containing the blaze and helping residents to move.

There is also a fire burning in Reno, south of Reno. It is called the Bison fire. It is the largest fire ever recorded in western Nevada. People have been—especially in the Pipeline Canyon area—urged to evacuate. I am going to continue to monitor both of these fires because they are disasters.

I appreciate all the work done at the State level. My office has extended support to Governor Sandoval to do everything we can to assist the State in anything they need, and I will do everything I can to ensure every Federal resource that is available will be made available to support local officials and fire crews.

There are currently more than 20 active fires in 11 States, including Nevada's neighbors: California—and we all know about the fire in Arizona, but there are others—Oregon, Idaho, and Utah. There are thousands of firefighters working around the clock to save lives and to save property. I will do everything I can, I repeat, to help them.

STUDENT LOANS

Mr. REID. In a couple of hours we will vote on whether to begin debate on our plan to keep loan rates low for students for an additional year. Last month Republican obstruction forced interest rates to double from 3.4 percent to 6 percent for about 7 million college students.

If we fail to roll back this increase, those students will each pile on lots of new debt to get a college education. These rates will be particularly harmful to low- and middle-income families that rely on these Federal loans more than anyone else.

We have the Pell grants, which go to low-income people, but people who are middle class have to do these loans; schools have become so expensive. States have cut back on the support they give to colleges, so this is a very difficult situation.

Students shouldn't suffer because some Senators are standing in the way of that compromise. That is why we have proposed a 1-year extension of last year's 3.4 percent rate. We don't want it to double. The extension will allow us to craft a long-term solution to mounting college debt without harming students in the short term. However, a number of Senators met at my direction this morning at 9 o'clock, and there is progress being made. Maybe we can come up with a compromise. It will be imperfect, like a lot of things that happen legislatively, but it will be a way for us to move forward. The meeting went very well. It was done in Senator DURBIN's office. Democrats and Republicans attended that meeting. I think we are making some progress.

KEEP STUDENT LOANS AFFORDABLE ACT OF 2013—MOTION TO PROCEED

Mr. REID. I move to proceed to Calendar No. 124, S. 1238, Senator REED's student loan bill.

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

The legislative clerk read as follows:

A bill (S. 1238) to amend the Higher Education Act of 1965 to extend the current reduced interest rate for undergraduate Federal Direct Stafford Loans for 1 year, to modify required distribution rules for pension plans, and for other purposes.

SCHEDULE

Mr. REID. Mr. President, following the remarks of Senator MCCONNELL, the time until noon will be equally divided and controlled between the two leaders, with each Senator permitted to speak for up to 10 minutes each.

At noon there will be a cloture vote on the motion to proceed on S. 1238, the student loan bill.

RECOGNITION OF THE MINORITY LEADER

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

Mr. MCCONNELL. For more than a month, I have been coming to the floor to talk about student loan reform. I have said that to an outside observer, this is an issue that should have been an easy bipartisan slam dunk. I have noted that the proposals put forward by both President Obama and congressional Republicans have been strikingly similar. We both agree on the need for a permanent reform, and we agree on the need to help all students and not just some of them. Yet here we are after the July 1 deadline and Democrats are still blocking bipartisan student loan reform.

You have to ask yourself why. It is because they have prioritized politics over helping students. There are basically two different Democratic groups battling for supremacy: a more responsible reform-permanently faction and a more political campaign-permanently faction.

In the first group are the sensible Democratic Senators who agree with both President Obama and Republicans that it is time to finally solve this issue. Washington should actually help students and stop using them as pawns in a political chess match. They support the bipartisan compromise plan put forward by Democratic, Republican, and Independent Senators alike.

Unfortunately, this faction is opposed and outnumbered by the campaign-permanently Democrats. They are the ones whom I suspect would actually prefer to see rates lapse so they can manufacture another campaign issue. To hear the musings of some top Democrats, one would have to conclude that the Democratic leadership is on the side of campaigning permanently and against helping students.

As the majority leader put it a few weeks ago: ''[We're] not looking for compromise.''

Another Democratic Senator in leadership boasted a goal in this debate was to show ''the difference between the two parties on a key issue.''

I mean, this is just the kind of thing that makes people so cynical about Washington. Washington Democrats yell and wave their arms about the need for something, and then they appear to do everything possible behind the scenes to sabotage it, apparently so they can manufacture a politically convenient crisis. They are doing it on student loans, and they have been doing it with nominations too.

All week it seems they have been breathlessly telling any reporter who will listen that we have a nominations crisis around here; that Republicans are holding up the President's nominees. It is really laughable.

To hear some of the over-the-top rhetoric, one would think Republicans have blocked all of the President's second-term Cabinet nominees. But then, of course, you would be entirely wrong.

The truth is, since the President swore his oath of office in January, the Senate has confirmed every single Cabinet pick that has been brought up for a vote—every single one of them.

Let me repeat that. Every single one that has been brought up for a vote, all of them have been confirmed. Many of them have been confirmed on unanimous or nearly unanimous votes. Yesterday, the ranking Republican on the Environment and Public Works Committee announced his support for an up-or-down vote on Gina McCarthy's nomination to be EPA Administrator. So there is no question she is going to be confirmed.

It is clear that facts are getting in the way of the Democrats' arguments, which is why they are forced to gin up this fake—absolutely fake—nominations ''crisis.'' It is why we see them bringing out all the nominees who have been appointed to office either illegally or who are exceedingly controversial. Democrats themselves have delayed consideration of these nominees literally for months—because the majority leader determines the timing—so they could pull them all out of the woodwork at the same time, in the hopes the Senate would reject them.

Democrats are out there daring the Senate to do it. They want it so badly it appears to be their goal. And there is a reason for this. It is because the far-left base seems to be getting fed up with the democratic process. The big labor bosses are sick of waiting for the special interest legislative kickbacks they must feel they are owed, and now they know that altering the rules of our democracy is the only way to get what they want.

This isn't going to work. The facts show the truth, and the truth is that any crisis over nominations is a crisis of Washington Democrats' own making—one they have stirred up intentionally—an absolutely manufactured crisis by any objective analysis.

As of last night, there were 140 nominees pending in various committees.

These nominees are under the control of the majority, not us. And there are a little over two dozen or so eligible for expedited floor consideration, many of whom Republicans have already said we would pass unanimously. Why hasn't the majority leader called for votes on any of these folks? Clearly, if anyone is obstructing here, it is the majority leader, because this whole conversation isn't about making the Senate work better, and he knows it. It is all about his power grab. Well, let me caution him again to think long and hard about what he is doing.

As one of the most senior members of the Democratic Party said yesterday, deploying the nuclear option would mean breaking the rules to change the rules—breaking the rules to change the rules. As the majority leader himself once said, it would ''ruin our country.'' And we all know why. Once the trigger is pulled, there would be no limit to the consequences, not just for Republicans or for our country but for Democrats too. They should think very carefully about the ramifications for them when a future Republican President makes his own appointments to the Cabinet and to the Federal bench.

Look, we know Senate Democrats are not serious about implementing student loan reform. They have already demonstrated that by blocking just about every bipartisan effort to do so. But on the nuclear option, it is certainly my hope that cooler heads will prevail. I have to believe they will choose the long-term health of our democracy and of their party over what frankly amounts to the narrowest—the narrowest—of short-term political considerations. Pulling the nuclear trigger is not something the history books will look favorably on, and they know it. And, of course, there will be consequences.

When the President was in the Senate back in 2005, and the then-Republican majority was thinking about something akin to this, this is what the President had to say. ''If they choose to change the rules and put an end to the democratic debate, then the fighting, the bitterness, and the gridlock will only get worse.'' The President was entirely correct.

Senator REID said in 2009, a couple of years ago, ''There is no way I would employ the use of the nuclear option. No way.'' He said it would ''ruin our country.'' He said, ''It would have destroyed the Senate as we know it.''

Hopefully, that was not then and there is some different standard now. And, of course, we know we had this debate at the beginning of the year. Actually, we have had it at the beginning of the last two Congresses, and the Senate—the occupant of the Chair had newly arrived here—voted on two rules changes and two standing orders, after which the majority leader said, ''The rules issue for this Congress is over.''

He gave his word in January of this year. We are waiting to see if that word will be kept.

Mr. President, I yield the floor.

RESERVATION OF LEADER TIME

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 12 p.m. will be equally divided and controlled between the two leaders or their designees, with Senators permitted to speak for up to 10 minutes each.

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

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

The legislative clerk proceeded to call the roll.

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

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

Mr. BURR. Mr. President, I come to the floor today to talk about the future of student loans for America's students. When I say students, I have to define who that is because, as we know, today we have students of all ages.

We have a category of students where a financial impact requirement is applied, such as for a 19-year-old who has entered their freshman year, and depending upon where the income of their family is, under the current system they may get a subsidized loan. The maximum they can receive under that subsidized loan as an undergraduate is $3,500.

I would be willing to bet the President pro tempore and I both can't pick an institution in any of our States where the tuition on an annual basis is $3,500. It doesn't happen today, and that is the reality that has been left out of the debate so far. This debate has been all about politics and it has not been about students and how to apply affordability as broadly as we can in the marketplace.

Let me describe where we are today. Between 1965 and 1992 the cap on the student loan program in this country was 10 percent—10 percent. In the mid-2000s, Congress, very politically, said: You know what. We are going to adjust it, and subsidized loans are going to be at 3.4 percent and nonsubsidized loans are going to be at 6.8 percent, graduate loans are going to be at 7.9 percent, and if you are a parent borrowing, you are going to have an even higher rate, in the 8-plus percent range.

That strikes me as incredibly unfair. We are taking two undergraduates—two 19-year-old freshmen—entering the same institution with the same financial obligation and we are saying to one: We are going to give you a rate on your student loan that is half of the person who sits in the seat next to you—half. In this chair, the student will pay 3.4 percent, and the student sitting in the chair next to him will pay 6.8 percent. Understand, the parents of the person sitting in this chair, depending upon the cost of the institution, may have an income over $100,000. Yet they may qualify for a Federal subsidy.

Let me suggest to you that the marketplace is the thing that ought to dictate and decide what the rate is. That is the only thing that is fair to the taxpayers in this country—the predictability of knowing it is tied to something.

Let me suggest that the bill we are going to take up—and we are going to vote on a motion to proceed at 12 noon today—is a bill that was created in the 2000s. Two years ago we kicked the can down the road and said we are going to extend this inequitable student loan program at 3.4 percent for some, 6.8 percent for others, 7.9 percent, and 8-plus percent for parents. Why? Because we are overcharging some to subsidize others. Let me say that again. We are overcharging some—we are overcharging some 19-year-old undergraduate freshmen in college—at 6.8 percent so they will subsidize the 3.4 percent we are charging on the subsidized loans.

Let me point to a chart I have here which shows undergraduates under the student loan program. This is a comparison. Actually, let me move to a different chart, because this one best displays what I am talking about.

Twenty-six percent of our Nation's kids are undergraduates and are subsidized, and 55 percent of the eligible students are either undergraduates or graduate students who fall under a 6.8-percent interest rate. So when the Senate majority leader came to the floor and said some were upstairs trying to negotiate a deal, he was 100-percent accurate. But the reality is we are still only going to have a vote on one plan at 12 o'clock. There is no option for Members of Congress.

What I would suggest is that this displays why, at best, there should be two options and, at worst, we ought to vitiate the motion to proceed and see if we can come up with another bipartisan agreement.

You see, another option—the Manchin bill—is a bipartisan approach. It is Democrats and Republicans coming together and saying we can agree on something that we think is fair and equitable and financially sustainable.

But this is the plan we are going to have a vote on at 12. Fifty-five percent of the population of students, quite frankly, are being screwed. They are overpaying. They are paying 6.8 percent for interest, when a home mortgage for 15 years is 3.8 percent. Yet we are charging students 6.8 percent, and we are saying that to go to this is an injustice to our students, where all of a sudden we take 64 percent of the kids and we treat them all alike and we charge them 3.66 percent. Something is inherently wrong in the debate we are having.

If this is about kids and about affordability, this is the plan on which we should be having the motion to proceed, not this one. This plan merely kicks the can down the road for 12 more months.

Let me say this plan wasn't created by JOE MANCHIN or RICHARD BURR or TOM COBURN or Senator KING or Senator ALEXANDER. This plan was created by the Congressional Budget Office. The Congressional Budget Office in their March 2011 report to Congress came up with the idea of tying the interest rate to the 10-year Treasury bond, except the CBO says it should be the 10-year Treasury bond plus 3 percent. That is what Senator COBURN and I introduced. When Senator MANCHIN, Senator KING, Senator ALEXANDER, Senator CARPER, and others got involved, we decided what we needed to do was continue to have a blended rate. We all agreed that an undergraduate student shouldn't face an interest rate schedule that is not equitable to all undergraduates.

So instead of applying it to 26 percent, we applied it to 100 percent of the undergraduates. We said: If you are an undergraduate in college, we are going to give you the best rate, which is the 10-year bond plus 1.85. It is fair. It is understandable. It is predictable. It is consistent. One year in advance you know exactly what your rate is going to be because it is determined on the 10-year bond every May.

My good friend Senator HARKIN, whom I have great affection for, came to the floor and said we were balancing the budget on the back of the student loan program. The student loan program is a $1.3 trillion program. Based upon the CBO score on this bill, it had a 0.7-percent surplus. By Washington standards, in a $1 billion program, 0.7 would be a rounding error. This is a $1.3 trillion program. Let me assure the President and my colleagues, this is a rounding error. I can't look everybody in the face and say it might not cost us $100 billion. It might save us $100 billion. But we are certainly not balancing a $17 trillion deficit debt on the back of the student loan program. Let me assure you of that, and for any who suggest we are, that is, in fact, disingenuous.

This is the first time I have been accused of balancing the budget on the backs of our kids. But in 2010, as part of the health care reform act, Democrats ended the Federal Family Education Loan Program, FFEL, at a savings of $61 billion. Of that, the Democrats directed $19 billion to deficit reduction and the rest to help pay for ObamaCare, the Affordable Care Act.

If I am being accused of balancing the budget on 0.7 percent, determined by CBO, and in 2010 the Democrats voted to eliminate the FFEL Program and save $61 billion and applied $19 billion to deficit reduction and the rest to help the Affordable Care Act, then they plowed this ground long before I did.

As a matter of fact, in 2007, as part of the College Cost Reduction and Access Act, the Democrats found $21 billion in savings and spent a good amount of it on new programs—and then directed $1 billion to deficit reduction.

I said earlier, I have great affection for Senator HARKIN. Senator HARKIN said this should be part of the Higher Education Reauthorization Act—that may or may not happen next year.

