is, despite President Bush's assertions, this economy has been a disaster for middle-income and working families from day one. Since President Bush took office in 2001, median household income for working-aged Americans has declined by almost $2,500. That is what we call the collapse of the middle class. Over 8½ million Americans have lost their health insurance. That is what we call the disintegration of the health care system in America. Three million workers have lost their pensions. And the idea of a defined pension program is increasingly becoming ancient history. More and more workers are wondering what is going to happen to them when they retire, and the idea that there will really be a defined pension program for them when they retire, that is not something most workers, especially younger workers, believe.

The annual trade deficit since President Bush has been in office has more than doubled, and over 3 million good-paying manufacturing jobs have been lost. The price of gas at the pump and home heating oil has more than doubled, while ExxonMobil made $40 billion in profits last year—more than any company in the history of the world. That is $3.20 for a gallon of gas, which working people in Vermont can't afford. Workers in Vermont often travel long-distance to and from work. And $40 billion in profit for ExxonMobil. Home foreclosures, of course, are now the highest on record. Meanwhile, while the middle class is shrinking and poverty is increasing, the wealthiest people in this country have not had it so good since the 1920s.

My friend from Oklahoma mentioned that there are issues we just don't talk about, and he has a point. But one of the issues we don't talk about in this body—for pretty obvious reasons, to my mind, because who pays for the campaigns around here—is the growing disparity, the outrageous disparity of income and wealth in this country.

What this chart shows is that the wealthiest 1 percent of the population now owns 34 percent of the Nation's wealth, while the bottom 90 percent owns only 29 percent of our wealth. That is here.

So what you see is the richest 1 percent owns more wealth than the bottom 90 percent. Is that what America is supposed to be about? Is that the kind of society we want? There is a lot of discussion that takes place on the floor of the Senate, in the House, about the economy. But at the end of the day, when you look at the economy, what is important, most important, is not economic growth, not GDP, what really is most important is what is happening to the average person.

You can have all of the growth you want, and you can see ordinary working people experiencing a decline in their real wages. You can see a lot of wealth being created, but it does not mean a whole lot to ordinary people if most of that income and wealth is going to the people on top.

The bottom line is that in the economy there are winners and losers. It is very clear that in the economy today, the middle class is losing. Lower income people are being decimated while the upper income people have never had it so good.

I know my friends in the Senate on both sides of the aisle—I speak as an Independent—hesitate to talk about that issue. But it is imperative that we do talk about it. Let me go to another chart.

This chart talks about the economy in terms of how different groups are doing. This chart shows that the wealthiest 1 percent saw its total income rise by $180,000 in 2005 or more than what the average middle-class family makes in 3 years. This is the rise in income, not what they make; this is just their increase.

So the wealthiest 1 percent are doing phenomenally well. That is on average. That is a pretty good year, on average, seeing an increase of $180,000 in the year 2005. This is according to the Congressional Budget Office.

Meanwhile, the average middle-class family received a $400 increase. That is that small little box down here, an increase in annual income in 2005.

CBO also found that the total share of aftertax income going to the top 1 percent hit the highest level on record, while the middle-class and working families received the smallest share of aftertax incomes on record.

So when people understand in their gut that what is happening is the middle class is shrinking and the rich are getting richer, well, that is what it is about. That is the fact. That is precisely what is happening in America.

In addition, according to Forbes magazine, the collective net worth of the wealthiest 400 Americans—400 Americans, that is not a lot of people—increased by $290 billion last year, increased by $290 billion to a total of $1.5 trillion. Not only have the wealthiest 400 families, the richest 400, seen an increase in their wealth, their combined income has more than doubled from 2002 to 2005.

At the same time, the average income tax paid by the wealthiest 400 Americans has fallen from 30 percent to 18 percent. That is not BERNIE SANDERS, that is according to the Wall Street Journal. The reason the average income tax for the wealthiest people who are making astronomical sums of money, why that has been cut in half, is mainly due to Bush's tax cuts, according to the Wall Street Journal.

The middle class is shrinking, poverty is increasing, and the wealthiest people have not had it so good since the 1920s. That is an overview of the state of our economy.

Now, why do I raise these issues? I raise these issues because if we truly do not understand what is going on around our country in the lives of ordinary people, people who cannot afford to fill up their gas tank, cannot afford a college education for their kids, cannot afford childcare, cannot afford to take care of their parents, if we do not understand that reality, it is pretty hard for this body to make good public policy.

The question then is, what do we do? What do we do? Well, President Bush gave us his answer in his budget. What President Bush, in his budget, said is, at a time when the richest people in America are becoming richer, what should we do? Well, let's give them even more tax breaks. That makes a lot of sense to the richest people in America and George W. Bush.

And what did he say to the poorest people in America? Well, poverty is increasing. There is a level of desperation going on in this country that we have not seen in many years. So at a time when poverty is increasing, what do we do? Well, according to George W. Bush, you cut back on the aid and programs that help low-income and middle-income people. That is precisely what Bush's budget was about; one of the more absurd documents that I have ever seen in my life.

Fortunately, that budget has been placed where it belongs; that is, in the garbage can. We are now debating a much different budget, a budget that is far better, the budget that we have before us. I am proud to be a member of the Budget Committee, working with Chairman CONRAD, on a far better budget than the President's budget.

But, in my view, we can make improvements on it. We can do better than the budget we are now debating. To that regard, I will be introducing an amendment, and I want to thank the Presiding Officer for being one of the cosponsors of that amendment.

Let me very briefly talk about that. It seems to me, as we look at some of the trends that we should be addressing in this budget, at least three come to mind. No. 1 is the middle class is declining, No. 2 is our children are suffering, and No. 3 is that we have, among other things, a major infrastructural crisis in this country.

