



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION

Vol. 147

WASHINGTON, FRIDAY, MARCH 9, 2001

No. 31

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, March 12, 2001, at 2 p.m.

Senate

FRIDAY, MARCH 9, 2001

The Senate met at 10:01 a.m., and was called to order by the Honorable JAMES M. JEFFORDS, a Senator from the State of Vermont.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of history, we join with Jews throughout the world in the joyous celebration of Purim. We thank You for the inspiring memory of Queen Esther who, in the fifth century B.C., threw caution to the wind and interceded with her husband, the King of Persia, to save the exiled Jewish people from persecution. The words of her uncle, Mordecai, sound in our souls: "You have come to the kingdom for such a time as this."—Esther 4:14.

Lord of circumstances, we are moved profoundly by the way You use individuals to accomplish Your plans and arrange what seems like coincidence to bring about Your will for Your people. You have brought each of us to Your kingdom for such a time as this. You whisper in our souls, "I have plans for you, plans for good and not for evil, to give you a future and a hope."—Jeremiah 29:11.

Grant the Senators a heightened sense of the special role You have for each of them to play in the unfolding drama of American history. Give them a sense of destiny and a deep dependence on Your guidance and grace.

On Purim, we renew our commitment to fight against sectarian intolerance in our own hearts and religious persecution in so many places in the world. This is Your world; let us not forget

that "though the wrong seems oft so strong, You are the Ruler yet." Amen.

PLEDGE OF ALLEGIANCE

The Honorable JAMES M. JEFFORDS led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 9, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JAMES M. JEFFORDS, a Senator from the State of Vermont, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

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

RECOGNITION OF THE ACTING MAJORITY LEADER

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

SCHEDULE

Mr. HATCH. Mr. President, today the Senate will immediately resume consideration of S. 420, the Bankruptcy Reform Act. There are several amendments pending, and others are expected to be offered. Any votes ordered during today's and Monday's session will be scheduled to occur on Tuesday, at 11 a.m. Senators with amendments are, again, encouraged to come to the floor today and Monday to offer their amendments. As previously announced, it is hoped that all action on this bill can be completed by midweek next week. I thank my colleagues for their cooperation.

RESERVATION OF LEADER TIME

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

BANKRUPTCY REFORM ACT OF 2001

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 420, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 420) to amend title 11, United States Code, and for other purposes.

Pending:

Schumer amendment No. 25, to ensure that the bankruptcy code is not used to exacerbate the effects of certain illegal predatory lending practices.

Feinstein amendment No. 27, to place a \$2,500 cap on any credit card issued to a minor, unless the minor submits an application with the signature of his parents or

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



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guardian indicating joint liability for debt or the minor submits financial information indicating an independent means or an ability to repay the debt that the card accrues.

Leahy amendment No. 20, to resolve an ambiguity relating to the definition of current monthly income.

Conrad modified amendment No. 29, to establish an off-budget lockbox to strengthen Social Security and Medicare.

Sessions amendment No. 32, to establish a procedure to safeguard the surpluses of the Social Security and Medicare hospital insurance trust funds.

Mr. REID addressed the Chair.

The ACTING PRESIDENT pro tempore. The assistant minority leader is recognized.

Mr. REID. Mr. President, I see the manager of the bankruptcy bill coming on the floor. If there are matters dealing with bankruptcy that the Senator wants to take care of at this time, I will be happy to yield to him. I know Senator CONRAD wishes to speak some time this morning.

I yield to my friend from Utah.

The ACTING PRESIDENT pro tempore. The senior Senator from Utah.

Mr. HATCH. Mr. President, we are now on the 4th day of debating the bankruptcy reform legislation. Yesterday we were given a list of some 100 Democratic amendments to this bill. If Members are serious about their amendments, then I ask that they come down and offer them, and that they do so now, so we can see the actual text and avoid any further undue delays and move forward with this much needed reform legislation. There may be one or two amendments on our side, but I do not think much more than that. So it comes down to getting our friends on the other side to come and offer their amendments and we will go from there.

I understand Senator CONRAD will be here in a few minutes to speak to one of his amendments. With that, I yield back to the senior Senator from Nevada.

Mr. REID. Mr. President, I say to my friend, the senior Senator from Utah, I thought we made headway yesterday, with the majority leader, where he indicated he thought it was important that we work our way through these amendments. He and Senator DASCHLE thought that was the best way to proceed. I agree.

They have a goal of finishing this bill next week. There are other matters because of calendar obligations that we have that must be taken up the following week. I think we can work our way through these amendments.

I agree with my friend from Utah, the manager of this bill, that we should move on some of these amendments. We have all day today and all day Monday. After Monday there are going to be people saying: I don't have time to debate this. I don't have time to offer this. Here are 2 full days uninterrupted. They can talk as long as they want. So I hope we can have some of these amendments offered.

Mr. President, I recognize that Senator CONRAD will be here shortly. With

the consent of my friend from Utah, I ask unanimous consent to proceed, for the purposes of introducing a bill, as in morning business.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. REID. I say to Senator HATCH, I will, with your permission, until Senator CONRAD gets here, be as in morning business to introduce a bill.

Mr. HATCH. Fine.