We made changes to the interest rate on student loans outside of the higher education reauthorization in 2012 with a 1-year extension of the 3.4 percent. We did it in 2010 with the elimination of the FFEL Program. We did it in 2005 under the CCRAA, the Deficit Reduction Act. Senator HARKIN's Appropriations Committee has made changes to the eligibility rules for Pell grants each of the past several years outside of the higher education authorization, including the elimination of summer eligibility, ability to benefit, and lowering of the automatic enrollment for low-income students.

It is not fair to come and say to me that I am doing it outside of higher education reauthorization when there is continually a track record of the person who accused us of doing it of doing it himself.

Mr. MANCHIN. Would the Senator yield?

Mr. BURR. I would be happy to yield.

Mr. MANCHIN. I thank the good Senator for working in such a bipartisan manner. I think this truly is a bipartisan bill.

This bill has been described as belonging to one party or the other, and that is wrong. Senator BURR, Senator ALEXANDER, Senator COBURN, Senator KING, Senator CARPER, and I sat down and looked at how we could fix something. We looked at it from the standpoint that this deadline has hit. One year ago we extended it. They said it was the political atmosphere and we had to extend it. We knew that year would come and, similar to everything else that has happened here for the last 2 or 3 years, nothing gets done. We just said: Enough is enough. It has to be fixed, and if we want to fix it, to understand the program, we have to look at the whole program.

I think now they are making accusations that students are paying profits so we can pay down the debt. Whether there is profit built in depends on the accounting procedures used by our Federal Government. It was built in. You can blame whomever you want to blame, but it is built into it. We have to deal with the facts in front of us.

What I would ask the Senator, all of us have agreed in a bipartisan manner that no profit will be made on the backs of students, what we can determine through the bill we are working on, right?

Mr. BURR. That is 100 percent correct.

Mr. MANCHIN. So we have all come to that agreement—Democrats and Republicans—no profit in debt reduction. It should go to lowering the rate.

Mr. BURR. That is correct.

Mr. MANCHIN. We agreed on that. We have agreed on a long-term fix, 10 years, rather than kicking it down the road another year, knowing another year will come and go and we are probably going to be standing here debating. That is the conclusion we have come to, which is different than what the House sent us. I applaud the Senator for working with us to put in a fixed rate.

So if it is at 3.66 this year and I am able to qualify and I am subsidized at $3,500 of a subsidized loan the taxpayer will be paying, that 3.66 is fixed for the full life of the loan. We agreed on that, correct?

Mr. BURR. That is correct.

Mr. MANCHIN. So when they say it is a Republican bill or a Democratic bill, that is erroneous. That is not fair. This is truly a bipartisan effort, and we are working with all of our colleagues in my caucus—and I know the Senator is in his caucus—to understand that if I have a subsidized Stafford loan, that means the Federal Government—the taxpayers of this country—will pay my interest while I am in school, correct?

Mr. BURR. That is correct.

Mr. MANCHIN. At the end of that, then I pick up whatever interest rate has accumulated while I was in school, and I take it from that day forward.

What I think a lot of our colleagues don't understand, I can't make it just on that $3,500. I have to borrow more money. So now, if I go with my colleagues on the Democratic side, if I borrow more money, I have to borrow that at 6.8 percent.

We were able, in a bipartisan way, to bring that to 3.66 percent for all undergraduates, correct?

Mr. BURR. The Senator is correct. I might add to my good friend, this chart shows exactly what we talked about. Under the plan on which we will vote at 12, because of the need for students in the subsidized category to borrow additional money at 6.8 percent, at the end of their process, they owe $78 a month, where under the bipartisan bill, where every undergraduate is treated the same, they owe $75. It is actually cheaper, even for the undergrads who are subsidized.

Mr. MANCHIN. So the money I would have to borrow, even though I qualify because of my income for a subsidized loan, I don't have to pay the interest on an annual basis. So by bringing it down to one low rate, I am making much lower payments. So that is less obligation and less hardship on me as a college student to make that lower payment than it would be to make that higher payment.

We want to help the subsidized, very poor kids. I might be poor, but I can't make it on just what you give me because I am poor. I have to have a little more help. Then, on top of that, I want to go to graduate school after I get my college degree. So then I am at 6.8 again. Ours brings it down to 5.21, which is more savings, which I know the Senator agrees to.

If I may ask my colleague from Tennessee, right now we know we have a consolidated cap at 8.25 percent. Let's say I graduate and I went to school during the high recession times. At the end, I have an 8.75-percent accumulative interest I owe. I can cap that and consolidate at 8.25, correct?

Mr. ALEXANDER. Madam President, if I may respond to the Senator from West Virginia.

First, I wish to congratulate Senators MANCHIN and BURR for helping the full Senate understand this issue. This is similar to a lot of issues we have to face. They are not simple. I used to be a college president and the U.S. Secretary of Education. I had to re-educate myself on this legislation. I still made some mistakes.

I was saying last night, for example, that there were only 2 million subsidized loans. What I was forgetting was the point that the Senator from West Virginia makes, which is that 80 percent of the students who have subsidized loans, the low-income students, also have unsubsidized loans. So when we only take care of these subsidized loans, we are leaving 7 million students with unsubsidized loans out here hanging high and dry, and nobody is taking care of them. So we are hurting both the middle-class families and the low-income families when we have an incomplete solution.

The Senator from West Virginia posed a question. Let's say I graduated from the University of Tennessee and I had two loans; I had a subsidized loan, which means the government paid my interest while I was in college. Typically, if I am similar to four out of five students, I also had an unsubsidized loan, so I accrued that interest. Suddenly the interest rates have gone up for me because the country's interest rates have gone up to 10 percent. What I can do is take all my government loans at once and turn them into an 8.25-percent loan. So that is, in effect, a cap on my loan, and then I would have the choice.

I would say this to the Senators from West Virginia and North Carolina. I have heard some Senators say that when I consolidate my loan at 8.25 percent, that means the student is going to have to pay a lot of interest because it spreads the loan out over a long period of time.

But does not the student have that choice? Isn't it similar to a 15-year mortgage, where you have higher monthly payments, but you pay less interest because you pay it off quicker?

Mr. MANCHIN. I think what they are referring to—and I might have misunderstood, but I think I am accurate on this. Everyone will take the loans for the longest period of time, and I just got out of school so I want the smallest payment. Four or five years out I have a better job. Instead of paying $150 a month, I can afford to pay $300 or $400.

There is no penalty for me to shorten that, as it would be in a conventional market. Is that how the Senator understands it?

Mr. ALEXANDER. Madam President, I ask consent that the Senators from North Carolina and West Virginia and I be permitted to engage in a colloquy for a few minutes.

The PRESIDING OFFICER (Ms. HEITKAMP). Without objection, it is so ordered.

Mr. ALEXANDER. That is how I understand it. I would say to the Senator from North Carolina,—I would presume a graduate of the University of North Carolina would be smart enough to make that decision for herself or himself?

Mr. BURR. I think they would. I think one of the agreements we came to was that students ought to be in control of their decision about their loan rate based upon what is available to them. If students go through the next 4 years and they have a combined interest rate of about 4.5 percent for the life of the loan, why in the world would they be excited at 8.25? If for some reason 10 years from now somebody got out of school and their combined interest rate was 9 percent, we give them the option of going back to 8.25.

I think the Senator from West Virginia made an extremely good point. For the most subsidized students, they can only borrow $3,500. Think of the institutions that are out there—none of them have an annual tuition of $3,500. We know they are going to borrow out of the 6.8-percent pot. What we are offering is that the pots are the same and that the subsidy is that—for students who qualify for the subsidy—they are not responsible for the interest rate while they are in school. That subsidy still exists. It is just that we are not overcharging one group and we are certainly not overcharging the ones we just subsidized because they have to borrow more money to complete their college education.

Mr. MANCHIN. To both of my friends, let me say that I graduate from college—no matter what the interest rates are, no matter what they might have been—I graduate and economic times are tough. I find a job that is not what I think my value is, but I find a job at $40,000—$40,000. I am married now, and I have a child or two. Don't we have in our bill a protection which has been in place for a long time—both Democrats and Republicans have supported this protection—which is called income-based repayment? By law, I can only pay 15 percent of my disposable income. I think that breaks down to my payment can only be $142. Isn't that a subsidy too? Wouldn't we be subsidizing that to an extent? I am also understanding that if my economic condition does not improve and that is all I pay, by the end of 25 years it is exonerated. I pay nothing. I am done.

Mr. ALEXANDER. If I could respond to the Senator who suggested that,—the answer is yes. I think it is fair to say that the consolidation option that a student has in case the rates go up, at 8.25 percent can be called a cap. It is not a hard cap, but it is a cap. And the second cap is the income repayment provision of which the Senator speaks. If you are making $40,000 a year, after they apply the formula you probably are not spending more than about 10 percent of your income—it is something called disposable income—to pay for your student loan. Loan repayment then continues for about 20 years. If at the end of 20 years you have not paid your loan off, the loan is forgiven.

Any student who has a loan has that opportunity. They can consolidate at 8.25 percent, and income repayment limits the amount they have to pay each year. So they have that.

One of the things I noticed about the Manchin-Burr bill that I would like to ask the Senators to talk about is that you have come up with—what I am beginning to understand, as I study this more and more—a very significant contribution: the idea that all of the undergraduate student loans—which, as I understand it, are about two out of three of the loans—should have the same interest rate. First, it is confusing the way undergraduate loan interest rates are now, but the other reason is that about 80 percent of the people who have subsidized loans, the low-income students, also have unsubsidized loans. So your contribution is to say: Let's simplify it, provide certainty over a long period of time, and treat all undergraduates the same. Otherwise, it seems to me, you are leaving 7 million middle-income students who have unsubsidized loans high and dry, and the 80 percent of the low-income students who also have these unsubsidized loans, you are not helping them either.

I wonder if the Senator could comment on this idea? I notice, without a cap, you are able to get the interest rate for all undergraduate loans down to about 3.66 percent, which is a pretty low rate.

Mr. MANCHIN. Let me say very quickly—and I will use $10 million hypothetically that is borrowed every year—$10 billion, $10 million, whatever you want to use—25 percent of that money goes to the subsidized, just 25 percent. I understand that it is close to about 40 percent of the students who participate in borrowing money, but the volume of money is about 25 percent, one-fourth of the money that is loaned out. So if we are keeping the rates low on one-fourth of the money, that means we artificially have much higher rates on three-fourths of the money students need to get an education.

What we are saying is that we are going to bring a larger majority of that down to the lowest rate. We think it is a good policy that we should be discussing and talking about. That is where we are. That is why we came up with the plan we did, but we reduced all the rates. The PLUS loans I think went from 7.9 to 6.21, yes, and then the graduate loans went from 6.8 to 5.21.

But if you do all of the undergraduate, it would go from 3.4 to 3.66, a quarter and a point—.26.

Mr. BURR. The most significant part is for the undergraduates who were not subsidized, they would go from 6.8 to 3.6.

Mr. MANCHIN. Right. Right.

Mr. BURR. This goes to the heart of what the Senator from Tennessee said. Today the subsidy goes to 26 percent of our students; 55 percent pay the 6.8 rate. Under the bipartisan bill, 64 percent—all undergraduates—get 3.66.

If this is about affordability, if this is about what provides the greatest flexibility for students to afford it, then the answer is clear. It is on the chart. But it also computes in the monthly payments to which students are obligated. The fact is that for a typical student in their first year, taking $5,000 out, $3,500 comes from the subsidy—$5,500 out, $3,500 comes from the subsidy, $2,000 comes from the 6.8 rate.

Mr. HARKIN. Will the Senator yield for a question.

Mr. BURR. I will be happy to yield for a question.

Mr. HARKIN. I just want to ask—I am sorry, I couldn't see the chart from the other side, so I came here. On the undergraduate student, 3.66, 64 percent, for how many years does that hold, that 3.66 percent? For how many years?

Mr. BURR. It holds for 1 year until the readjustment of the 10-year bond, which could by higher, it could be lower.

Mr. HARKIN. Just 1 year.

Mr. BURR. Higher than it was in May——

Mr. HARKIN. And what does the CBO project the rates will do in the next 10 years?

Mr. BURR. I am sure the Senator came with a chart. But let me say that we have an 8.25-percent consolidation cap. The reality is that if you are going to move to a market-based system, the question we have as Senators is, How do we drive interest rates the lowest for our Nation's students? If you put a hard cap of 8.25, then all of a sudden this interest rate goes up, if we are getting to a zero surplus. It is not going to cost us anything, not going to make anything; 3.66 goes up, it doesn't go down. So by having the flexible cap at 8.25, where anybody can consolidate at any time, we are able to do it at the 10-year bond plus 1.85. And this is all CBO numbers. We are using the same source for this.

But I think at the heart of this, and I say to my good friend from West Virginia, the real question is, Are we going to let 26 percent participate in an attractive interest rate or are we going to extend it to 64 percent, which is the entire class of undergraduates?

Mr. MANCHIN. That was the bipartisan agreement we had. I appreciate that very much. Let me say, here is the last 10 years. If we would use the last 10 years, with the bipartisan bill kicked in, this is what the students who basically are paying the higher rate now—6.8 percent frozen—would have been able to take advantage of, the lower rates. They never got a chance to take advantage of the lower rates. All we are assuming is that if rates go up in 3 or 4 years, they are going to be paying higher rates. We never assume the market—that is the reason why you fluctuate with the market on the 10-year T-bill. This would have happened with the 10-year T-bill. Look how much lower they would have been paying in the last 10 years.

I know we can all use figures any way we want to use them, but the bottom line is that it is either going to be market—it has always been that before. There have been caps that have been much higher, and we are trying to find something that is affordable, but the bottom line is, do we try to protect the lowest rate?

Most undergraduates have the hardest times. Once you get your undergraduate degree, you have a much higher percentage of making it. If you want to get a graduate degree and a higher Ph.D. degree, you have a much better chance.

The bottom line is that we want to keep the rates low so that when students go out they are not burdened with the highest payments. We have a lot of protections built in that a lot of times are misunderstood and are not explained properly, and I am glad we are having this colloquy.

Mr. BURR. Would the Senator from Iowa like another question?

Mr. HARKIN. I have a statement to make but not a question.

Mr. BURR. I will wrap up and move on.

Mr. HARKIN. If we are going to get into a colloquy, that is fine.

Mr. MANCHIN. Yes.

Mr. BURR. I would rather make the points that I need to because at 12 we are going to vote on one bill. We are going to vote on a 3.4-percent extension, kicking the can down the road for 12 months, not fixing the problem, not finding the solution, and continuing to overcharge some students and subsidize another pool and go to bed at night and feel good about this.

I think the reason we have a bipartisan agreement is there are some who do not feel good about that. We look at it and we say the Senate has not done what people sent us here to do, and that is to get it as close to right as we can.