It is my view that we need a budget which will address some of those issues. I am very proud I will soon be introducing an amendment which is being cosponsored by Senators CLINTON, DURBIN, KENNEDY, HARKIN, SCHUMER, MIKULSKI, and BROWN.

This amendment is a pretty simple one. It puts the needs of our children, it puts the needs of our working families and people with disabilities and senior citizens ahead of the wealthy few.

At a time when our Presidential candidates in both parties are talking about change, change, and change, at a time when the American people overwhelming understand that it is imperative that we move this country in a different direction, this amendment can begin the process of change right here in the Senate, and, in fact, change our national priorities.

The choice the Senate will have in terms of this amendment is a pretty simple one: Do we continue to give tax breaks to the very wealthiest people in this country, people who have never had it so good, or do we invest in our children, our working families, and those people who are in need?

What this would do is restore the top income tax bracket to 39.6 percent for households earning more than $1 million per year. Those are the only people who would be affected. And we would use that revenue to begin to address some of the most urgent, unmet needs of our children. We would address the issue of job creation; we would address the issue of deficit reduction.

Now, 99.7 percent of Americans would not be impacted by this tax change, only the top three-tenths of 1 percent would see their income tax rates go back to where they were during the Clinton administration when few would deny that the economy was far stronger than it currently is.

According to the Joint Tax Committee, restoring the top income tax brackets for people making more than $1 million to what it was in 2000 would increase revenue by about $32.5 billion over the next 3 years, including $10.8 billion in 2009 alone.

So here is the choice. We can continue over a 3-year period to give $32.5 billion in tax breaks to the top three-tenths of 1 percent, people who economically are doing phenomenally well today, or we can invest it in the people in our country and use some of that for deficit reduction.

What could we do with $32.5 billion? Well, let me tell you. We could, as our amendment does, expend $10 billion for the Individuals with Disabilities Education Act; that is, special education.

Over 30 years ago, the Federal Government made a promise that it would fund 40 percent of the cost of special education. Unfortunately, today we only spend about 17 percent of the cost of special ed. I know in Vermont—I do not know about Ohio, but I can tell you that in Vermont, in school district after school district, property taxes are going up. And one of the reasons is the very high cost of special ed. You are seeing more and more kids coming into the system who have special ed needs.

Educating those kids is very expensive. The Federal Government has not kept its promise in adequately funding special ed. So it is the local property tax payers who have to pick up the cost. By putting $10 billion more into special ed, not only can we help people stabilize their property taxes, but we can pay more attention to the kids with special ed needs. And both of those goals, to my mind, are goals that we should strive for.

This amendment would also increase Head Start funding by $5 billion over the next 3 years. After adjusting for inflation, Head Start has been cut by over 11 percent compared to fiscal year 2002. Meanwhile, less than half of all eligible children are enrolled in Head Start, and only about 3 percent of eligible children are enrolled in Early Head Start. This amendment would begin to correct this situation.

What Head Start is about is what its title indicates. What we have known for a very long time is the most important intellectual and emotional years of a human being's life are their earliest years. If kids are not exposed to books and they are not exposed to ideas and they are not learning how to socialize and they do not have good emotional development, those kids are going to go off in a bad direction. And what Head Start was about, and what Head Start has been successful about, is giving kids the opportunity so that when they get into kindergarten and first grade, those kids will then be in a position in which they can learn effectively and can socialize well with their peers.

Head Start works. The problem right now is that it is inadequately funded, and millions of families simply cannot get into this very good program.

In addition to funding special education and Head Start, my amendment would also provide a $4 billion increase for the childcare development block grant. One of the issues that we very rarely discuss in the Senate but that every working family with young children knows is a major crisis in America is the lack of availability of childcare, affordable, quality childcare.

How many millions of kids are now being minded by untrained people and being stuck in front of a television set for 8 hours a day? And what an unfortunate circumstance that is for our little kids, especially at a time when most women work and are entitled to good quality childcare. This amendment would provide funding to help do that.

This amendment would also provide a $3.5 billion increase to the Food Stamp Program. Hunger in America—I know you know, Mr. President, because you and I are working on an issue to address this—is increasing. Food pantries are running out of food. That should not be taking place in this country. So what we do is add $3.5 billion more to the Food Stamp Program.

In my State of Vermont, it gets pretty cold. That is true in many other States. Meanwhile, the price of home heating oil is soaring. You have many people who are having a difficult time paying their heating bills. This amendment would increase the very successful Low-Income Home Energy Assistance Program, often called LIHEAP, by $4 billion.

The bottom line is nobody in America should go cold in the winter.

Furthermore, this amendment would provide $3 billion for school construction. There are kids who are going to schools that are outmoded. They are decrepit. They are not energy efficient. We can create a lot of good jobs. We can improve the quality of education by building modern schools and upgrading the schools that currently exist. We put $3 billion into that.

Finally, at a time of record-breaking deficits, this amendment would reduce the deficit by $3 billion.

I am happy to inform my colleagues that this amendment has been endorsed by over 50 groups, including the AFL–CIO, AFSCME, the National Education Association, Children's Defense Fund, the American Federation of Teachers, Easter Seals, the YWCA, the National Head Start Association, the SEIU, and the National Organization for Women.

Let me quote from a letter I received from all of these groups:

> The economic downturn is creating crisis for parents who work hard but struggle to afford nutritious meals as food prices escalate; to pay for energy for their homes and fuel for their cars; to pay for child care so that they can work; and to assure that their young children receive the building blocks of a solid education to prepare them for the future. Programs that assist in meeting these needs have been cut significantly in recent years, while tax breaks for millionaires have soared. Your amendment addresses these needs. . . .We are urging the Senate to adopt your fiscally responsible amendment to address the pressing needs of working families while restoring greater progressivity to the tax system.

The choice is clear. We can provide $32.5 billion in tax breaks to millionaires and billionaires who don't need it or we can begin to meet the unmet needs of our children. That is what this amendment is about. I look forward to the support of my colleagues, not just in passing this amendment but in beginning the process of moving this great country in a very different direction.

