

individuals and businesses will find their taxes going up.

The bill is paid for with two revenue raisers that have very broad support. It is also sound tax policy. The arguments against this bill this week may as well be the same as last week's arguments. Last week, we heard that we should not increase taxes to pay for tax cuts.

As I said before, and will say again, these revenue raisers are not tax increases. The first revenue-raising provision in the bill is the delay of the effective date of the worldwide allocation of interest. This provision would delay application of the interest rule, which was not supposed to go into effect until next year.

Many of the companies that will benefit from this provision told me they would rather have the business extenders than early applications of the worldwide application of interest.

Why? These companies realize that because of the firm position of the House of Representatives, we need to offset extending these valuable tax benefits. To make that point more clear, this body knows the House has been insisting that offsets be utilized to pay for some of these tax reductions that will pass with this bill. That is a political reality, something we all face. That is partly why these offsets are in this bill, including delaying application of worldwide allocation of interest.

These companies have weighed the costs and benefits, and they have made the choice in favor of the tax extenders in the bill. The second revenue-raising provision addresses offshore deferred compensation. This provision would prevent hedge fund managers from deferring income.

This is not an increase in tax on hedge fund managers. Rather, it is a change in the timing of when income tax will be applied. This is a timing issue, not a tax increase. Therefore, I believe it is sound tax policy.

Last week, we heard that we should not need to offset extending current tax benefits. This is a curious argument. It is curious because the Senate paid for extending expiring tax provisions in the recent past.

We paid for extenders in the JOBS Act in 2004, we paid for extenders in the Tax Relief Act of 2005, and we paid for extenders in the military tax relief bill that Congress just passed and presented to the President on June 6. We have done that. So this week the Senate is faced with a choice that, in my opinion, is relatively easy. If we can get to H.R. 6049, if the Senate will vote to get to the bill, we could then take up my substitute amendment.

My substitute amendment contains the provisions that I have talked about, plus a 1-year AMT patch—making sure people don't have to pay the AMT in the next taxable year, and that is without any offsets. So by going to the bill and seeing it through, Congress would take care of a lot of families and a lot of businesses.

We need to decide whether we will develop new jobs and new medications. We need to decide whether we will help teachers, families, and schools. We need to decide whether we are going to make energy independence a priority, or we can continue to allow hedge fund managers to defer, without limitation, their compensation for investing other people's money.

Let's show America we can make the right choice. Let's give American families and businesses reason for hope. Let's not give them the same experience they received last Tuesday. Let's proceed to this important tax relief bill for many American families and businesses.

Mr. President, I ask unanimous consent that the quorum calls prior to the recess be charged equally to both sides, and I suggest the absence of a quorum.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. 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

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, at 12:31 p.m., the Senate recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

Mr. BAUCUS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS CONSENT REQUEST— COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, we have a vote that will occur momentarily. I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet during the session of the Senate in order to conduct a hearing entitled "Responding to the Growing Need for Federal Judgeships: The Federal Judgeship Act of 2008." It is scheduled for 2:30 this afternoon in the Dirksen Building. The witness list is remarkably good. We have the chairman of the Judiciary Resources Committee, Judicial Conference of the United States; the Director of Homeland Security and Justice from the United States Government Accountability Office, William O. Jenkins. That would be an important hearing to

go forward. As of now, we have not had consent from the minority to go forward with this.

The PRESIDING OFFICER. Is there objection?

Mr. McCONNELL. Mr. President, I object. I will use a few moments of leader time to explain why.

The PRESIDING OFFICER. Objection is heard.

Mr. McCONNELL. Mr. President, we need to get back to first principles around here. The Democratic majority scheduled the hearing my good friend references in a way that would violate the standing rules of the Senate. Rule 26.5 provides:

Notwithstanding any other provision of the rules, when the Senate is in session, no committee of the Senate or any subcommittee thereof may meet, without special leave, after the conclusion of the first two hours after the meeting of the Senate commenced and in no case after two o'clock . . . unless consent therefor has been obtained from the majority leader and the minority leader . . .

Typically, as we all know, the minority provides consent for committees to violate rule 26.5. The minority routinely provides this consent, frankly, in the interest of comity. But comity also requires the majority to treat the minority fairly which means, at a minimum, that the majority needs to keep its commitments to the minority. If commitments in this body are not kept, then comity breaks down. If that occurs, the minority will not routinely grant consent to those matters that we usually do. In this case, we have unfulfilled commitments with respect to treating circuit court judges fairly. It is the middle of June. The Senate has only confirmed eight circuit court nominees. This is less than half the number the majority leader and I agreed to at the beginning of the Congress. It is barely half the number of circuit court nominees that a Republican Senate confirmed in President Clinton's final Congress. More troubling, the chairman has threatened to soon stop confirming circuit court nominees altogether here in June.

The Republican conference does not consider this lack of progress and thinly veiled threat to be, frankly, in good faith. Not surprisingly, it is, therefore, not inclined to freely give its consent to matters that are important to the majority. That is the way things work around here. As I have said before, the Senate works best when there is a spirit of cooperation. Absent that spirit, the minority will be compelled to protect its rights using all protections afforded it under Senate rules.

There is an easy solution to the problem. We have been talking about it both privately and publicly over the last few months. The majority needs to start confirming circuit court nominees, at least those who meet the chairman's own criteria.

And it seems to me that before the committee spends its time creating new vacancies, which is what the hearing today was about, it needs to work