Again, I say to my colleagues—and I can go to the CBO again—the CBO scored the bill, and CBO says the bipartisan bill is within .7 percent of having no cost and no surplus. I am not sure you can get any closer than that. They have also told us verbally and showed us in scoring: put the cap in and you raise the interest rate on all students, all postgraduates, all parents. And our objective, when Senator MANCHIN and Senator KING and Senator COBURN and Senator ALEXANDER got into the discussion, was, How can we get rates as low as we can? Our focus was on the affordability for the students; secondarily, the sustainability of the program, which was long-term, something we do not visit every 1 or 2 or 3 years.

Let me get into specifics because there are four proposals out there. One of them has already passed the House of Representatives. The House of Representatives has a 10-year variable rate that fluctuates annually. For unsubsidized loans, the rate is 4.31; for subsidized loans, the rate is 4.31, which is 10-year plus 2.5 percent; for PLUS loans, 5.74. It removes the consolidation cap—removes it—and it creates caps of 8.5 and 10.5 percent.

The vote that we will have at noon, I think everybody knows it is a 6.8-percent rate for most students. Twenty-six percent get a subsidized rate of 3.4 percent. The PLUS loans are at 7.9 percent, and that is 18 percent of the loans at 7.9 percent.

Under the President's proposal, the unsubsidized is—I think this is backward. I think it is the subsidized at 10-year and .93; the unsubsidized at 10 year, 2.93; the PLUS at 10 year plus 3.93; and it is uncapped and fixed for life.

So it brings us to the bipartisan bill. The Senator from West Virginia said it well. What were the agreements we made? We are not going to make money and we are not going to lose money We are at .7 percent, according to CBO.

An undergraduate is an undergraduate. We should not cheat one to subsidize another. But there should be a subsidy for low-income at-risk students. The assumption is that they are not responsible for the interest payment while they are in school. The reality is that we extend the same 10-year bond plus 1.85 percent to all undergraduates.

For the graduate students, we would bring the rate down to 10-year plus 3.4, and for PLUS loans, 10-year plus 4.4, and we keep in place the consolidation cap that has been in law. Let me remind my colleagues what I said earlier before they came to the floor. From 1965 to 1992, the cap on student loans was 10 percent. If we put that in today, it will raise the percentage each individual is going to pay.

Mr. MANCHIN. Would the Senator yield?

Mr. BURR. I am happy to yield.

Mr. MANCHIN. I am not sure how the Senator voted on the extension a year ago. I voted for the extension a year ago.

Mr. BURR. As did I.

Mr. MANCHIN. I don't intend to vote on the extension again because we have not fixed it. By voting on this extension, what we are voting on is 3.4 percent just for the subsidized, and everybody will be at 6.8 percent, and 7.9 percent for PLUS loans.

When my colleague is talking about that, the difference of savings between our bill—if we got a vote on our bill, which is a compromised, bipartisan bill, we would save close to $9 billion in interest that students wouldn't have to pay. I believe we agree on that.

Mr. BURR. That is correct.

Mr. MANCHIN. I think we are going to have a chance to vote on one bill, and that is about $2 billion. In West Virginia that is a lot of money in savings of $7 billion that students don't have to pay in interest, which is across the board for students who have subsidized and unsubsidized loans. That is the point we are trying to make, and we hope we get that through.

I know the Senator hopes, as I do, that we get a vote on this today.

Mr. HARKIN. Will the Senator yield?

Mr. MANCHIN. I believe Senator BURR has the floor.

Mr. BURR. I am happy to yield the floor.

Mr. HARKIN. My friend from West Virginia made a statement a few minutes ago that resonated with me. He said we are trying to get the market rates because we always had the rates.

When I first went to college in 1958, 1959, 1960, and 1961, I borrowed money under this program. It came into being in 1958, so 1959 was the first year I borrowed money. It was called the National Defense Education Act or the Eisenhower bill. I went back and looked to see what the 10-year Treasury note was at that time for those 3 years that I borrowed. The 10-year Treasury note at that time ranged between 4.2 percent and about 4.8 percent. I borrowed money at 2 percent.

I say to my friend, that is not a market rate. Not only did I borrow the money, but all the time I was in college I paid no interest charges. I spent 5 years in the military with no interest charges. I then went to law school—3 years in law school—with no interest charges. Then I had a 1-year grace period after I graduated from law school with no interest charges. For all those years the interest rate clock never started ticking.

Mr. MANCHIN. Was that for every student who was in college at that time no matter what their ranking or what service they had performed in the military or whether they had the GI bill?

Mr. HARKIN. Everybody.

Mr. MANCHIN. Everybody in college during that period of time could borrow at the low rate of 2 percent with no interest at all?

Mr. HARKIN. That is right. The reason I raise that is, Why were we so special? Why was my generation so special that this country was willing to subsidize my education, but for these young people here we are saying: No, no, you have to pay interest rates?

Mr. MANCHIN. Maybe Congress did a better job of getting its financial house in order than we have.

Mr. HARKIN. We made a commitment at that time to invest in a generation of young Americans so they wouldn't have a huge amount of debt hanging over their heads.

Mr. BURR. What didn't exist when my colleague went to college and graduate school was that we didn't have an income test for repayment. We don't charge anybody over 15 percent on an annual basis.

When the Senator went through the system, he was responsible to pay back 100 percent of it. Today, after a certain period of time on the subsidized loans, we forgive it. We have a lot of programs that didn't exist when he went through school. We have Pell grants that extend a tremendous amount of money that is not obligated to be paid back—$4,000. We have student loan higher education tax credits that did not exist when he went through college.

We have a basket of products. What we are looking at is, How can we take one program, which is the rate-based program, and make it as attractive and affordable for students as we possibly can? Under this scenario, we are able to accomplish that for 64 percent. Under what we will vote on, we only do it for 26 percent. We can't help but make the argument: You are overcharging here to subsidize here.

I agree with my good friend from Iowa, for whom I have great affection, that I want to make sure every student has an opportunity to go to college and that it is affordable for all. We have a system right now where the Federal Government controls 100 percent. When my good friend went through college, there were private lenders that competed with the Federal Government. At this time we have no private lenders. We legislatively eliminated the private sector from competing for student loans. It is all dominated by the Federal Government. At least we can try to get those loans as inexpensively as we can for the largest group of college students.

I have a unanimous consent request. I hope we will entertain this because not only is the debate worthy, but a vote is worthy.

I ask unanimous consent that if cloture is not invoked on the pending motion to proceed to S. 1238, the Jack Reed bill on student loans, it then be in order to move to proceed to S. 1241, the Manchin bill on student loans; further, that the cloture motion, which will be at the desk, be considered filed on the motion to proceed; and further, notwithstanding rule XXII, the Senate then immediately proceed to a vote on the motion to invoke cloture on the pending motion to proceed to the Manchin bill, S. 1241.

Before the Chair rules, let me just say this agreement would allow us to have two votes on two versions of student loan rates that start at noon today.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BURR. Madam President, this is an important issue, and I want to thank my colleagues who came together this morning to try to find an additional solution.

I thank Senator MANCHIN, Senator KING, and Senator CARPER because they were willing to try to fix this problem. I am convinced that my good friend from Iowa is doing this in good faith, but now is the time to find a solution. It is not a year from now, it is not a month from now, it is not a week from now, it is today.

Mr. MANCHIN. I have one question that I would like to ask in the spirit of a colloquy to my dear friend from Iowa. They are saying 1 year, and they are looking at the compromised, bipartisan bill we have worked on. In 3 or 4 years the rates may go up because market rates will change. If we are only looking at 1 year, is there anything prohibitive in our bill that we couldn't go back a year from now if we see a better solution? If we get an education bill, we can say: Hey, here is the grand bargain, which is better than what we thought we had.

Still yet, our bill saves $9 billion, and the bill my dear friends in my caucus support only saves $2 billion. If we only do it for 1 year, we help more people save more money, and then we can still rewrite another bill in 1 year. Are we able to do that?

Mr. BURR. I have learned in my 20 years in Washington that ''permanent'' is defined as a 2-year session of Congress, and the next could easily change it.

Mr. MANCHIN. If we look at it from year to year, we have 3.4 percent for the smallest group, 6.8 percent for everybody above that, and 7.9 percent for PLUS.

Under our bill, it is 3.66 percent for all undergraduates, and every rate comes down; correct?

Mr. BURR. The Senator is correct.

Mr. MANCHIN. So that is $9 billion versus $2 billion, and that is about as simple as I can make it.

Mr. BURR. As I said earlier, how does that compute to the average student? It means a lower monthly payment. Under the bill that we will vote on, which is the current extension—the kick-the-can-down-the-road plan—they will pay $78 a month, and that number is based on a student borrowing $5,000. Under the bipartisan bill, it is $75 a month.

On the graduate Stafford comparison by month, the person who borrows under the graduate program—under the kick-the-can-down-the-road plan—is going to pay $251. Under the bipartisan solution, they are going to have a monthly obligation of $230.

For the highest group, the PLUS loans—and in a lot of cases those are parents—the monthly obligation is going to be $197 on the kick-the-can-down-the-road plan, and under the bipartisan solution, the monthly obligation is going to be $180 in payments. Again, this is figured with $5,000 borrowed over a 10-year amortization of the loan.

It makes the good point my friend from West Virginia made: Why would we not take the opportunity to make this cheaper for everybody for the next 12 months? If we find a better way to do it, let's change it 12 months from now.

Mr. MANCHIN. I think what we are talking about also is that they are saying if it consolidates, it strings the payment out for the maximum of 30 years, which means they are paying a lot more back in interest; correct? That is the argument I have heard from different people. So that means, why would you have an automatic consolidation?

With that being said, I understand that with the government-run loan right now, there are no penalties for me. If I string it out to get the lowest payment for 30 years, and then I said I want to have 10 years, I can do that; correct? That is able to be done. So I can reduce that amount of time and amount of interest with my affordability to pay more.

Mr. BURR. The Senator is exactly right.

There are others on the other side who would like to speak.

Madam Chair, at this time I reserve the remainder of the time on our side and yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I know Senator STABENOW has an important meeting to get to, and I will yield to her in just second.

I just want to respond to my friend from North Carolina as to why I objected since I don't believe in all of these reservations for objections. Either you object or you don't, and there is a time to explain that later on.

I wanted to explain why I objected. If we vote for cloture at noon on this underlying bill, then what the Senator from North Carolina wants, they can add as an amendment. They can offer that as an amendment to the bill. The bill will be open to any amendments anybody has.

So the reason I object is because we have a bill, and it is under regular order. We have cloture and the bill is open for amendments. So the Senator from North Carolina or Tennessee or West Virginia or anybody else can offer any amendments they want, and that is the way the regular order ought to proceed.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Madam President, I think what we are witnessing today are people who have differences in philosophies and want to solve problems with different approaches.

I believe the issue before us at noon is a vote on doing no harm. There is not an agreement on both sides of the aisle as to whether we keep the student interest rates as low as possible for an ongoing basis or whether we tie it to market rates going up so that they go up over time. There is not agreement on that. I hope we have an agreement to do no harm.

The vote at noon is, let's keep it at 3.4 percent, where it has been, which is, by the way, the market rate. Right now you can go out and get a car—and I encourage people to purchase a new American-made automobile—with a 4-percent interest rate. You can get a mortgage for about 4 percent.

Doubling the rates makes no sense, and putting in place something that students are asking us not to do, which starts where we are and goes up over time, does not make sense either. So let's do no harm. Let's vote yes to give us a year.

We have people who care about this issue. We can sit down and spend that time working under Chairman HARKIN, who is committed to addressing this in a comprehensive way. He is interested in addressing not just the interest rates on subsidized Stafford loans but on all of the issues. There is a range of issues, not the least of which is the $1 trillion that students and families are carrying in this country, which is more than the credit card debt that we have.

Let's start with do no harm. If we do that, then 7 million students are not going to be hit with the interest rate hike that is going to be in place. If we do that, we are going to be saying to students: We are not going to see the government making billions of dollars in profits on the backs of students because the loan rates have gone up.

So I would encourage everyone—people of different philosophies—to vote yes to give us the time to work out what is clearly a broad comprehensive issue to make sure young people and people going back to college have the opportunity to dream big dreams, to have the same opportunities many of us have had.

I went to school on student loans. I went to school on a tuition-and-fees scholarship because of my own family situation growing up. The reality is we have the opportunity to do no harm, and then work together on something comprehensive that does not down the road see students paying 7, 8, 9 or, in the case of what the House did, top out rates at 10.5 percent. I reject that. Colleagues on this side of the aisle reject that.

Let's vote yes and do no harm and then get to work in a bipartisan way on the larger problem and solve it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Madam President, let me commend Senator STABENOW, Senator HARKIN, Senator WARREN, Senator FRANKEN, and Senator HAGAN, particularly, who is the cosponsor of the legislation I have proposed.

My proposal would keep the student loan interest rate for subsidized Stafford loans at 3.4 percent while we deal with a very complicated and complex set of issues. It is not just the rate structure; it is the issue of providing appropriate incentives to control the costs of higher education. It is also the issue of refinancing existing debt and prospective debt so that this huge wall of debt, the avalanche of debt affecting college graduates and professional school graduates today, can be addressed. I don't think we can do that—because these are complicated programs—off the cuff, as we are attempting to do today or as we have been over the last several days.

It turns out that if we do not extend this rate for at least a year, but instead take up the so-called bipartisan proposal eventually rates will rise on students across the board. That is because the law now calls for a 6.8-percent rate for the Stafford subsidized and unsubsidized loans and 7.9 percent for PLUS loans—fixed rates—and in order to score this as a zero in terms of the Congressional Budget Office and deficit effects, we have to over that time make up all of that interest.

The proponents of the alternate approach are suggesting we will go with a lower rate now, but that simply means mathematically we will have to have higher rates in the future. The question of when that future arrives is a function of the way interest rates will be moving in the overall economy, and every indication is those interest rates will start rising, and perhaps quickly. The Federal Reserve has already indicated they are beginning to pull back on their quantitative easing, which means rates are likely to go up. We have seen a significant rise in the 10-year T-bill rate. Since May, it has gone up almost a full percentage point. So we are in a rising rate environment, and the other side proposes moving from a fixed rate to a floating rate, without an effective cap.

What we know is that—it might not be next year or the following year but relatively quickly—we could likely see and will likely see students paying higher than the 6.8-percent rate and, without a cap, it could be significantly higher.

If we adopt the proposal suggested by my colleagues—and they have been working with great energy and great sincerity to try to come to a solution—I am afraid we are going to ultimately end up seeing students paying much more, and that is not what we should be about.

We have a situation right now, even with the 3.4-percent rate that doubled to 6.8 percent on July 1, where the Federal Government is making about $50 billion this year, between the cost of funds and the repayments being made by students, so students have become profit centers for the Federal Government rather than, as I think the intention of the program was, that the Federal program was going to help students get through college so they can help us as productive workers in our economy.