I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:30 a.m., Wednesday, March 12, 2008.

Thereupon, the Senate, at 8:52 p.m., adjourned until Wednesday, March 12, 2008, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate:

MISSISSIPPI RIVER COMMISSION

WILLIAM CLIFFORD SMITH, OF LOUISIANA, TO BE A MEMBER OF THE MISSISSIPPI RIVER COMMISSION FOR A TERM OF NINE YEARS. (REAPPOINTMENT)

REAR ADMIRAL JONATHAN W. BAILEY, NOAA, TO BE A MEMBER OF THE MISSISSIPPI RIVER COMMISSION.

AFRICAN DEVELOPMENT BANK

MIMI ALEMAYEHOU, OF THE DISTRICT OF COLUMBIA, TO BE UNITED STATES DIRECTOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS, VICE CYNTHIA SHEPARD PERRY, TERM EXPIRED.

THE JUDICIARY

KIYO A. MATSUMOTO, OF NEW YORK, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF NEW YORK, VICE EDWARD R. KORMAN, RETIRED.

CATHY SEIBEL, OF NEW YORK, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK, VICE RICHARD CONWAY CASEY, DECEASED.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. MITCHELL H. STEVENSON

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be rear admiral (lower half)

CAPT. SCOTT A. WEIKERT

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be rear admiral (lower half)

CAPT. BRUCE A. DOLL

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be rear admiral (lower half)

CAPT. STEVEN M. TALSON

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be rear admiral (lower half)

CAPT. MARK J. BELTON
CAPT. NICHOLAS T. KALATHAS

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be colonel

LONNIE B. BARKER
GERALD S. HENRY
HARRY P. MATHIS III
SCOTT A. OFSDAHL
JERRY P. PITTS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be colonel

SUSAN S. BAKER
DONALD COLE
JOHN L. FLYNN
DAVID W. GARRISON
LORN W. HEYNE
JOSEPH C. KENNEDY
RACHEL H. LEFEBVRE
JOHN M. LOPARDI
DONALD T. MOLNAR
WILLIAM D. PARKER
DAVID W. PFAFFENBICHLER
PORTIA A. PRIOLEAU
ROBERT F. ROCCO
JAIME L. ROSADO, JR.
JIMMY L. STERLING
RICHARD N. TERRY
TIMOTHY VALLADARES
KIRSTEN F. WATKINS
JON C. WELCH

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be major

DAVID A. BARGATZE
GWENDOLYN M. BEITZ
VICKI A. BELLEAU
JOHN W. BELLFLOWER, JR.
ROBERT E. BEYLER
MICHAEL R. BIBBO
MICHAEL A. BURNAT
MECHEL A. CAMPBELL
MICHAEL D. CARSON
THOMAS P. CONDIE
GARRETT M. CONDON
CHAD W. COWAN
TIMOTHY M. COX
JEREMIAH P. CROWLEY
SUANNE M. CROWLEY
JUSTIN R. DALTON
DEANNA DALY
JOHN A. DANIELS
JEREMY K. DAVIS
JOSEPH E. FOURNIER
COREY G. FULLMER
BRYON T. GLEISNER
JEFFREY L. GREEN
JARED L. GRIMMER
TROY D. HAMMON
JOHN C. HARWOOD
TROY S. HEAVENER
CHRISTINA M. JIMENEZ
ERIC M. JOHNSON
MICHELLE M. KASPEREKSAID
CYNTHIA T. KEARLEY
CHRISTY J. KISNER
LAURA L. LAMPMAN
STEVEN G. LOERTSCHER
JEFFERSON E. MCBRIDE
MICHAEL D. MCCOY
ROGER A. MCILLECE
ERIC P. MERRIAM
RYAN D. OAKLEY
RICHARD S. OBRIEN
ANTHONY D. ORTIZ
LYN T. PATYSKIWHITE
KRISTINA D. PENTA
TRINH W. PETERSON
DERIC W. PRESCOTT
ELIZABETH D. PULLIN
BRYAN O. RAMOS
THEODORE T. RICHARD
ASHLEY K. RICHARDS
CLAYTON D. RICHTER
JASON S. ROBERTSON
ELLIOT R. SELLE
TODD I. SHUGART
JEANETTE E. SKOW
STEVEN J. SMART
MICHAEL R. SUBERLY
SHAWN C. TABOR
LAUREN M. TORCZYNSKI
DAVID M. TUCKER
JAMES D. VOLTZ
PATRICIA S. WIEGMANLENZ
RICHARD A. WILLIAMS
MATTHEW D. WINFREY
LANCE J. WOOD
AARON E. WOODWARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be major

CHRISTIAN L. BISCOTTI
RICHARD B. BLACK
KIM L. BOWEN
MICHAEL R. CURTIS
STEVEN T. DABBS
JEFFREY D. GRANGER
JAMES A. HAMEL
RANDALL W. JAMIESON
SCOTT A. JOBE
DWAYNE A. JONES
DAVID W. KELLEY
MARTIN L. KING
ALAN G. MADERA
BRIAN E. MCCORMACK
ANDREW G. MCINTOSH
MICHAEL D. MYERS
MICHAEL S. NEWTON
ARTHUR T. PAINE
JAMES L. PARRISH
JASON E. PETERS
JAMES F. RICHEY
TIMOTHY S. ROSENTHAL
JOHN W. SHIPMAN
ROBERT A. SUGG
DANIEL W. THOMPSON
WILLIAM K. THORNTON
JONATHAN H. WADE
DANIEL K. WATERMAN
BARRY K. WELLS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

MARK E. ALLEN
TERESA H. BARNES
ROBERT F. BOOTH
JEFFREY BRANSTETTER
ROBERT C. BURTON
DAVID M. CUNNINGHAM
BRETT W. DOWNEY
JEFFREY A. FERGUSON
MICHAEL W. GOLDMAN
DARREN C. HUSKISSON
DIANA L. JOHNSON
JOSHUA E. KASTENBERG
MICHAEL A. LEWIS
CHARLOTTE M. LIEGLPAUL
TRACEY Y. MADSEN
BRYAN T. MARTIN
TODD E. MCDOWELL
MARTIN T. MITCHELL
IRA PERKINS
DEAN N. REINHARDT
NATALIE D. RICHARDSON
THOMAS A. ROGERS, JR.
DEREK S. SHERRILL
JOHN D. SMITH
CYNTHIA B. STANLEY
ERIK A. TROFF
RACHEL E. VANLANDINGHAM
REBECCA R. VERNON
MATTHEW S. WARD
BRYAN D. WATSON
PATRICK J. WELLS
ERIC J. WERNER
LYNNE A. WHITTLER
CHARLES E. WIEDIE, JR.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

KERRY M. ABBOTT
WALTER W. BEAN
KEVIN W. CODY
KENNETH G. CROOKS
KELVIN G. GARDNER
MICHAEL W. HUSFELT
RANDALL E. KITCHENS
KEITH D. MUSCHINSKE
RICHARD P. NOVOTNY
KENNETH A. REYES
SAMUEL T. RORER III
JERRY E. SATHER
DENNIS A. SAUCIER
JAMES D. TIMS
TIMOTHY T. ULLMANN
RICHARD M. WARNER
CARL W. WRIGHT
WILLIAM F. ZIEGLER III

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

RICHARD T. BROYER
MELANIE C. CARINO
MELISSA L. CHECOTAH
JASON D. EITUTIS
PATRICIA D. FOWLER
SABINA C. GARRETT
JOHN F. GINNITY, JR.
KEITH A. HIGLEY
MICHAEL R. HOLMES
RANDALL C. LAMBERT
PATRICK A. MARTINEZ
MARK R. MEERSMAN
JOSELITO C. MENESES
SEAN P. MURPHY
ROBERT M. PAZ
KATHY PFLANZ
RICHARD K. SMITH
SCOT S. SPANN
MARVIN W. TODD
ANDREA C. VINYARD
THOMAS E. WILLIFORD
BRYAN E. WOOLLEY
BRIAN K. WYRICK

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

JOHN T. AALBORG, JR.
DAVID W. ABBA
SHANE L. ABRAHAMSON
TERRENCE A. ADAMS
LANCE K. ADKINS
TIMOTHY W. ALBRECHT
MARSHA L. ALEEM
KRISTAL L. ALFONSO
PAUL A. ALFONSO, JR.
ROBERT E. ALLARD
GREGORY S. ALLEN