It is projected that these Federal student loan programs between now and 2023, over a 10-year period, will make $184 billion for the Federal Government, in terms of the difference between what students are paying back and the cost of borrowing from the government. So there is a lot we could do—but not in 24 hours—to redesign our program so students are not essentially being hammered with huge debts as we are benefiting profitably from those students.

The CBO estimates that under this Bipartisan Student Loan Certainty Act, between 2017 and 2023, students would pay an additional $37.8 billion more on their loans than they would under the current rate of 6.8 percent. This goes to my initial point. The first few years have been designed so interest rates will be lower than 6.8 percent. However, according to the CBO, between 2017 and 2023 they will be much higher—so if a person is a high school student right now, they are looking at paying a lot of money if they intend to go to college—about $37.8 billion more—because it all has to balance out to effectively generate as much revenue as a 6.8-percent interest rate, which is the current rate.

Students know that. That is why they have come to us and said, Listen, thanks, but no thanks. This short-run discount of a few years in terms of the interest rate, we know we might get the benefit if we have already started or are just finishing college. We definitely know that our younger brothers and sisters in high school and another generation of Americans will be paying for it.

So I don't think we should take that approach. I think what we have said is let's wait. We have a lot of work to do. We want to look at proposals that might actually align the real cost of Federal lending for a college education and the real charges we impose on students. Right now, my sense is what our colleagues have done in their bipartisan approach has been essentially to make sure the first few years look good—they are certainly less than 6.8 percent, close to 3.4 percent—but then they have to put in a rather arbitrary delta—an increase in costs—because at the end of the 10-year period they are going to have to make up all of the interest that would have been charged at 6.8 percent. I don't think that is the way to approach fundamental reform of college loans in this country.

There is another point I think is important to make as well, which is we have always either had a fixed rate or an adjustable rate with a cap on each loan program—a cap on subsidized Stafford loans, unsubsidized Stafford loans, and on PLUS loans for families. Now, in the bipartisan proposal, they don't have a cap. There is some discussion that if students consolidate loans, they will get an 8.25-percent cap. But consolidation can only take place after a student is in repayment. And before a student is in repayment, all of that interest on the unsubsidized Stafford loans and the PLUS loans is accumulating and being capitalized into what the student owes. So when the student consolidates, they have a much bigger principal to pay off. There might be a cap of 8.25 percent, but it is a much bigger principal. By the way, the loan is extended over a longer period of time, so they also have to pay for that longer extension of time.

That is not the cap we have had before in the context of these programs. It has been a cap on the individual loan, a cap on the subsidized loan and unsubsidized loan, and a cap on the PLUS loans. I think that is a major fault within the proposal we are seeing today.

The other issue, which goes to the index, is that a 10-year T-bill interest rate has been chosen. Typically, we have chosen a 91-day T-bill, and the 91-day T-bill is cheaper, frankly. We start off with a much lower index, which lowers what the student has to pay, and then we add other costs to it, including the discount estimate of default, and all of those things come up with the final rate. But we are going to a 10-year T-bill rate, which means students will be paying more relative to a 91-day T-bill rate. Again, I don't think that is what we want to do.

We want to take the time to try to address this whole set of issues, to do it in a thoughtful way, to understand that one of the big challenges we have is not just the issue of what rate but also how do we keep college costs in check. How do we provide the kind of education students need to be competitive in the workplace? How do we deal with the interaction between all of these different types of loans? How do we go ahead and—again, this might be one of the biggest challenges we face going forward—how do we somehow allow these students who are drowning in debt to effectively refinance these loans so they can buy homes, they can buy cars, they can participate in the economy? That is not included in this proposal.

Indeed, one of my concerns is with these rates locked in—and this is long-term legislation—we won't have the proper incentive to effectively deal with these issues; we will just let them slide along. I think that would be to our great detriment and, more importantly, to the detriment of families throughout the country.

There have been—and appropriately so—comments and criticism of this short-term approach. We should have fixed it last year. Well, we haven't fixed it, and I think we have to give ourselves the time to fix it.

There is the suggestion that we are dealing with a portion of the loans—the subsidized Stafford loans—and everybody else won't get a benefit. From the numbers we have seen from CBO, one thing is certain: In the last years of the other side's proposal, from at least 2017 to 2023, everyone—subsidized, unsubsidized, and PLUS loans—will be paying more. So the one conclusion we can draw, if we go to the alternative approach, is that eventually every borrower will be paying more.

Therefore, I very strongly urge that we move forward with this cloture vote to get on to the legislation. As Senator HARKIN rightly pointed out, once we are on the legislation, it is open to amendment. At least we can debate the proposals from all of my colleagues that could improve or change or modify the underlying bill. But if we don't get to cloture, then we are not moving forward, and I think we should at least move forward.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I know we are still on our time; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. I understand Senator HOEVEN wanted to take 5 minutes.

Mr. HOEVEN. Madam President, I wish to clarify for the esteemed Senator from Iowa that I intend to speak in support of the student loan certainty act which he may not be in favor of, so I wish to be clear.

I ask unanimous consent to speak for up to 5 minutes, while preserving the 2 minutes remaining for the distinguished Senator from North Carolina prior to the vote at noon. I wish to be clear so the good Senator from Iowa understands as far as whether he wishes to object.

Mr. BURR. If it influences the Senator from Iowa at all, I will allow my 2 minutes to go to him, if the Senator wouldn't object to him having 3 additional minutes.

Mr. HARKIN. That would be fine.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. HOEVEN. My understanding is to preserve the 2 minutes for the Senator from North Carolina.

Mr. BURR. Go ahead.

Mr. HOEVEN. Madam President, I rise to speak to the permanent solution that is being put forward on a bipartisan basis today, which is the Student Loan Certainty Act. Again, I wish to emphasize that this is a bipartisan solution. Senator JOE MANCHIN, a Democrat from West Virginia; Senator LAMAR ALEXANDER, a Republican from Tennessee; Senator RICHARD BURR, a Republican from North Carolina; and Senator ANGUS KING, an Independent from Maine—I guess tripartisan, right? This is truly a bipartisan effort, including the support of Senator TOM CARPER, a Democrat from Delaware, myself, and others. This is a bipartisan effort to come up with a permanent solution.

I have been listening to the floor debate and what everybody says over and over is we need a permanent solution, and that is exactly right.

A year ago I served on the conference committee for MAP 21 which is the authorization for the highway program. We included in that conference report an extension, a 1-year reauthorization, of the Federal student loan program. So we could do what? Put a permanent solution in place—not come here a year later and extend it again for a year.

So that is what the vote at noon is all about. It is yet another 1-year extension. We need to put a permanent solution in place. Our bipartisan plan is simple and straightforward. It provides students with dependable low-cost financing on a long-term basis. We call it the Student Loan Certainty Act because it provides just that: certainty for our students and for our families, not another 1-year extension.

There has been a lot of discussion here, and it is easy to get confused. But let's go through it for a minute. How does it work? This is a simple straightforward plan. The plan would tie all student loan rates to the 10-year Treasury note to reflect current market and employment conditions.

Right now, that index rate—the 10-year Treasury note rate—is 1.8 percent. Then both subsidized and unsubsidized Stafford loans would be 1.85 percent over that rate. Graduate Stafford loans: 3.4 percent over that rate. PLUS loans—loans parents take out—4.4 percent over the 10-year Treasury note rate. Those rates are then fixed, locked for the life of the loan. The student knows that is a fixed rate then for the life of the loan, until it is paid off.

So let's compare the programs, compare the existing student loan program to what we are proposing. That is easy enough to do.

Subsidized Stafford loans. Right now they are actually at 6.8 percent because the existing program expired, didn't it. But under the old program they were at 3.4 percent for the subsidized Stafford loans. Under our proposal: 3.66 percent—3.4 percent; 3.66 percent—so it is about the same, isn't it.

Actually, those rates have gone to 6.8 percent because, again, we go year to year. This program expires so we are really bringing them down. But even if you assume it has not expired, it is about the same rate—3.66 percent versus 3.4 percent.

For unsubsidized Stafford rates, again, under our proposal, you get the same rate as for the subsidized student loan program—3.66 percent. That compares to 6.8 percent under the existing program. That is a big-time savings for 60 percent of college borrowers, big-time savings: 3.66 percent versus 6.8 percent. Which would you rather have? Big-time savings for 60 percent of the undergraduate borrowers.

Graduate student loan rates under our proposal: 5.21 percent versus 7.9 percent under the existing program; parent PLUS loans: 6.21 percent versus 7.9 percent under the existing program—in both cases, again, lower rates.

The consolidated loan rate remains at 8.25 percent. That is a cap. We keep that in place—8.25 percent—in essence, providing students and families with a cap, another safety feature.

There is also another protection measure in the bill. The good Senator from North Carolina just referred to it a minute ago. Under the income-based repayment level provision, student loan payments are limited to 15 percent of income. So your repayment, your payment amount is limited to 15 percent of your income, and after 25 years, if the loan is not paid off, the balance is forgiven. So you have both a cap and a repayment limit provision to protect borrowers.

Furthermore, this program is designed solely for students and their families. What do I mean by that? This program is solely for students and their families. Unlike the existing student loan program, it does not subsidize health care. The current program, in essence, provides a subsidy for Federal health care—the Affordable Care Act, ObamaCare. It provides a subsidy, and the students pay for it. Why would we do that? Why would we continue that?

What we are talking about is a vote at noon to extend the current plan. It is a 1-year extension, meaning we are going to be right back here 1 year from now doing the same thing. Furthermore, it is paid for with a tax increase on withdrawals from retirement accounts—a permanent tax increase to pay for a 1-year extension. That does not make any sense. What are we going to do a year from now to come up with the revenue to once again extend it? A permanent tax increase for a 1-year extension.

The third point is, why in the world are we using a student loan program to subsidize the Affordable Care Act, ObamaCare? That does not make any sense. Why would we do that?

Again, I come back to the point I started with, the point I made earlier that I think reflects on the debate and the discussion we have all had here: There is a desire to come together. I do not think we are very far away. I think this bipartisan measure is very close to something we can agree on. The good Senator from Iowa said himself he wants a permanent plan in place that takes care of students. I think we are close to doing that. I think the Student Loan Certainty Act provides that bipartisan framework we can now gather around. It may need some modification, but we can gather around it and get a permanent solution in place. I know that is what all of the Members of this body want. I ask my colleagues to join with us so we can get that done, and we can get it now—not extend it for a year and hope to get it done. Let's get it done for the benefit of our students across this great country and their families.

Ms. MIKULSKI. Madam President, I am proud to rise today to support the Keep Student Loans Affordable Act. This bill would extend the current interest rate of 3.4 percent for subsidized Stafford loans for the next school year. This interest rate reflects a record low for interest rates on Federal student loans, and these loans can only go to students and families that demonstrate a need for them; 60 percent of dependent subsidized loan borrowers come from families with incomes of less than $60,000. Subsidized Stafford loans help more than 7 million college students without worrying that the interest on their loans will begin accruing while they're in school. It helps more than 105,000 students in Maryland. Middle class families are feeling stretched and stressed and if we fail to act, students could be facing an additional $1,000 in debt over the life of their loans.

I would also like to announce my support for the Bank on Student Loans Fairness Act, introduced by Senator ELIZABETH WARREN. This legislation would lower the current interest rate of 3.4 percent to 0.75 percent for subsidized Stafford loans for the next school year, which is the same interest rate that banks pay. Banks have arbitrarily raised interest rates on consumers, and applied higher interest rates retroactively. They charged fees without any legitimate purpose—and then charged interest on top those unfair fees. And they marketed their products to college students who they knew could not afford the credit they were providing.

The banks are not looking out for the best interest of students; they are looking after themselves to make a profit. The Federal Government has worked hard to keep student loan interest rates as low as possible to ensure that access to higher education remains a viable option for students and their families. That is why it is important that we work together to keep the interest of students at heart and not create additional burdens on them. So why not let students pay the same interest rates as banks?

I have said this often, but we in this country enjoy many freedoms—the freedom of speech, the freedom of the press, the freedom of religion. But there is an implicit freedom our Constitution does not lay out in writing, but its promise has excited the passions, hopes, and dreams of people in this country since its founding. The freedom to take whatever talents God has given you, to fulfill whatever passion is in your heart, to learn so you can earn and make a contribution—the freedom to achieve.

When I was a young girl at a Catholic all-girls school, my mom and dad made it clear they wanted me to go to college. But, right around graduation, my family was going through a rough time because my dad's grocery store had suffered a terrible fire. I offered to put off college and work at the grocery store until the business got back on its feet. My dad said:

> Barb, you have to go. Your mother and I will find a way, because no matter what happens to you, no one can ever take that degree away from you. The best way I can protect you is to make sure you can earn a living all of your life.

My father gave me the freedom to achieve. And this legislation will give millions of Americans that same freedom without adding a dime to the deficit.

Students will bless us if we are successful in keeping their student loan interest rates as low as possible. Getting a college education is the core of the American dream and I am going to be sure that every student has access to that dream and make sure that when they graduate their first mortgage is not their student debt. Senator REED's legislation should be passed in a swift, expeditious, uncluttered way. It gives our students access to the American dream. It gives our young people access to the freedom to achieve, to be able to follow their talents, and to be able to achieve higher education in whatever field they will be able to serve this country.

While our work is not done when it comes to ensuring access to affordable higher education, this bill helps us get there. While these bills will fix the problem today, I will continue to work with my colleagues to figure out a longer-term solution.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Well, Madam President, I think we have had a good debate and colloquies on this bill. At noon we are going to be voting, as I understand it, on a cloture motion on whether we are going to have a bill on the floor. That is all we are saying: Will we have a bill on the floor to which amendments can be offered by anybody?

I say to my friends on the Republican side, if they have an idea—and some of them do—that has some Democratic support—and there is some of that—the best way to flush this out and to see whether the Senate as a whole agrees is to vote for cloture on the motion to proceed to the bill at noon. That means the bill is on the floor. That means it is open for amendment. That means if Senator BURR wants to offer an amendment that incorporates his whole bill, he can do that and we can have a debate on that. And I would say to my friends on the other side, it only takes 51 votes, not 60. It only takes 51 votes to adopt an amendment.

It seems to me the proper way, if you want to proceed on this, is to vote for cloture. That brings the student loan bill to the floor. If my friends from North Dakota or Tennessee or North Carolina or wherever—or my friend from West Virginia on this side—if they want to offer amendments, do so. We can debate it. And then it only takes 51 votes. I do not know why they would be opposed to voting for cloture on the underlying bill because that moves us to a point where 51 votes is controlling. So I hope we will get the 60 votes necessary to move ahead with this very important bill and this issue.

A lot has been said here this morning, and my friend, I think, from West Virginia said there are a lot of numbers floating around and there are a lot of charts floating around. Everybody has a chart on this and numbers on that. No one is trying to befuddle anyone, and no one is deliberately trying to mislead anyone. It is just that when you get involved in an issue such as this, it is complicated, it is very complicated, because if you do a little bit on this one thing—let's say on a cap—then it does something on other interest rates. If you do something on consolidation, all these things bounce around. You can look at what an interest rate would be today, but you do not know what it is going to be tomorrow or what it is going to be next year or the year after. All we have to go on is CBO estimates, Congressional Budget Office estimates.

I will be forthright. I will say honestly, I can love CBO one day and hate them the next because of the way they figure things, and sometimes it is almost inscrutable how they figure things. But, nonetheless, those are the rules we have to sort of play under here. So we have to look at what the CBO scores are and how they score all of the various proposals.

My friend from North Carolina had all of his charts out there and different things about interest rates and all that. I asked the question: How long does that 3.66 percent interest rate last? He was forthright. He said 1 year. But then he went on to talk about what would happen in the future.

Well, here is yet another chart that I present for the Senate. Their bill is S. 1241. That is the Burr-Manchin-Alexander et al. bill. So what we did was we plotted it out as to what would happen in the outyears. As you can see, if you look at this line about right here on the chart: 6.8 percent. That is where the student loan interest rate is today because on July 1 it doubled from 3.4 percent to 6.8 percent. And 6.8 percent is permanent law. Madam President, 6.8 percent is permanent law, so that is where it is today.

If you look at S. 1241, the Burr-Manchin et al. bill, they are quite correct that in the first 2 or 3 years the interest rates are lower than 6.8 percent. That is why I asked the question. He mentioned 3.66 percent down here on the chart. That is good for next year. But we can only go by CBO estimates, so we asked CBO: What are your projections of the 10-year Treasury notes? That is what we have to go by. If you use that, and you look at what their bill proposes, you will see almost like a classic bait and switch. For the first couple, 3 years, interest rates are lower than 6.8 percent. But beginning in 2016—2½ years from now—both the graduate Stafford loans and the PLUS loans go way above 6.8 percent—up to 8.6 percent and 9.6 percent.

If someone looked at that, they would say: Well, for the first couple, 3 years that might be OK, but what about these students out here? How about these young students getting ready to go to college? They and their families are paying these high interest rates. That is why we heard from so many student groups saying: That is not a good deal. We do not want just a good deal for us for a couple of years and then stick the students in the future with higher interest rates.

Then for the undergraduate Stafford loans—which right now are at 6.8 percent—the Burr-Manchin and others bill goes up to 7.1 percent. You might say that is not much of a difference, but it is more.

So in every single case, by 2018, the interest rates under the Republican bill are higher—higher—than if we stuck with current law, which is 6.8 percent. That is a fact. They cannot dispute that unless they want to say they do not want to use CBO figures. But that is what we have to apply. I have asked—I make the request again—any of the supporters of S. 1241, if you disagree with this chart, please come to the floor and tell us why this is not right. I challenge anyone to come here and tell me why this is wrong, if they think it is wrong, and why they think it is wrong. But that is exactly what will happen under their bill.

It seems we have a couple of courses here. As I said, the first thing is to do what we can to keep interest rates low, and then to address this in a comprehensive fashion.

The bill before us, the bill we are going to vote cloture on, is just a 1-year extension at 3.4 percent. Again, that has a cost. CBO told us what the cost was. So we had a pay-for, as we say around here a pay-for—how do you pay for it—by closing a loophole in the IRAs, the individual retirement accounts. As we developed those, those were to be used for retirement. But a current loophole in the law allows very wealthy people to build up a retirement account in an IRA and use it as an estate planning gimmick.

So millionaires, billionaires can pass on millions in than IRAs to their heirs without paying taxes for years, if not decades. That was never what IRAs were for. That is a loophole. It has to be closed. I think in anything coming before this body in the way of a tax reform, I can assure you that loophole will be closed. So we are saying, for 1 year, we will close it and use the savings from that to keep student loans at 3.4 percent for 1 year.

Am I saying we have to keep student loans at 3.4 percent forever? No, I am not. What I am saying is that this whole area of student loans and interest rates is one piece of a jigsaw puzzle, the jigsaw puzzle being how are we going to do two things; one, make college more affordable in the future and how are we going to address the $1 trillion-plus that is in student loans out there right now. This is just one part of that.

When we take one part out of that jigsaw puzzle, it affects everything else. That is why I have argued for a long time that our committee, the HELP Committee, needs to address this in the Higher Education Act reauthorization. The Higher Education Act expires this year. So we have to reauthorize it. My good friend Senator ALEXANDER is the ranking member on the committee. We have already had discussions about the Higher Education Act. I believe this is the proper way to proceed, so we can have experts come in and tell us: OK. If you jiggle this number a little bit, if you do this on student loans, how does that affect Pell grants. If you do something on Pell grants, how does that affect college work study.

All of these things fit together. We need to address a comprehensive measure on college affordability, on making sure college costs are transparent for our students and their families. Comparisons. Why does one course of study at one college cost $200 a credit hour and another college the same course costs $400 a credit hour? Why is that? Should parents not have a good comparison chart? What can we do to encourage colleges to have a better graduation rate in 4 years or 5 years? Secretary Duncan has talked a lot about promoting an idea of having high schools graduate kids that after 4 years they can get an associate's degree. If they study hard and do advanced placement courses, they might even graduate from high school or shortly thereafter with an associate's degree.

These are interesting ideas. We need to pursue them. But if we take this out, if we take out the student loans, it sort of messes up the rest of the formulas. That is why I think we should extend the 3.4 percent for 1 year, pay for it with the closing that loophole for 1 year, and let our committee do its job. We have good people on the committee. Senator ALEXANDER, Senator BURR are on the committee. We have thoughtful, smart people who understand this.

I think generally we work pretty good together on the committee. This issue now of the student loans, it reminds me of all my time in the Senate, now marking 39 years. It seems that every time we rush to judgment, we have a deadline, that is when mistakes are made. Need I go any further than to talk about the sequester?

It is a horrible mistake. But faced with a deadline, we have to do all of this, then we rush to judgment on something such as this. I think we made a terrible mistake on that.

So I plead with my fellow Senators to put this over for 1 year. Let our committee do its work, so we can address the whole issue of college affordability, college completion rates, and how we address also the issue of the $1 trillion that is hanging out there. That may be more of an issue for the Finance Committee, but there may be partial jurisdiction for both the Finance Committee and the HELP Committee.

Again, last year, we extended the 3.4 percent for 1 year, to July 1 of this year. I know I have heard some say we did that for 1 year and we did not address the issue. But, again, I remind my fellow Senators that last year was an election year, campaigning, we were not here that much, had a big election in November, then we had all of these budget things facing us at the end of the year.

With the budget problems we had earlier this year, there just was not time to do anything, plus the fact that the Higher Education Act does expire this year. So it is incumbent upon us to address the issue of higher education. That is where this belongs. I would again hope we would extend the 3.4 percent for 1 year and let our committee do its work.

I urge my colleagues to support the 1-year extension. My friends on the other side, they say they want a long-term solution. I have no problems with that. But let's do a long-term solution based upon a rational approach, one that comprehensively looks at all of the issues surrounding college affordability. The way to do that, as I said, is through the committee's work.

There was one other point that was made this morning that I wish to address myself; that is, consolidation. Everybody thinks consolidation is such a hot deal. I have pointed this out before. For example, we took a $41,000 Stafford loan borrowed in school—$41,000—and used that as the baseline. Then we said, under current law, the student would pay $21,716 in interest over 10 years. Under the Republican bill, S. 1241, they would pay $28,607. Under consolidation, they pay $69,000.

So consolidation is not the big deal people think it is. Now here is one that is even more drastic. Again, the $41,000 in Stafford loans and $30,000 in PLUS loans borrowed by a graduate student, under current law, $43,760 is what they would pay back. Under S. 1241, they would pay $52,498. But if they consolidated it, they would pay $148,000—$43,000 to $148,000. That is under consolidation. So you wonder why students do not consolidate? Because they realize they are going to be paying back three and four times as much in interest charges than if they never consolidated.

The other point I wish to make on consolidation is you only get to do it one time—one time. So let's say that you graduate from college. You decide I want lower monthly payments. I want to stretch it out for a longer period of time. You do that. You consolidate. Then let's say you want to go to graduate school. You cannot consolidate after that. That is it. You are through.

So if you have to borrow money at higher rates and stuff, you cannot consolidate those later on. I think that is what some of my friends forget. You can only use consolidation one time—one time. So consolidation and having a cap or whatever it is on consolidation is certainly not any kind of an answer to these high interest rate payments students are making.

Again, what we are looking for—I know people want to have a long-term solution. They want to get to something that is revenue neutral. I understand that. I hope if we get cloture and we can move to the bill, Republicans can offer their amendments. As I said, it only takes 51 votes to adopt an amendment. But if not, then let's just extend this for 1 year. I do not think that is too much to ask, to extend it for 1 year and let us do this in a comprehensive fashion.

I would hope that would be what we would do and not double these interest rates on students right now. I think both sides agree on that, even under S. 1241, next year interest rates will be 3.66 percent. I am all for that. On 1241, they want to keep interest rates at 3.66 percent next year. That is fine. That is pretty close to 3.4 percent. The problem is what happens in the outyears, as I have pointed out.

If both sides agree that in the next year interest rates should be down around here at 3.6 percent for the undergraduate loans, 3.4 percent, 3.6 percent, not a heck of a lot of difference. Why do we not just extend the 3.4 percent for that year and then fix this in the Higher Education Act? I would agree. They want to keep it at 3.66 percent for 1 year, fine. But there is not that much difference between 3.4 and 3.66 percent.

I think what we all agree on is in the next year, interest rates should not go up—should not go up. Where we are not agreeing is on a long-term fix. Again, if we cannot agree on a long-term fix, then at least let's do no harm. Let's extend the 3.4 percent for 1 year and take care of the long-term solution in the Higher Education Act reauthorization, which we can have on the floor sometime next spring.

With that, I again ask my colleagues to vote for cloture on the bill. Let's extend 3.4 percent for 1 year and let our committee do its work.

I yield the floor and reserve whatever time we may have remaining.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REED. Madam President, we are about to take this vote. It is vitally important. The proposal is very straightforward, to extend the interest rate for subsidized Stafford loans at 3.4 percent. It is fully paid for. It will allow us to work through a very complicated set of issues. It will allow us to avoid raising rates this year and work toward a proposal we hope will avoid rising rates in the future.

The alternative proposal eventually raises rates on every student, not immediately, but CBO indicates by at least 2017 the rates will be up.

This is on top of a huge cascade of student debt we have to deal with. In fact, one of the major issues we should deal with is how do we refinance the existing loans that are at high rates. Refinancing will be even more important if we were to enact the rising rates coming from the proposals on the other side.

I urge all of my colleagues to support cloture and move forward to debate this bill.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the motion to proceed to calendar No. 124, S. 1238, a bill to amend the Higher Education Act of 1965 to extend the current reduced interest rate for undergraduate Federal Direct Stafford Loans for 1 year, to modify required distribution rules for pension plans, and for other purposes.

Harry Reid, Tom Harkin, Jack Reed, Kirsten E. Gillibrand, Patrick J. Leahy, Amy Klobuchar, Tom Udall, Sheldon Whitehouse, Ron Wyden, Benjamin L. Cardin, Richard Blumenthal, Christopher A. Coons, Sherrod Brown, Robert P. Casey, Jr., Elizabeth Warren, Al Franken, Richard J. Durbin, Debbie Stabenow.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to S. 1238, a bill to amend the Higher Education Act of 1965 to extend the current reduced interest rate for undergraduate Federal Direct Stafford Loans for 1 year, to modify required distribution rules for pension plans, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted: yeas 51, nays 49, as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—51

Baldwin	Gillibrand	Murray
Baucus	Hagan	Nelson
Begich	Harkin	Pryor
Bennet	Heinrich	Reed
Blumenthal	Heitkamp	Rockefeller
Boxer	Hirono	Sanders
Brown	Johnson (SD)	Schatz
Cantwell	Kaine	Schumer
Cardin	Klobuchar	Shaheen
Carper	Landrieu	Stabenow
Casey	Leahy	Tester
Coons	Levin	Udall (CO)
Cowan	McCaskill	Udall (NM)
Donnelly	Menendez	Warner
Durbin	Merkley	Warren
Feinstein	Mikulski	Whitehouse
Franken	Murphy	Wyden

NAYS—49

Alexander	Fischer	Moran
Ayotte	Flake	Murkowski
Barrasso	Graham	Paul
Blunt	Grassley	Portman
Boozman	Hatch	Reid
Burr	Heller	Risch
Chambliss	Hoeven	Roberts
Chiesa	Inhofe	Rubio
Coats	Isakson	Scott
Coburn	Johanns	Sessions
Cochran	Johnson (WI)	Shelby
Collins	King	Thune
Corker	Kirk	Toomey
Cornyn	Lee	Vitter
Crapo	Manchin	Wicker
Cruz	McCain	
Enzi	McConnell	

The ACTING PRESIDENT pro tempore. On this vote the yeas are 51, the nays are 49. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. REID. I enter a motion to reconsider the vote by which cloture was not invoked.

The ACTING PRESIDENT pro tempore. The motion is entered.

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

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

The legislative clerk proceeded to call the roll.

Mr. UDALL of New Mexico. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. UDALL of New Mexico. Mr. President, last week 40,000 students in my State got some very bad news: The rates on new Stafford student loans doubled. Today, these students got bad news again. Today, our Nation's students once again wait in vain for relief.

These students work hard; they are ambitious. They know how important a college education is. They know what it means to their future and to our Nation's future. They expected more of us, and I share their disappointment.

We saw this coming. This bus has been approaching the cliff for a year. That ought to be time enough to turn it around, and turn it around without throwing students underneath it. I know many of my colleagues here are trying—trying to find a long-term solution, but today we failed. Our Nation's students pay the cost of that failure.

For so many in my State, grants and loans make the difference. Federal subsidized Stafford loans are absolutely crucial, opening a door to college, to opportunity, to investing in the future. We all know these students. Most have lower incomes and fewer advantages. We ask them to work harder, and now we ask them to pay more.

They are folks such as Lori Cole. Lori was quoted in the Las Cruces Sun News. She said:

I'm almost 50 years old and returned to school last year. I've had to take out loans on top of my grants. I don't like the rates going up but what can I do? I have a teen in college and a mortgage. I have no choice but to continue with my student loans if I ever want to make more than $10 an hour.