DAVID W. ALLGOOD
LUCIANO H. AMUTAN
STACEY L. ANASON
BRET D. ANDERSON
CAROL D. ANDERSON
GREGORY J. ANDERSON
JASON ANDERSON
MARK C. ANDERSON
RESTI Z. ANDIN
THOMAS P. ANGELO
RONJON ANNABALLI
BRIAN S. ARMSTRONG
SERENA A. ARMSTRONG
BRIDGETT S. ARNOLD
SAM ARWOOD
WILLIAM B. ASHWORTH
MATTHEW D. ATKINS
JAMES B. AUSTIN
JOHN C. AYRES IV
ROY C. BACOT
EWING M. BAILEY
TIMOTHY D. BAILEY
GREGORY C. BAINUM
DONALD E. BAKER III
JARVIS R. BAKER
VALERIE K. BAKER
KENNETH E. BALKCUM
JAMES G. BANDS V
RAYMOND M. BARBEN
ZACHERY C. BARBER
ROBERT S. BARKER
THOMAS E. BARNETT
MARK A. BARRERA
SHANE A. BARRETT
KEVIN J. BASIK
CURTIS R. BASS
BRADLEY S. BAUGH
BRIAN M. BAUMANN
MICHAEL J. BEACH
W. B. BEAUMONT
BARRY N. BEHNKEN
WILLIAM D. BELEI
BRENT D. BELL
WILLIAM S. BELL
KENNETH J. BELMEAR
MATTHEW P. BENIVEGNA
CHRISTOPHER L. BENNETT
EARL R. BENNETT, JR.
JORGE E. BENNETT
TIMOTHY M. BENNETT
SHERI G. BENNINGTON
DAVID M. BENSON
JOSEPH T. BENSON
TODD D. BERGE
CHRISTOPHER J. BERGSTOL
TODD M. BERRIER
JON F. BERRY
CAROL A. BEVERLY
MICHAEL D. BIORN
WENDY S. BIRCH
BRADLEY C. BIRD
BYRON K. BIROTTE
ARNO J. BISCHOFF
DAVID M. BISSONNETTE
JEFFREY A. BLACKMAN
STEVEN R. BLAIR
JONATHAN N. BLAND
RAYMOND W. BLANEY
DEBORA L. BLOOD
JASON J. BOCK
HARLIE J. BODINE
KARL B. BOEHLE
JEREMY S. BOENISCH
BRIAN J. BOHENEK
CHRISTOPHER A. BOHN
JUSTIN W. BOLDENOW
CHARLES D. BOLTON
JOHN S. BOMMER, JR.
PETER M. BONETTI
THOMAS A. BONGIOVI
DARIN G. BOOTH
UNES A. BOOTH
SEAN L. BORROR
MICHAEL BORYS
RANDY L. BOSWELL
JOSEPH G. BOUCHARD, JR.
THOMAS G. BOUSHELL
WILLIAM D. BOWMAN
TREVOR J. BOYKO
BENJAMIN L. BRADLEY
SHAWN P. BRADY
RICHARD D. BRANAM
JOSEPH D. BRANDS
SUZANNE E. BRAUNSCHNEIDER
BRADLEY E. BRIDGES
JOHN T. BRINER
TAB A. BRINKMAN
JEFFERY L. BROOKS
KEVIN D. BROOKS
STEPHEN R. BROOKS
PATRICK A. BROWN
PAUL M. BROWN
WILLIAM W. BROWNE III
ERIK J. BRUCE
EMILLE M. BRYANT
WILLIAM D. BRYANT
KEITH E. BRYZA
KEVIN L. BUDDELMEYER
DARWINA S. BUGARIN
AARON D. BURGSTEIN
KAREN M. BURKE
BRIAN D. BURNS
JEFFREY B. BURRELL
JASON P. BUSH
LEE A. BYERLE
ROBERT R. CADWALLADER II
SCOTT A. CAIN
WILLIAM T. CALDWELL
ROBERT S. CALLIHAN
RENEE N. CAMPBELL
SCOTT C. CAMPBELL
MANUEL M. CANINO
SEAN J. CANTRELL
LARRY D. CARD II
KEVIN P. CARLSON
ROBERT W. CARNEAL IV
TRENT R. CARPENTER
DOUGLAS T. CARROLL
MARCUS D. CARTER
JOHN J. CASEY IV
KENNETH W. CHALOUX
STEPHEN P. CHAMBAL
RHETT D. CHAMPAGNE
CAMILLE Y. CHANDLER
DAN J. CHANDLER
JENNIFER V. CHANDLER
ERIC D. CHAPITAL
BRIAN K. CHAPPELL
MICHAEL A. CHARECKY
RAVI I. CHAUDHARY
JULIAN C. CHEATER
DANE J. CHRISTENSEN
GLEN E. CHRISTENSEN
TERRY L. CHRISTIANSEN
MARK D. CINNAMON
GEORGE T. CLARK
ADRIAN N. CLARKE
JOHN C. CLAXTON
STACY M. CLEMENTS
DONALD W. CLOUD
GERALD M. CLOUSE
FRANCIS A. CLOUTIER IV
PATRICK CLOWNEY
SCOTT S. COBURN
ALICE A. COFFMAN
DALE L. COFFMAN
BRANNEN C. COHEE
JERAME COHEN
DAVID A. COLANGELO
OMAR S. COLBERT
RICHARD O. COLE
MICHAEL W. COLLIER
JOHN W. COLLINS
JOSEPH A. COLLINS
ROY W. COLLINS
JACK B. COLQUITT, JR.
MICHAEL W. CONNOLLY
PAMELA A. COOK
RICHARD T. COONEY, JR.
JEFFREY T. COOPER
ROBERT B. COPES
SCOTT M. CORBITT
CHRISTOPHER L. CORLEY
THOMAS J. CORMICAN
HEIDI E. CORNELL
GUY C. COTE
KONRAD S. COTE
RONALD A. COUTU, JR.
VERONICA CRUZ COWHER
TIMOTHY J. COX
CAVAN K. CRADDOCK
DEREK M. CRINER
EUGENE M. CROFT
EDWARD R. CULBRETH
FRED R. CUNNINGHAM
LEE E. CUROE
JAMES M. CURRY
DAVID A. CUTTER
JOHN W. DABERKOW
CARLOS A. DALMAU
ROBERT A. DAM
KIMBERLY A. DAMALAS
JAMES P. DAMATO
BRIAN K. DANIELS
MARC A. DAUTEUIL
CHARLES E. DAVIS
CHRISTOPHER M. DAVIS
DAWN M. DAVIS
LELAND A. DAVIS
MARK J. DAVIS
SCOTT W. DAVIS
WILLIAM A. DAVIS
ANDREW R. DEAN
JEFFREY L. DEANS
JAMES R. DEHAAN
CHRISTOPHER J. DEJESUS
JOE A. DELCAMPO
MARK D. DELVECCHIO
JAMES L. DENTON
CHRISTOPHER S. DESALLE
CHRISTOPHER S. DESLONGCHAMP
JOHN M. DESTAZIO
JOHN R. DEYONKE
STAN S. DIAMANTI
JEFFREY R. DIBIASI
MARK DICARLO
BARRY A. DICKEY
CLAY W. DICKINSON
SCOTT A. DICKSON
GEORGE T. DIETRICH III
ROBERT A. DIETRICK
JAMES R. DISHAW
KEVIN L. DOLATA
ORLANDO J. DONA, JR.
FRANCES K. DORISH
DOUGLAS E. DOWNEY
ROBERT O. DOWNS
TIMOTHY E. DREIFKE
LYLE K. DREW
SHANNON N. DRISCOLL
SHANE C. DUCOMMUN
JOHN F. DUDA, JR.
DANIEL J. DUFFY
ROBERT L. DUFOUR
ERIC C. DUNCAN
DAVID B. DUNN, JR.
JOSEPH B. DUNN
ELVEN E. DUVALL IV
JEFFREY W. DYBALL
AARON B. DYKE
KENDRA A. EAGAN
PATRICK S. EBERLE
CHRISTOPHER D. ECHOLS
JASON S. EDELBLUTE
KENNETH S. EDGE
CHRISTOPHER K. EDWARDS
JOHN R. EDWARDS
NATHAN J. ELLIOTT
DAVID G. ELLISON
ERIC G. ELLMYER
JULIANNE E. EMMOLO
TROY L. ENDICOTT
MICHAEL T. ERDMANN
JOHN O. ERICKSON
OSCAR E. ESPINOZA
TIMM N. ESTENSON
LARRY A. ESTES
PAUL G. ETTINGER
DUSTIN S. EVANCHO
TERRY L. EVANS II
LORI R. EVERITT
CHARLES A. EVITTS
ROBERT D. FASS
RODNEY L. FAUTH, JR.
ERIC J. FELT
DANIEL E. FERRIS
PETER M. FESLER
RONALD J. FEY, JR.
THOMAS D. FICKLIN
KIRT E. FIESBECK
RICHARD H. FILLMAN, JR.
WILLIAM D. FISCHER
MATTHEW D. FISHER
DEAN A. FITZGERALD
MICHAEL J. FLATTEN
JOSEPH E. FLETCHER
LARRY A. FLOYD, JR.
THOMAS E. FOCARETO
ROBERT T. FOLSOM
WILLIAM A. FOSTER
MICHAEL W. FOWLER
SETH C. FRANK
STEPHEN P. FRANK
PHILLIP V. FRANKLIN
TIMOTHY P. FRANZ
LORINDA A. FREDERICK
RYAN J. FREDERICK
ROBERT C. FREDERIKSEN
PAMELA M. FREELAND
KYLE J. FREUNDL
MATTHEW T. FRITZ
DAVID W. FUJIMOTO
JOSEPH M. FULTON
JOHN T. GABRIEL
CHARLES S. GALBREATH
JARRARD A. GALBREATH
ROBIN GALLANT
HEATHER L. GALLUP
DANIEL S. GANOZA, JR.
CHARLES M. GAONA
ELVERT L. GARDNER
RUSSELL S. GARNER
DANIEL J. GAROUTTE
LAURA K. GARRETT
TODD A. GARRETT
JOEL W. GARTNER
MICHAEL L. GAUTHIER
PAUL F. GEEHRENG
THOMAS A. GEISER
CHERYL M. GERHARDSTEIN
CAROL H. GERING
GEORGE E. GERMAN
KEITH H. GERMAN
DARIN A. GIBBS
RICHARD W. GIBBS
BRIAN W. GIENAPP
TROY A. GIESE
KEVIN W. GILBERT
MICHAEL L. GILCHRIST, JR.
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REGINALD J. TURNER
TRENT C. TUTHILL
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TODD E. WIEST
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JACQUE J. WILSON
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PAMELA L. WOOLLEY
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TODD E. WRIGHT
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ALBERT K. YATES
ROBERT B. YBARRA
JEFFREY L. YORK
AMY S. YOUNG
CHARLES P. YOUNG
RANDY J. YOVANOVICH
BRIAN F. ZANE
ANDREW J. ZEIGLER, JR.
DEBRA A. ZIDES
MICHAEL A. ZROSTLIK