They are folks such as Josh Dunne. Josh wrote the following on his Facebook page:

As a disabled combat vet, my wife and I who are both students do not have a choice but to eat the increase . . . I don't understand how they can continue to raise the rates on us not only for tuition but now also the loan rate and expect the amount of students to continue to go to school. Hope they can figure it out for our future.

I say to Josh and to so many other students like him, I hope we can figure it out too.

These students are struggling. Our economy is slowly recovering. Now is not the time to set up more barriers. Now is not the time for interest rates to double, weighing down students, weighing down hard-working families, weighing down the middle class.

The Keep Student Loans Affordable Act of 2013 would have helped, keeping the interest rate at 3.4 percent for new Stafford loans for 1 year and giving Congress time for a broader solution. But the problem is not just interest rates, it is the growing burden of student debt.

Higher education is at a tipping point, and we need a long-term plan—a plan that is sustainable, that is comprehensive. These are complicated questions that require careful answers. But one principle should be clear. For fairness, for investing in our Nation's future, college should be within the reach of all American families, not just the privileged few.

Students know how to set goals, they know how to set priorities. They expect the same of us. And priorities come down to choices. The Keep Student Loans Affordable Act offered a choice—to help students to work toward real solutions, and we could do it by simply closing a tax loophole. No new tax, no new debt, just closing a tax loophole—not exactly a radical notion.

I will do all I can to ensure the Senate will find its way to long-term answers. We will not give up on this issue. Seven million students and their families are waiting, waiting for predictability, waiting for more affordable education, and control of spiraling costs. They and their families do the heavy lifting. Every day we should lend them a hand.

The average college senior has over $26,000 in debt at graduation. Some have much more. The burden is heavy enough. We should not be adding to it now.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Florida.

Mr. RUBIO. Mr. President, this issue is very important to millions of Americans, and one with which I am too familiar. I think I have shared this in the past, but I will share it again.

Obviously, my parents didn't make a lot of money. So I would not have gone to college, I would not have gone to law school had it not been for Federal financial aid, both in the form of Pell grants, loans, and work-study. All of these programs opened that door for me. In fact, I don't think any of my siblings could have gone to college without some assistance.

The point is that I know how important these programs are to Americans. In fact, when I was elected to the Senate in 2010, I still had a student loan that was over $100,000. I was fortunate to write a book—which is now available in paperback, if anyone is interested—and with the proceeds that I made from that, I was able to pay off that loan. Had it not been for that, I am not sure when I would have been able to pay off my student loan for law school.

Early on, when I had multiple student loans from both undergrad and law school and the private loans I had to take out for the bar study, there were months where my student loan payments were higher than anything else I was paying. At its peak, it was about $1,400 a month. That is with a graduate and a law degree, and making what most people would consider a pretty good living. Even with that, it was a real load.

Obviously, that is at the high end of the spectrum, but even if you talk about the average loan debt in America today being around $25,000 or $26,000, the evidence is clear this is having an impact on graduates.

So you graduate from college, you have the student loan debt around your neck, and it actually prevents you from doing things like starting your life, buying a home. In some instances, if you fall behind on your payments, it starts to hurt your credit rating. The evidence continues to grow that a significant percentage of young Americans are facing a challenge that no Americans before us have faced with regard to this sort of student loan debt that hangs over their heads.

So, clearly, we have to figure out a permanent solution—not a 1-year solution but a long-term solution—on the issue of student loan rates. That is an important part of this debate, but here is what I think is missing from this debate; that is, an open acknowledgement that what we have today in higher education as it is currently structured is becoming increasingly and inexplicably unaffordable. And that is the part that isn't being discussed.

The fundamental problem isn't the loans. The fundamental problem is the tuition rates that continue to climb across this country. In fact, according to the Wall Street Journal today, institutions of higher education grew their revenue faster than inflation from 2005 to 2011. Of course, the spending also grew. How many other parts of our economy grew their revenue and their spending at a pace faster than inflation over the last decade?

The evidence is that every time we increase the amount of student aid that is available in both Pell grants and in loan programs, that is just eaten up by higher tuition rates.

Now, as a former State legislator in Florida, that was a battle we had every year because the universities said they needed higher tuition in order to retain quality faculty, et cetera. To some extent, I imagine some of that is true. But at the end of the day, there comes a point—especially in our public institutions—where quality but also affordability have to meet. We cannot continue to price people out of higher education in this country because it is inextricably linked to our future wellbeing.

There are two fundamental problems that face our economy. No. 1 is we don't have an economy that is growing fast enough, producing the kind of middle-class jobs that allow people to have the kind of lifestyle all Americans want. The other problem is we have a skills gap in America where a growing number of people simply have not acquired the skills they need for 21st-century middle-class jobs. The only way to close that skills gap is through education—and particularly higher education.

What I would argue today is that the model of higher education we have in place today, largely based on 19th- and 20th-century models, is broken. It no longer lives up to the reality of the 21st century.

For example, many of the higher paying jobs in the middle class today don't require a 4-year degree from a liberal arts college. They require less than 2 years or a 2-year degree program that you could get at a community college.

There are other things available to us in terms of how we can incentivize or reform our higher education programs. We should look at accreditation reform.

Right now, in order to get student loans or aid from the Federal Government, you have to go to an institution that is accredited. Traditionally, these are the 4-year or 2-year institutions. But there are now alternatives available to us, things that we weren't doing a few years ago.

No. 1, we should rely on community colleges, which, by the way, are a treasure in this country. The services that community colleges provide students to get 2-year degrees—in fact, some community colleges are in the 4-year degree program, and they have tailored programs that allow people to go to school while they continue to work. That is an important part of the backbone.

It is also an extraordinary part of retraining people. You might have a job, and all of a sudden that job doesn't exist anymore, and you have to get retrained in a new skill or a new trade. Community colleges are an important part of that component.

It goes beyond that though. Career and technical education, for the life of me, I do not understand why we have stigmatized that in this country; why we have created this idea that unless you get a 4-year degree or more that you are somehow not successful when we know we have a shortage of people we need to be trained in the skills and trades we once used to do in this country. We should get back to some of that. We should encourage that, quite frankly, even before the college level.

Why can't we graduate kids from high school with an industry certification and a career in a trade, so when they graduate high school they get a diploma and they are industry certified to go to work?

We have an example of that on a smaller scale in south Florida, where a friend of mine actually takes high school kids and begins to train them as BMW technicians. They go to school in the morning for a couple of hours. Then they go to the shop and get trained. When they graduate from high school, they are BMW-certified technicians. Within a year after that, they can get even higher levels of accreditation, and some of them start making $35,000, $40,000 a year out of high school.

Why aren't we doing more of that? Instead, we leave kids trapped. They feel as though they are studying things they don't like and don't speak to them. They drop out of high school. They languish in the economy for 10 or 15 years, and then sometimes they will find themselves in a for-profit college or some other program to try to get trained.

Let's avoid all of that. Let's allow these high school students and others across this country with an opportunity to study something they enjoy and they love and to get the needed skills so they can avoid all of that.

We also have this new revolution in massive online coursework. Now, not every course can be taken that way, but we now have the ability to allow people to actually have self-directed learning, to use the Internet platforms that are available so they can take a course in political science from Harvard and economics from Yale. You can sit there and actually put your own course work together. This is still being developed, but this is an important part of our future innovation—the ability to bring the in-classroom learning to the student, not just require them to sit there for lectures for an hour and a half in a classroom when they can easily get it online and it can be tailored to their work schedule, to their workload, to their needs.

Beyond that, innovations, in terms of giving people credit for work experience or life experience—we see that colleges are doing that now where you can go in and say: This is what I have done for the last 20 years of my life, and you get credit for that work because you have life experience and work experience in a field. They don't make you sit there and spend a bunch of money on electives you are never going to use and don't really need because they want you to be ''well rounded'' but all it does, in fact, is drive up the cost of your education.

I don't know about you, but in the last 4 years of my degree I was searching for electives to take because I had to have electives. I don't remember what some of those electives were, but I paid for them with student loans and Pell grants. I would much rather have gotten my degree in the things I needed to know so I could have moved on to law school and done that there.

These are some of the ideas we have in terms of how we should revolutionize our higher education system to reflect the needs and the realities of the 21st century. The fact is that we now have a challenge before us unlike anything we have ever had. Industries are now evolving on a yearly basis. Most Americans are going to have to be retrained at some point in their lives on a new skill because that is the pace of change, and we need to have infrastructure in place to provide that for people in a way that is affordable.

It reminds me of a story of a friend I had who was one of the parents on one of my son's teams, and the mom was always struggling. She was always the first one to get laid off at her office. She worked primarily as a receptionist at a dental clinic or medical clinic, got a little bit into billing. What she really needs to become and would like to become is an ultrasound technician so she can make a little bit more money, have a little job security, and provide her kids with the opportunities she wants them to have. The problem she has is that she has to work 8 hours a day. How is she going to do that and go to school and get that training?

In many parts of this country we do not have the infrastructure in place for that to happen and the financial aid programs both on the loan side and Pell grant side do not provide the flexibility to allow them to do it in the most cost-effective way. To that end I have proposed a number of pieces of legislation. Most of them are bipartisan. I have worked with Senator WYDEN and others on the Student Right to Know Before You Go Act. That basically means that before you take out these loans, you are going to be provided meaningful information: This is how much it is going to cost to go to school here, this is how much people who graduate with this degree from this college make when they graduate, and this is how much you are going to owe. You can still take the course, you can still major in that, but you deserve to know. You deserve to know that if you are going to owe $20,000 and you are only going to make $20,000 a year when you graduate with this degree, it will take you a long time to pay it, if ever.

Students have a right to know before they go. That is the Student Right to Know Before You Go Act.

I also offered the Higher Education and Skills Obtainment Act, which will create one universal tax credit for higher education, and it will produce measurable savings, some of which can be redirected to the shortfalls in the Pell Grant Program that are coming up. The bill offers one tax credit for students who are most in need, giving students the ability to avoid navigating a confusing maze of temporary tax provisions worth different amounts for different income thresholds.

By the way, people involved in job skill training would also have access to this universal credit as opposed to all these different credits floating out there now that people do not fully understand how to use.

There are other ideas I have proposed. I have introduced legislation with Senator COONS that provides an innovative partnership that will create an interactive source of information for students to be able to create college savings accounts. Studies have shown that American children with college savings accounts in their name are seven times more likely to go to college than students without one. This bill will combine innovative student support tools with savings accounts to promote access for low-income students in our country so they put some money aside to be able to do this.

The fact is that today's 21st-century student requires a higher education system that best suits their needs, whether it is in the form of a traditional university, a community college, a career or technical education, workforce retraining programs, or a combination of all of these.

I am not saying this is not an important debate to have because it is. It is facing people right now. But I hope at some point we will look at our student aid programs and what we can do to tailor them to the 21st century, to all of the innovations that are now available to us to allow people to gain the knowledge they need to become competitive in a 21st-century economy. That is going to require, in my opinion, a significant restructuring on how our higher education is developed.

This is not a threat to liberal arts colleges or a transitional 4-year college education. That will always be a part of our system. It is an important part of our system. But that does not work for everybody, not because they are not smart enough but because they have a job during the day, because they are raising three kids. If you are a single mom with three kids and a full-time job, you cannot just leave all that behind and go to Gainesville, FL, to the University of Florida for 4 years. You need the ability to get that degree that allows you to do that. I lived that. My sister had to do that. She went back to school in her thirties and finished her college degree and then got her master's to become a teacher, and today she is an assistant principal, all the while raising two boys on her own. She would not have been able to do that if the only choice she had available to her was the University of Florida, Florida State, because she couldn't just move. That doesn't work for someone in that part of their lives.

We need to have answers. So I hope we will spend some time focusing on what we can do and reforming the way we accredit colleges, particularly when it comes to student financial aid, and in the way we structure our financial aid programs so that the education system meets the needs of our 21st-century students and not the other way around.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

Mr. CARDIN. Mr. President, I understand the Senator from New Hampshire is going to go next. I ask unanimous consent that the time until 5 p.m. be equally divided and controlled between the two leaders or their designees, that Senators be permitted to speak therein for up to 10 minutes each, and that any time in a quorum be equally divided between Democrats and Republicans.

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

The Senator from New Hampshire.

MS. AYOTTE. Mr. President, I rise today to talk about an issue we are all very concerned about, particularly in my home State of New Hampshire; that is, the rising student loan rates. In fact, one study that looked at it for the class of 2011 found that for New Hampshire, the average load of debt for the class of 2011 was $32,000—over $32,000.

Like the Senator from Florida, I have experienced it personally as well. I would not have been able to get a law degree or to have the education that I have without the ability to take out student loans—and only paid them off, fortunately, right as we had our first child. So this was something that—basically, I used to call it ''I had a mortgage to pay'' to pay off my student loans. But I was grateful for the opportunity to get those loans and get the education that I was able to receive. We want to make sure all students are able to pursue higher education in the most affordable way possible.

Here is where we are today. This is such a complete, typical Washington deal. We just voted on a proposal on the floor, and that proposal is a 1-year fix. It only applies to 40 percent of student loans. We would be back again next year—like Groundhog Day—trying to fix this problem again. It is a complete Washington deal in this way.

There actually has been a bipartisan proposal that has Members of both parties coming together. What happened is we saw that the President put forward a proposal as to how to deal with the increase in rates on July 1. The House Republicans had a proposal on how to deal with those rates. I was with Secretary Duncan at a hearing, and I asked him about that, and he said: They are not too far apart. Can't we come together? There was an opportunity for compromise.

As a result, a group of Senators got together here. I commend Senator MANCHIN, Senator ALEXANDER, Senator BURR, Senator CARPER, Senator COBURN, and Senator KING. They sat down and came up with a permanent solution to try to make sure student loan rates would not rise from where they are right now. This solution, of course, would decrease the rates for almost every student and put a cap on consolidated loans and also, most importantly, is not a 1-year fix so that we are back here again like Groundhog Day putting students and parents in a very difficult situation, not knowing how to plan, and educational institutions—everyone in the tough situation of not knowing what is going to happen and thinking that they are facing a dramatic increase in student loan rates.

I think the American people are very tired of what happens here and the gamesmanship played in Washington. Here is the unfortunate thing. We had the vote on the 1-year fix.

By the way, I thought the Washington Post addressed that 1-year fix very well this morning in its editorial in which it said that lawmakers should ''reject this pathetic non-solution and put their efforts instead into finalizing a compromise plan.''

There was a compromise plan that Senators from both sides of the aisle have worked on. I am a proud cosponsor of that plan. Yet we are not being offered a vote on that plan. That is why I say this is a typical Washington deal.