IN THE ARMY

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To be colonel

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JOSEPH A. BARTASIUS
DAVID J. BARTOO
RONALD A. BASSFORD
VICKI J. BAXTER
ALAN K. BOLTON
GREGORY L. BONNER
ANDREA M. BREYTON
SCOTT G. BROWN
JEFFREY B. BURBACH
ALVIN W. BURGUESS
MILTON S. BUSBY, JR.
TEDDY J. BYRD
CLIFFORD L. CADLE
GARY S. CARLSON
JAMES P. CARROLL
WILLIAM A. CARROLL
DANIEL F. CHACHAKIS
ROBERT P. CHAPPELL, JR.
STEVEN C. CHIMCHIRIAN
JOSEPH A. CHIRICO
SHELLEY A. CHISHOLM
DANIEL J. CHRISTIAN
BRIAN M. CLARK
ELLIOT E. COLEY
TIMOTHY M. CONNOR
JOHN P. CONSTABLE
CHRISTOPHER CORKERY
CRAIG D. COTTER
JOSEPH P. CREEKMORE, JR.
ANNMARIE N. DALKIEWICZ
DAVID J. DANIELS
LOUIS A. DELLORCO
JAN K. DEMARTINI
CALVIN C. DEWITT
JUAN A. DIAZ

JAMES V. DICROCCO
MARK C. DITROLIO
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KEITH A. DONAHOE
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FRANK A. EARNEST
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GRANT EDWARDS
MARK R. ELLSON
NORMA J. ELY
CYNTHIA A. ERNST
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GREGORY T. FROHBIETER
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GREGORY C. GAWEDA
JOY A. GIBBON
DEBBIE L. GIBBS
PETER K. GOEBEL
MICHAEL L. GOEDRICH
DAVID H. GOERES
MICHAEL R. GOETZ
GREGORY GRIMES
GLENDA B. GUILLORY
JANICE M. HAIGLER
JOHN H. HANDY
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MARK O. HARVEY
ROBERT G. HASTE
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MICHAEL J. KELLER
MICHAEL D. KENNEDY
ROBERT C. KERECZ
THOMAS J. KIENLEN
KENNETH M. KIRKPATRICK
RICHARD A. LAMB
RAMON LLUVERAS
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KEITH A. MORRISON
MARTY W. NELSON
KEVIN S. NYKANEN
LARRY S. OAKES
TODD OBRADOVICH
DWIGHT D. ORTIZ
WILLIAM K. PAAPE
ROBERT R. PADGETT
JOHN S. PAJAK
ERIC J. PALM
CATHERINE C. PATTERSON
ROBERT M. PELLETIER
VICENTE PEREZ
KELLY K. PETERS
ROBERT A. PIAZZA
RAY A. PLAGENS, JR.
BRUCE E. POLLARD
WARNER B. PRESCOTT
SHERYL A. RAFFERTY
RAUL E. RAMIREZ, JR.
SHAWN A. RASMUSSEN
ROBERT W. RAUCHLE
PAUL D. RAUH
GORDON L. RAWLINSON
SANDRA L. RAYNOR
RICHARD A. REICHARDT
DANIEL E. REID
BRENDA M. REINHART
GERARD RIDEAUX
EDWIN RODRIGUEZ
JOHN F. RONEY, JR.
JEFFREY L. SCOTT
RICHARD W. SELLNER
ANTHONY D. SHAFFER
BRIAN M. SHEA
KEITH D. SIMONSON
THOMAS W. SISINYAK
BRIAN L. SMITH
TIMOTHY K. SMITH
SHAWN J. SNAREY
JAMES J. SOLANO
DONALD D. STENZEL
ROBERT J. STEVENS
KENNETH P. STORZ
BART E. STOVICEK
DANIEL H. THOMAS
GEORGE R. THOMPSON
TRACY A. THOMPSON
LAWRENCE F. THOMS
TERRY G. TOLER
MARK A. VALERI
MARC W. VANOENE
KENNETH J. VAUGHN
DONALD H. WEDEWER, JR.
BRENTLY F. WHITE
THOMAS M. WILLIAMS
CHARLES J. WOGAN
WHITNEY K. WOLF
PAUL W. WOOD, JR.
WILLIAM A. WOODS
DAVID C. WYLIE
HARRY O. YATES
PHILIP W. YOUNG
SCOTT B. ZIMA

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

BARRY L. ADAMS
WILLIAM H. ADAMS
JOHN T. AKERS
FRED W. ALLEN
GREGORY J. ALLEN
WALTER L. ALVARADO
HENRY J. AMATO, JR.
JEANNE A. ARNOLD
DALLEN S. ATACK
MICHAEL S. ATWELL
STEVEN E. BAPP
PAUL D. BARBEE
JOE G. BARNARD, JR.
DON B. BEARD
JAMES P. BEGLEY III
MICHAEL R. BERRY
WAYNE L. BLACK
LEO D. BLUNCK
JOSEPH M. BONGIOVANNI
RICHARD J. BORKOWSKI
GREGORY S. BOWEN
ROBERT A. BOYETTE
DAVID L. BOYLE
KENNETH C. BRADDOCK
THOMAS R. BREWER
DENNIS J. BUTTERS
MICHAEL A. CALHOUN
JAMES D. CAMPBELL
MIKE A. CANZONERI
PERRY C. CHAPPELL, JR.
KIT L. CLINE
RICHARD D. COLE
MARTIN J. COMES
LORENZA COOPER
TRIS T. COOPER
JOY L. CRAFT
JAMES D. CRAIG
ROBERT J. CROW
JOHN F. CUDDY
SCOT H. CUTHBERTSON
WILLIAM A. DENNY
WADE H. DESMOND
JOHN P. DOLAN
DARRYL J. DUCHARME
JOHN B. DUNLAP III
ROBERT T. DUNTON
MARK G. DYKES
GRACE E. EDINBORO
GEORGE L. EDMONDS
CINDY A. ESKRIDGE
GEORGE L. FISHER
MATTHEW J. FITZGERALD
WILLIAM D. FITZPATRICK, JR.
JOHN R. FORTUNE, JR.
CHRISTOPHER J. FOWLER
ARTHUR K. FRACKER
JOHN P. FRANK
WILLIAM J. FREIDEL
JOHN M. GALUSKY
ROBERT B. GASTON
DAVID N. GERESKI
NICHOLAS L. GODDARD
ALBERTO C. GONZALEZ
HARRY GONZALEZ
KEVIN M. GOUVEIA
KEVIN R. GRIESE
PAUL J. GRUBE
KENNETH S. GULLY
BARBARA L. GUNNING
FRANCISCO GUZMAN
MICHAEL W. HAERR
CHRISTOPHER J. HALL
DONALD N. HAM
LAWRENCE E. HANNAN
JOHN N. HARAMALIS
WILLIAM M. HART
PAUL C. HASTINGS
MATTHEW J. HEARON
ANDREW R. HERNANDEZ
MARK J. HODD
SHARON R. HORTON
JULIE A. HOSMER
TIMOTHY P. HOUSER
DANNY R. HUGHES
KEVIN M. HULETT
EUGENE R. INGRAO
MARK C. JACKSON
JAY L. JERRILS
RICHARD A. JOHNSON
CHRISTOPHER G. JONES
PATRICIA M. JONES
JAMES A. JUNOT
SHAWN A. KARVELIS
RICHARD C. KNOWLTON
BRADLEY J. KOHN
MICHAEL A. KONZMAN
DONALD Y. KWAN
DAVID M. LAHM
RICHARD E. LAROSSA
WILLIAM E. LEFEVRE
LORIS F. LEPRI
WILLIAM J. LIEDER
ALOYSIUS G. LINGG
ROBERT P. LINNAN
STEPHEN B. LONDON
JERRY F. MADISON
ZACHARY E. MANER
TIMOTHY L. MANTZ
TARRY L. MARLAR
ARNOLD R. MARQUART
JERRY H. MARTIN
ANGELA E. MAXNER
ROBERT B. MCCASTLAIN
GREGORY T. MCDONALD
LAURA J. MCKNIGHT
JUDITH H. MCLAUGHLIN
DANIEL C. MCMILLEN
ROBERT E. MCMILLIN II
RICHARD G. MILLER
MATTHEW P. MITCHELL
DANIEL C. MOLIND
LESLIE R. MONTGOMERY
DAVID L. MURPHY
ROBERTA NIEDT
JOSEPH F. NOONAN
RICHARD G. NORD
TERRY J. OMMEN
CHARLIE C. OSBORNE, JR.
KARLAS OWENS
THOMAS P. PALLADINO
GREGG L. PARKS
RALPH R. PECINA
CHRISTOPHER J. PETTY
ROBERT L. PHILLIPS
STANLEY W. POE
DANE W. POWELL
DAVID M. POWELL
JEFFREY S. RADKE
GEORGE J. RAKERS
MARK L. RATHBURN
WILLIAM L. RATLIFF, JR.
JEFFERY S. REICHMAN
JOHN M. RHODES
ALBERT J. RICCI
ROBERT A. RIGSBY
GREGORY W. ROBINETTE
GEORGE F. ROBINSON III
RODNEY S. ROBINSON
JOHN P. RUDIO
MARCUS R. SANDERS
BENJAMIN E. SARTAIN
JOHN L. SAUFLEY
PAUL J. SAUSVILLE
KENNETH S. SCHECHTER
MICHAEL J. SCHLORHOLTZ
CHARLES M. SCHNEIDER
BENNETT E. SINGER
MICHAEL C. SLUSHER
DAVID O. SMITH
JEFFREY E. SMITHERMAN
JOHN F. SNEED
JEFFREY M. SOELLNER
PAUL O. SOMERSALL
NANCY A. SOUZA
STEPHEN L. SOWELL
WILLIAM R. SPENGLER
JIMMY D. STRINGER
ROCH A. SWITLIK
STEVEN A. TABOR
KEITH Y. TAMASHIRO
RODNEY D. TANSILL
PETER J. TETRICK
TODD D. TOWNSEND
JOHN M. VALENTINE
JAMES M. VARTANIAN
CLINT E. WALKER
TIMOTHY K. WALKER
DANIEL E. WEBER
JAMES B. WEBSTER, JR.
MARK A. WEEKS
ALAN V. WILCOXSON
ALEX WILLIAMS
GISELLE M. WILZ
ROBERT A. WOODMANSEE
ROY C. WORRALL
JANE F. ZAK
TIMOTHY M. ZEGERS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