I can understand why the American people would be so frustrated that a bipartisan proposal that would prevent the loan rates from doubling would not receive a vote on the floor of the Senate. It is a proposal where Senators from both sides of the aisle have tried to take what the President wanted and to take what was done by the House Republicans and come up with a very reasonable agreement that is a solution that does not just leave us here in the same position next year. It doesn't just address 40 percent of student loans. It addresses all student loans and puts us in a situation where we would have a solution that would be bipartisan and would give students certainty. It would make sure their rates do not double as they did on July 1. Yet it does not even receive a vote on the floor of the Senate. That is what is wrong with Washington.

I hope the majority leader will reconsider. He may not like the proposal. I understand. But to not give it a vote on the floor of the Senate, where it has bipartisan support, is absolutely wrong. It deserves a vote. It deserves a thoughtful vote given that it has bipartisan support and it is very close to the proposal that was put forward by the President of the United States.

I hope that we will end the gamesmanship on this important issue, that we can address it, that bipartisan proposals like the one I just talked about will get a vote on the floor of the Senate, and that we will resolve this issue on behalf of students and parents as well, for whom I know this is causing a lot of unnecessary consternation. To not give a proposal that has bipartisan support a vote, at a minimum, seems to me just wrong. It is what is wrong with Washington. I hope the majority leader will at least give it the vote it deserves. I hope we can come to an agreement on this important issue.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

SH ENERGY SECURITY

Mr. CARDIN. Mr. President, I take this time to speak on the floor of the Senate to express my disappointment in last week's district court decision on the Cardin-Lugar provision of the SEC rule. An amendment offered by Senator Lugar and me on the Dodd-Frank legislation imposed certain transparencies on extractive industries. It was a pretty simple position. It said that those companies that are registered on the SEC that are involved in extraction of minerals would be required to disclose on a project-by-project basis the details of those contracts.

We did that for many reasons. We did it because we thought transparency is right. We did it in order to deal with energy security so that we know the types of contracts that are being entered into. We did it so investors would have information in order to decide whether they wanted to invest in the stock.

The United States has been in the forefront of transparency, and this decision will delay implementation of a vital transparency rule that will shine much needed sunlight on information designed to protect investors and to promote U.S. energy security.

The Cardin-Lugar amendment and the SEC rule are critical to achieving important U.S. policy objectives. These objectives include protecting U.S. interests in both national and energy security. Why do I say that? Having transparency in what the extractive industries are doing makes it more likely we will have stable energy sources globally. Stable energy sources are critically important to our national security interests. These provisions are important for our national security. It also ensures investors awareness and protection. If you are going to invest in a stock of an oil company or a mineral company, you have the right to know where they are doing business. You have the right to know what countries they are doing business in and the specific contracts they enter into so you can make the right decision as an investor. That is why the SEC rules make sense.

Lastly, it promotes America's core principles of transparency, integrity, and good governance worldwide. It is interesting that we sometimes talk about the mineral wealth of a country as being a resource curse. Although they have wealth, that wealth is taken by the elite of the country and used to finance corruption, which just adds to the misery of the people.

Some of the wealthiest nations that exist as far as minerals are concerned have some of the greatest poverty in the world. Well, the provision Senator Lugar and I coauthored was an attempt to deal with that and an attempt to deal with good governance. If we can trace the money, we have a better chance to end corruption, develop good governance, and stable regimes.

The district court's ruling of API v. SEC, which sends the rule back to the SEC, is disappointing. The rule is flawed because the court completely misread not only the statute but the clear congressional desire of the statute. The statute provision was for transparency, and yet the court's ruling strikes down the SEC rule which implements that transparency. The court spent a tremendous amount of time addressing the issue of public disclosure of company reports. The whole purpose of section 1504 was to provide transparency to investors and citizens about payments made to the government.

Why would Congress write a law to increase transparency for investors and then allow the SEC to keep the reports secret? Congress was clear in the letter and the spirit of the law that this information should be in the public domain.

On the issue of the host country exception, over the very lengthy comment period for the rule, the SEC was not presented with one concrete example from industry about a specific law or contract that would prohibit these types of disclosures. In fact, examples are to the contrary, including the fact that companies such as Norwegian oil giant Statoil regularly report their payments to countries such as Angola and China—where industry says prohibitions exist—yet that company had no negative repercussions. The API is trying to muddy the waters by having the SEC address problems that the industry has failed to prove exists.

The United States has been a leader on transparency in the extractive industries. It is the district court that has now put a hurdle on that transparency. The district court's decision is not only contrary to the law, it is contrary to what is happening globally today.

The EU has already enacted a law requiring the same payment disclosure that section 1504 requires on a project and company level without exceptions.

In a summit last month, the G8 issued a communique unequivocally backing mandatory disclosure. Canada said it will develop mandatory disclosures in 2 years. The Canadian mining industry endorsed that provision. Despite the oil industry's continued fight in the U.S. court, the overwhelming momentum is on the side of mandatory disclosure. Why? Because of national security. Why? Because investors have a right to know. Why? Because it is the right thing for good governance.

Despite this setback, let me make it clear: We will not give up. This law still stands, and the SEC has many options to appeal the decision or revise the rule. The SEC must make sure it finishes the job.

As Senator LEVIN, Senator Lugar, and I stated in our amicus brief in this case:

> Resource companies can believe whatever they wish and make any communication they wish about their payments to foreign governments. ''The resource curse,'' or the benefit or costs of transparency; they have done so throughout this process. What resource companies may not do is impede the power of the legislative branch to require disclosure of objective information to fulfill compelling public policy objectives, including the strengthening of American national and energy security and investor protections.

That is exactly what that provision did. Congress exercised its right, as the legislative branch, to require transparency for good public reasons. Members of Congress and the administration on a bipartisan basis have long supported transparency through comprehensive disclosure of payments made by resource companies. That support will continue as we work with the SEC to implement this important law.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. BALDWIN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MURPHY. I ask unanimous consent to speak as if in morning business.

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

AMERICAN JOBS MATTER ACT

Mr. MURPHY. Madam President, I rise today to speak on the American Jobs Matter Act. This legislation was introduced by myself, Senator BLUMENTHAL, Senator BROWN, and Senator MERKLEY.

No one is going to disagree that this country has the greatest, most powerful military in the world. Although the Defense Department has not been spared from the draconian cuts included in the sequester, we still have a robust defense budget. Annual defense spending has grown from $287 billion in 2001 to over $700 billion today. Today it is hovering at around 6 percent of GDP.

A significant portion of these Federal defense dollars are used to purchase manufactured goods that make our military the preeminent fighting force in the world. In order to have the best military, you need the best people—we certainly have that—and the best stuff, which we have as well.

It is not debatable that our industrial base—going all the way back to the iconic assembly lines that churned out the machinery which was used to defeat fascism during World War II to today's shipyards that are producing our nuclear-powered submarines—is not still the best in the world. But 20, 30, or 50 years from now are we still going to be the best? That is the question before us today and the question this legislation seeks to answer.

Over the past 5 years the Department of Defense has cumulatively spent about $700 billion on manufactured goods. Over that same period of time, the United States has lost 1.7 million manufacturing jobs.

Why is this? Obviously, there is no single answer to this question, but it is telling that during this period of time DOD has spent $124 billion purchasing goods from foreign manufacturers. Some of these foreign manufacturers are in countries that are our allies today and will always be our allies, but some of these foreign manufacturers come from countries that are not our allies today and will never be our allies.

The bottom line is that when we outsource defense-manufacturing capabilities—either to our allies or to our adversaries—manufacturers shut down in this country and our capability to create and make critical defense items for our soldiers vanishes. The erosion of our industrial base kills jobs, and it jeopardizes our national security.

There are countless examples of how these spending decisions harm our industrial base, but I will give two examples that affect my home State of Connecticut.

In Waterbury, CT, there is a company that makes the metal tubing which goes into every ship the Navy builds. It holds the wires and the conduits. It is an incredibly complicated product, such that there are only two or three companies in the world that make this. For over 150 years this company in Waterbury, CT, has employed people in my State and kept our Navy equipped with the tubing it needs.

Over the years, the Navy has started to favor a foreign competitor who, frankly, has a history of engaging in unfair trade practices in order to undermine its competitors. They are offering the Navy a slightly more discounted price than the American company. So from the Navy's perspective, it is tempting to award that bid to an overseas contractor, but the monetary costs to the Navy cannot be the only thing we look at.

First of all, if this company in Waterbury goes under, then we will forever lose the ability to make this critical defense item in the United States. The country from which we are buying this equipment might be our ally today, but who knows what the case will be 10 or 20 years down the line. The fact is, you cannot just recreate the expertise, personnel, and machinery that makes this specific type of metal tubing.

Second, even if the Navy gets a 5- or 10- or 15-percent discount on this particular item, that benefit to the Navy essentially disappears when you look at the overall cost to the U.S. taxpayer because when those jobs are lost in Waterbury, CT, those men and women start qualifying for Federal benefits such as unemployment and Medicaid. We lose the tax revenue that comes to the local government, the State government, and the Federal Government. And, all of a sudden, that small discount they get by going to a foreign manufacturer vanishes before their eyes.

Here is a second example and one that to a lot of Americans will be absolutely maddening. We have a machine that makes dog tags. Essentially, we have a machine that goes out into the field and makes them for soldiers. There is nothing more iconic and emblematic of the danger soldiers put themselves in, the sacrifice they sometimes make, than the dog tag. It has historically been made by an American-built machine. But, recently, bids have been going to an Italian company that makes a similar machine simply because the Italian company's machine costs 3 percent less than the American machine.

First of all, it is not acceptable that our dog tags are not American made. Second of all, that 3-percent difference is negligible when we compare it to all of the money lost when those jobs disappear in the United States. How can this happen?

There was overwhelming bipartisan consensus when Congress passed something called the Buy American Act 75 years ago, which said we should give preference to companies in the United States when we are buying things for the U.S. military. I don't think anybody today questions the wisdom of that act. But over the years we have built loophole after loophole, exception after exception, into the Buy American Act such that sometimes a minority of the parts of a particular thing we are buying for the Department of Defense comes from American firms.

The real world examples I mentioned and many others have prompted me, along with Senators MERKLEY and BROWN and BLUMENTHAL, to introduce the American Jobs Matter Act. Here is what this legislation will do; it is pretty simple: It will require that the Department of Defense, for the first time, has to measure domestic employment as a factor in awarding a contract. It is a simple premise. In the same way that DOD considers price and past performance when awarding work, they should also consider the impact on domestic employment in the award of a contract.

Under this bill, our largest contractors would also have to account for the expected job creation of their subcontractors, because that is where a lot of the problem is. We are not buying a lot of big goods that are assembled in other countries, but the hundreds of thousands of parts that sometimes go into a submarine or a jet engine or a tank or a humvee are often made outside of the United States. This would require the contractor to present an estimate of how many jobs throughout the supply chain are created here in the United States. Under this bill, when DOD gets two similar bids and one would create more American jobs than the other bid would, DOD can take that into account when awarding the contract.

Frankly, most people I talk to back in my home State of Connecticut think this already happens. People assume that if past performance and price are about equal, the home team should win. But, today, there is no law that allows military contractors to make that distinction. This bill would allow them, for the first time, to do that.

Retired U.S. Army BG John Adams recently published a study about the vulnerabilities in our defense supply chain. His report, which mentioned actually some of the specific examples I referenced, said this:

The health of our manufacturing sector is inextricably intertwined with our national security, and that the United States' national security is threatened by our military's growing and dangerous reliance on foreign nations for the raw materials, parts, and finished products needed to defend the American people.

It is time we changed that. The American Jobs Matter Act will put our defense industrial base on a stronger footing for the future.

I yield the floor, and 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.

The PRESIDING OFFICER. The Senator from Wyoming.

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

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

Mr. ENZI. Madam President, I wish to make some comments about the vote we had on the floor awhile ago. I think it is time to stop holding the students of this country hostage 1 year at a time. That is what the bill did that just got turned down for cloture. It kicked the can down the road for a year. There were several Democrats who voted with the Republicans on that one, because they thought it is time to stop kicking the can down the road.

How do we stop kicking the can down the road? Take a look at the Republican alternative that was offered. The Democratic bill was going to save 40 percent of the students half of the interest rate for 1 year so that 3.44 percent would be their interest rate. The Republican plan solves it for all students getting a loan and it solves it in perpetuity. It does it by making it 3 percent greater than what the Federal Government borrows its money at, which at the present time is 3.66 percent. I submit 3.66 percent is not much higher than 3.44 percent and it is a lot less than 6.88 percent.

Why do we have a rise in the interest rate to 6.88 percent? The Federal Government, this body and the other body, and the President, decided a way we could fund health care in this country would be to take over the student loan business and then raise the rates to 6.88 percent. It provides money for the Affordable Care Act.

So we had a vote without having a side-by-side. Nobody got to vote on the 3.66-percent interest rate for everybody in perpetuity, but we got to vote for the 3.44-percent interest rate, which means kicking the can down the road for a year for 40 percent of the students. That is wrong.

Why didn't we get to vote on both of them? Well, the Republican plan would have had more votes than the Democratic plan. There are people on the other side who don't want to kick the can down the road and who understand the alternative is a reasonable solution to the problem. It would take care of all the students and take care of them from now on, and it provides a solution to the problem.

I have to say it is pretty clever, that by bringing up this bill by itself and having it defeated on cloture, it solves two problems: No. 1, they get to blame the Republicans. No. 2, the money will still be there for the Affordable Care Act. That means keeping the money and blaming the Republicans. How can it get better than that? It can get better than that if we solve the problem for all of the kids applying for loans this year, not just 40 percent of them, and solve it so they know exactly where the interest rate is going to be at the time they apply and it stays that way on their loan for the whole time they have the loan.

In future years, as others apply, the interest rate may be higher. The rate will be the same as whatever rate the Federal Government pays to borrow money. We are not going to be able to borrow at the low rates we are borrowing at now, but students will get the same break everybody else does, at just the 3-percent higher interest rate.

I notice the majority leader changed his vote to no, and that is so he can bring up this bill again. Why would we bring up this bill again without having the alternative bill so people can vote for it, which I think might pass? It is so we can be blamed one more time.

This isn't supposed to be a blame game around here. This is supposed to be about finding common ground and getting things done. I think there is some common ground; otherwise, there wouldn't be some Democrats joining with Republicans on a bill Republicans proposed, but that is not the way we need to do bills anyway. We need to have the chairman and the ranking member of the appropriate committee sit down and work out a basic bill that can then be amended on the floor—first amended in committee. We are not going through a regular process on a lot of these bills and yet we should be. I assume it would go to the Committee on Health, Education, Labor, and Pensions. Maybe, since it deals with the health care act, it would go to the Committee on Finance. At any rate, there would be an appropriate committee for it to go to, perhaps both the Finance Committee and the HELP Committee, but it didn't come to either. Neither proposal came to that committee.