KEVIN S. ANDERSON
SANFORD P. ARTMAN
JEFFREY B. BAKER
JOHN W. BRAU, JR.
SYLVESTER H. BROWN
GARY U. BULLARD
ANDREW A. BURNS
RUDOLPH L. BURWELL, JR.
CHARLES E. COURSEY
KRISTEN L. COX
KELLIE M. CRESPO
DONALD R. DUNNE
DAVID L. EGBERT
TIMOTHY FLANAGAN
JAMES A. GRAY
MICHAEL S. HEALY

LITTLE R. HERSEY
DAVID L. JESSOP
DARRY C. JOHNSON
THOMAS J. KALLMAN
MARY K. LEAHY
JOHN A. LEGGIERI
CAROL W. LEIGHTON
JEFFREY J. LEPAK
J M. LISSNER
ALICIA K. LYNCH
FRANCIS S. MAIN
BENJAMIN J. MCDONALD
KENNETH H. MOORE
TERRELL E. PARKER II
MICHAEL A. PHIPPS
JOSEPH POTH
JIMMY A. RANKIN
ASDRUBAL RIVERA
JEFFERY P. ROBINSON
EDDIE ROSADO
JAMES W. RUF
FRANK E. SKIRLO
JOSEPH L. SMITH
TAMMY S. SMITH
ANN STAFFORD
WAYNE A. TASLER
JOHN M. TRAYLOR
JOSEPH E. WHITLOCK
RUFUS WOODS III

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY AS CHAPLAINS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

To be major

ROBERT B. ALLMAN III
STEVEN D. ASHBROOK
DAVID K. BEAVERS
RONALD A. BELTZ, JR.
JOSEPH K. BLAY
BYRON V. BRIDGES
RICHARD E. BROWN
HOWARD F. CANTRELL
SUSAN D. CASWELL
RAYNARD J. CHURCHWELL
THOMAS G. CONNER
RONALD E. COOPER, JR.
SCOTT A. DANIEL
CHRISTOPHER W. DEGN
DOUGLAS T. DOWNS
DANIEL C. FINKHOUSEN
LESLIE J. FORBESMARIANI
JAMES J. FOSTER
EVERETT J. FRANKLIN
BRET J. GILMORE
ROBERT C. GRESSER
KEVIN L. GUTHRIE
LADISLAO HERNANDEZ, JR.
ERNEST M. IBANGA
JEFFREY L. JAY
MICHAEL L. JEFFRIES
CRAIG M. JOHNSON
CARRON A. JONES
TERRELL L. JONES
PALMA N. JUAREZ
WAYNE A. KEAST
MARTIN S. KENDRICK
SUNG N. KIM
SUNGJEAN P. KIM
JAMES M. LESTER
BRAD P. LEWIS
KEVIN B. MATEER
GUY R. MCBRIDE
ERIC R. MEYNERS
BYUNG K. MIN
JOHN J. MIN
MICHAEL W. PATTERSON
MARK W. PERKINS
FLORIO F. PIERRE
KELLY D. PORTER
STEVE W. PROST
MICHAEL T. SHELLMAN
MARK A. SHELTON
ROBERT R. STEVENSON
MARK A. STEWART
TIMOTHY G. STIERS
JEFFERY D. STRUECKER
RODERICK D. SWANSON
ANTHONY L. TAYLOR, SR.
DOUGLAS S. THOMISON
SCOTT W. THOMPSON
STANTON D. TROTTER
RICKY A. WAY
SEAN S. WEAD
RONALD F. WEBB
RICHARD F. WINCHESTER

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

THERESA A. FRASER

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT IN THE GRADES INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 531:

To be captain

JOHN M. MARMOLEJO
JEFFREY R. MCCUNE
GREGORY R. OSTROWSKI
LEE R. RAS
JOHN F. TAFT

To be commander

ROBERT P. GORMLEY
STEVEN W. HARRIS
WILLIAM L. HENDRICKSON
HENRY L. MCHUGH

To be lieutenant commander

JAMES I. BOYD
BRANDON J. BRYANT
ANDREW P. DOAN
LEWIS J. FERMAGLICH
MARK W. GESELL
HORACE E. GILCHRIST II
KARISSA L. HACKELTON
PETER M. HAMMER
CHRISTOPHER M. HARRIS
CHAD R. HOULLIS
SUE A. HOWELL
BRADLEY L. KINKEAD
MICHAEL J. LOOMIS, JR.
MARCEL A. MACGILVRAY
CYNTHIA J. MOORE
ERIC E. PERCIVAL
OBIE M. POWELL
CHAD E. SIMPSON
ELIZABETH M. SOLZE
SUSANN M. TROJAN