It is time to quit making deals around here and start legislating. That is the way things have been done in America for a couple of hundred years and it is time we did that again. We can get solutions if we go through the regular process.

It is time to stop kicking the can down the road. I hope we can reach a solution. I hope we get to vote on both proposals and we can see where a majority of the votes go. Slowly, people are coming to realize that a solution for 100 percent of the students taking out loans is better than a solution for 40 percent of the students taking out loans, and one that goes on in perpetuity is better than one that goes on for 1 year.

Every year in July we say to the students, Your interest rate is going to go up unless we take action, and then we show how one side or the other doesn't want to take the action.

We have to get this problem solved. There are a lot of other aspects of higher education that need to be solved as well. It is time for that bill to be reauthorized, and it should go through the regular process as well.

I hope we quit blaming each other and get something done. I personally like the long-term solution for 100 percent of the students instead of half of a solution for 40 percent of the students.

I yield the floor and 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. COONS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. COONS. Madam President, I ask unanimous consent to speak for up to 15 minutes as in morning business.

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

EMPLOYMENT AGENDA

Mr. COONS. I rise today to talk about something we do not hear enough about on the Senate floor these days: Jobs, jobs, jobs. During the 2012 election, the monthly jobs numbers were even more closely watched and analyzed than the daily polls, but ever since it is as if Congress has forgotten there are still 12 million Americans looking for work, and from my home State of Delaware alone, 32,000 Delawareans are out of a job.

Sure, we are eager to hear if the unemployed numbers nudged up or down a tenth of a percent. But maybe Washington is all too willing to put the unemployed on the back burner. We are adding nearly 200,000 jobs a month now, according to the most recent jobs report. That is certainly progress. But one of the things I found most chilling was an analysis that said at this pace, it will be 2017 before our Nation gets close to full employment again.

Is that acceptable to the Presiding Officer? That is certainly not acceptable to me. When is Washington, when is Congress, going to get back to working on behalf of those still looking for work?

The jobs numbers that are typically reported mask an even deeper and more concerning structural problem in our economy as well. Almost 40 percent of those currently unemployed, about 4.3 million Americans, are described as the long-term unemployed. These are folks who have been out of work 6 months or more. Short-term unemployment has dropped, but long-term unemployment remains persistently high and troubling. The longer a worker is unemployed, the more difficult it becomes to find a job, whether it is because there is a stigma attached to being unemployed or because their skills need to be updated or because we need something to help lift their spirits and make them successful in job interviews.

Across all of these different reasons, in my view we need stronger, more engaged, more agile interventions by the Federal Government, by State and local governments, in our economy and in support for those seeking work to help them find employment.

I think we need to act swiftly on measures to improve skills training, job placement, and collaboration with State and local labor agencies. The fact is the longer we wait to deal with long-term employment, the tougher it will be to help these folks get back to work. Yet many of us here in Congress apparently cannot or will not focus on unemployment, long term or short term, much less on other measures to stimulate our economy. Is it any wonder the American people think Congress is not even trying anymore?

Here in the Senate, we know that while deeply challenged by filibusters and ideological fights and caucus politics, we are still managing to get big things done. It would be an overstatement to say we are making it all work, that it is easy. But thanks to a contingent of Republicans and Democrats here who are working in good faith together, we have been able to make some meaningful bipartisan progress. The Senate passed a bipartisan farm bill that would have taken steps to modernize our Nation's agricultural system, which supports 16 million jobs, and actually reduce the deficit by $24 billion.

What a remarkable trifecta of accomplishments: supporting one of the world's most cutting-edge agricultural economies, supporting significant job creation, and significantly cutting our deficit. What is not to love in that farm bill? Well, the House passed a series of amendments that eliminated our hard-fought bipartisan compromises and has effectively doomed the bill.

Similarly, the Senate here passed a bipartisan Water Resources Development Act to modernize America's water infrastructure all over the country, including drinking water, wastewater treatment, shipping channels. It got 83 votes here out of 100 in the Senate. It is being slow-walked in the House over ideological objections about the empowerment of the government on environmental authority.

After a historic committee markup, after the Congressional Budget Office said it would reduce the deficit by $150 billion in the first decade and $700 billion the second, this Senate passed an overwhelmingly bipartisan immigration reform bill—I think one of the biggest accomplishments of this Congress. This Senate passed an overwhelmingly bipartisan immigration reform bill, only for it to languish stubbornly in the partisan hunger games that are today's House of Representatives. The headline in Politico from today reads ''Immigration Reform Heads For Slow Death.''

Americans are frustrated with this, and so am I.

The House of Representatives has sadly become wholly dysfunctional, paralyzed by partisan civil war over the fundamental question of whether government should be an instrument of good in people's lives. That is the key here. Sadly, the fighting within the Republican Party is dividing that caucus internally. On the one hand you have genuinely principled Republican lawmakers who believe in this legislative process, who are committed to working collaboratively on the challenges our Nation faces. These folks have worked with me and others and cosponsored many bills I have introduced and others to try to make a difference here. On the other hand you have an antigovernment, frankly anti-Obama faction that took over the House in 2010. Their numbers are small but their voices are loud. It is their core belief that Congress and the Federal Government cannot and should not legislate, that government has no meaningful or constructive role to play in our society.

I worry that that belief informs their tactics of stall and delay, investigate and repeal. The Huffington Post reported this week that this Congress, in particular this House, has had only 15 bills signed into law so far—15. You have to go back a long time to find a Congress that has passed fewer pieces of legislation, between House and Senate, than this one, the 113th Congress.

Democrats and many Republican lawmakers look at this as an embarrassment in a time of enormous challenges overseas and at home for us to take so few actions together. But the tea party and some conservative ideologues look at it as an accomplishment and say that any compromise is a four-letter word, especially if the alternative is broad or progressive legislation. So what we have is a fight between folks who would, for example, trim the scope of funding for the Federal Department of Education, and folks who would fundamentally think there should not be a Department of Education. That is a fight in which I think the American people do not win.

An opposition party is a great thing, a necessary thing for our democracy. But this opposition party within the opposition party is crippling this Senate, this House, this Congress. By my count it has been 90 weeks since a Republican filibuster blocked a jobs bill that was designed to keep teachers, police officers, and first responders on the job. It has been 87 weeks since a filibuster blocked a bill to put Americans to work through investments in infrastructure, and 51 weeks since a Republican filibuster blocked a bill to give tax breaks that bring jobs home and end a tax deduction for companies that move jobs overseas. Frankly, just 42 weeks ago, a Republican filibuster in this Chamber blocked a bill to help 20,000 veterans find new jobs.

In the other Chamber, it is no better. The House of Representatives has now voted 37 times to repeal the Affordable Care Act. The New York Times did the math. The House has spent 15 percent of its time voting to repeal the so-called ObamaCare. In May, the Congressional Budget Office, which is the arbiter of what is or what is not necessary, the scorekeeper, actually said the House has voted to repeal the Affordable Care Act so many times it will no longer issue new scores as it attempts over and over to achieve what seems to be its most basic purpose: repeal. That is how much time and energy this House has wasted on this particular project, that could be better invested in finding ways to implement this bill more responsibly.

How much time do we waste here in this Chamber, running out the clock, waiting for 30 hours for cloture to ripen, because we cannot get simple agreements to move forward? I know this is not what our side or our leadership wants. I suspect it is not what most Senators of either party want. It is certainly not what our constituents want. What should be taking days is taking weeks. What should take weeks is taking months or even years.

We are not here to run out the clock. We are here to make a difference, or at least that is why our constituents sent us here. Ideological obstruction has rendered this Washington, this Congress, so ineffective, so inert, that when it comes to helping people get back to work in Delaware, my colleagues Senator CARPER and Congressman CARNEY and I have taken an unusual action for Members of Congress. We have started hosting job fairs. We have used the power of the office to convene when we cannot use the power of the office to legislate. We have had actually 13 job fairs up and down our State in all three of our counties in Delaware. We have watched as hundreds of folks have come and had the opportunity to apply for and pursue new employment.

Congress should be taking a clue from that effort. We should recommit ourselves to helping our innovative small businesses grow, to helping open new markets for American goods, to helping Americans find good jobs, and to supporting those who have not been quite so lucky yet.

I think we need an agenda, an agenda that focuses on five areas where investment now will lead to new jobs, not just for today or tomorrow but long into the future. First should be education. We have to do more, as I said before, to help the long-term unemployed get professional skills to thrive in this job market. We have to do more to prepare young people for the challenges of the modern economy.

I have a bill, the American Dream Accounts Act, cosponsored by Senator

RUBIO and others, that would help get our at-risk kids through school and into college.

We should also support innovative cutting-edge research. I have a bill that would make the R&D tax credit permanent and open it to startups. It is called the Startup Innovation Credit Act, which has been cosponsored by a wide range of Senators: ENZI and RUBIO, BLUNT and MORAN, STABENOW, KAINE and SCHUMER, a truly bipartisan bill.

I am proud to be working with Senator ALEXANDER of Tennessee on, hopefully, strengthening and reauthorizing the America COMPETES Act.

The third area we should be focusing on is tied to us doing more to harness the resurgence of American manufacturing. There are a dozen smart bills—many with bipartisan support—that have been introduced, taken up, and passed in the Senate that are currently languishing in the House. We should work to make a real difference for America's manufacturers.

Fourth, we have to help grow our economy by growing our markets, by growing our opportunities around the world. As chairman of the African Affairs Subcommittee of the Senate Foreign Relations Committee, I have worked across the aisle to push forward bills that would create new market opportunities for American businesses.

With Senators DURBIN and BOOZMAN, I have reintroduced a bill which aims to triple the amount of U.S. exports to Africa over the next 10 years.

Fifth and last, an area on which I thought all of us would be able to come together, is investing in infrastructure. The BUILD Act, introduced and taken up in the last Congress—which I hope we will soon move to—would create a national infrastructure financing vehicle, an infrastructure bank, if you would, to help bring private funds into vital infrastructure projects. It has had bipartisan support in the past from the Chamber of Commerce to the AFL–CIO.

It is my wish we can take it and use it as a vehicle to help the 12 million people who are looking for work find the jobs they need.

I have a simple question: When is Washington, when is Congress going to get back to work on behalf of those still looking for jobs? How much longer will we wait? How much more clock will we run out? How much more time will we waste?

It is my prayer that this Chamber, this country, finds a way to work together to get over this partisanship that has paralyzed our political process.

In closing, I wish to say a word of thanks to colleagues I have seen who have come to join me in the Chamber, Senator MCCAIN and Senator FLAKE of Arizona. They are exemplars of the folks who have worked together across the aisle to find solutions to some of the big problems facing us.

They worked tirelessly with Democratic colleagues to put together the architecture of the bipartisan immigration bill that was passed through this Chamber in recent weeks. It is my hope that others in the other Chamber will see that spirit and take this opportunity to take up and pass legislation to put America on a track toward growth. There are 12 million reasons for us to do that, 12 million Americans looking for help getting back to work.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

HONORING THE FALLEN HEROES OF THE GRANITE MOUNTAIN INTERAGENCY HOTSHOT CREW

Mr. FLAKE. I rise today with a heavy heart to remember 19 brave men, 19 grieving families, 19 empty places in the Prescott community that will never be filled. Arizona and the entire Nation, shares in their sorrow.

The loss of the members of the Granite Mountain Hotshots and the loss to the community was both terrible and swift. We are right to ask why.

Why were they taken from us? Why were these seemingly fearless men, these exemplars of all that is brave, good, and decent in men, choose a job that causes them to run into an inferno just as everyone else is running away from it?

In answering that, we get an essence of who these men are, these 19 lives of achievement and purpose, courage and discipline.

From all corners of America, they came together in Prescott with a single goal in mind: protecting people and property. To do this, they trained relentlessly, willingly took the worst that Mother Nature could throw at them, all to save lives and homes for their friends and their neighbors.

They did so accepting the risks, embracing them even, in the words of the old hymn, ''calm in distress, in danger bold.''

They did so in the name of community.

Americans are characterized by the world, by our sense of communal spirit, civic duty, and service to others. This is what makes us who we are.

Those characteristics describe perfectly the 19 members of the Granite Mountain Hotshots. They were not merely given the gratitude and respect of the citizens of Prescott, they earned it. They earned all of our admiration and respect, as well.

Now in that same communal spirit, we must help the families who carry the weary load.

Grief is a lonely thing, but those who are grieving for a husband or for a son, know that millions of us are thinking of you and praying that your hearts find solace and comfort.

To the children of these men, carry deep inside of you the knowledge that they were as proud of you as you are of them.

This band of 19 embodied what is best about our country. I am honored that they were, in the end, Arizonans. We should all be proud to live in a community, State, and nation built on the kinds of guts and selflessness that these men personified.

Today we are all, in the words of A.E. Housman, ''townsmen of a stiller town.''

May God bless the souls of these 19 brave men.

Senator MCCAIN and I had the privilege yesterday to travel out with the Vice President, two Cabinet Secretaries, and other Members of Congress to a memorial service for these brave 19. It was an incredible experience to see a community come together as it did. The townspeople, people from across the State, across the country, and people across the world were sending their condolences for the actions of these men.

We are so fortunate to live in a country like this. Senator MCCAIN and I are so fortunate to be Arizonans. We are fortunate to witness what we have witnessed in the past couple of weeks.

I am pleased to submit this resolution to honor these men.

I yield the floor.

The PRESIDING OFFICER (Mr. COONS). The Senator from Arizona.

Mr. MCCAIN. First, I thank the Senator from Delaware for his kind words about me and my friend and colleague from Arizona, who I believe is carrying on in the fine tradition of his predecessor Senator Kyl in a spirit of bipartisanship and dedication to the people of Arizona.

I come to the floor with my colleague from Arizona to offer a resolution honoring the fallen heroes of the Granite Mountain Interagency Hotshot Crew.

Yesterday, Senator FLAKE and I were privileged to attend a memorial ceremony in Prescott, AZ, honoring the life and sacrifice of the 19 brave men of the Granite Mountain Hotshots who lost their lives last week battling the Yarnell Hill Fire in Yavapai County, AZ.

I know I speak for all of my fellow citizens in expressing our gratitude to the Vice President of the United States, who came all the way to Arizona and gave a moving, stirring, and wonderful testimony to these brave Arizonans. I believe it is typical of my friend for so many years, the Vice President of the United States, that he and his wonderful wife would come to Arizona to join us to honor the efforts of these brave men.

These were not men merely worth knowing, they were men to admire. They were men to emulate if you have the courage and character to live as decently and honorably as they lived. Not many of us can. But we can become better people by trying to be half as true, half as brave, half as good as they were and to make our lives count for something more than the sum of our days.

The news accounts of their lives and the testimonials to their virtues that have appeared in the days since we lost