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

(The remarks of Mr. REID pertaining to the introduction of S. 503 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. REID. Mr. President, I know my friend from North Dakota is going to address the Senate on a very important amendment. But I wanted to say—for I have not had an opportunity publicly for some time—that Senator CONRAD and I came to the Senate together; we were elected in 1986. We both had tough, hard-fought elections, and we were grateful for the people of our respective States allowing us to serve in the Senate. We have gotten to know each other very well in the years since 1986.

I have been in public life all my adult life—they were all part-time jobs until I came here in 1982 to the House of Representatives—so I have seen a lot of people and worked with people in many different capacities in government. During my career, I have never known anybody who has a better grasp of finances than KENT CONRAD. He not only understands them, but he can articulate them. I speak for the entire Democratic caucus, and I think most Republicans, in indicating how good he is and how well he understands numbers. The people of North Dakota and this country are so fortunate to have someone who understands money. It is easy to understand the more sexy issues, for lack of a better description, such as crime and punishment and education. But money is hard to explain. Dollars are hard to explain. Budgets are hard to explain. Taxes are hard to explain.

I repeat that I have never known anybody in my career who better understands and can better express himself in his understanding than KENT CONRAD.

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

Mr. CONRAD. Mr. President, I thank my colleague for nice, kind words this morning. I appreciate that. I rise this morning to talk about what I think is a very important amendment. It is an amendment I offered yesterday to provide protection to the trust funds of Social Security and Medicare. We call it the Social Security and Medicare off-budget lockbox. It is designed to save both the trust funds of Social Security and Medicare.

Mr. President, this is critically important because it is right at the heart

of the debate that is going to occur this year over our budget priorities. My Social Security and Medicare lockbox amendment protects Social Security surpluses in each and every year, takes the Medicare Part A trust fund off budget, gives Medicare the same protections as the Social Security trust fund, and it contains strong enforcement provisions.

This is the amendment we voted on last year on the floor of the Senate. We had 60 votes, a strong bipartisan vote, to protect both the Social Security trust fund and the Medicare trust fund.

Speaker HASTERT, in speaking on a bill offered in the House said:

We are going to wall off Social Security trust funds and Medicare trust funds . . . and consequently, we pay down the public debt when we do that. So we are going to continue to do that. That's in the parameters of our budget and we are not going to dip into that at all.

In other words, the Speaker is endorsing the principle, at least, of what is contained in this amendment, this legislation. Unfortunately, if you look at the lockbox they passed in the House, it has a giant trapdoor. It is not really protecting the two funds, the Social Security and the Medicare trust fund. I think we can do better here in the Senate. We did last year, and I think we can again this year.

Really, what they passed is what I call a "leaky lockbox." It doesn't really protect Social Security and Medicare trust funds because it has a big exception that will allow them to be used for other purposes, to be used for new commitments for Social Security and Medicare.

I think all of us know we need the Social Security and Medicare trust funds to keep the promises that have already been made. We have additional challenges, no question about that. We have a long-term challenge of Social Security that will not be solved even by saving every penny of the trust fund. We are going to have to put more money into it. But I don't believe we should set those funds up to be raided for any other purpose.

Some will say if you save the Social Security and Medicare trust funds, you are going to build up cash, and then the Government will have to figure out what to do with that cash. Let me just say that we have done a detailed cashflow analysis. You can save every penny of the Social Security and Medicare trust funds and have no buildup of surplus cash until the year 2010—2010 is 9 years from now. That gives us plenty of time to adjust to that, if indeed it begins to happen.

If these forecasts that have been made actually develop, if we actually see them coming true, we will have plenty of additional time to adjust.

I go back to a statement made by a fellow Budget Committee member, Senator PHIL GRAMM of Texas, who is also on the Finance Committee. He said, back in 1998, in the Budget Committee deliberations:

But the fundamental strength of it is, whether they are Democrats or Republicans who have gotten together in these dark corners of very bright rooms and said, what would we do if we had a half trillion dollars to spend? The obvious answer that cries out is Medicare. I think it is logical. People understood the President on save Social Security first, and I think they will understand save Medicare first. Medicare is in crisis. We want to save Medicare first.

What we are saying in this legislation is, we want to save Social Security and Medicare. We ought to treat the trust funds of Social Security and Medicare in the same way. We ought to protect them both, give them the same protections. We don't in current law. In current law, we give much more protection to the Social Security trust fund than we do the Medicare trust fund.

We all know the Medicare trust fund is in greater danger; we face insolvency in a more recent timeframe than we do with Social Security. So what we are saying is, let's protect them both. That just makes common sense.

The chairman of the Budget Committee said this at that same time back in 1998:

For every dollar you divert to some other program, you are hastening the day when Medicare falls into bankruptcy and you are making it more and more difficult to solve the Medicare problem in a permanent manner into the next millennium.

That is absolutely right. The chairman of the Budget Committee was right then, and this same sentiment is right now. We should not raid the Medicare trust fund for other purposes. That hastens its insolvency.

Let me say the proposal the Republicans have made that will be the competing proposal to what I have offered, which will be voted on on Tuesday, I refer to as the "Republican broken safe." Under the President's budget plan that he has sent us, not a penny is reserved for the Medicare trust fund, not a penny. That is kind of startling and almost hard to believe, but it is true.

So their broken safe has a wide open door on it. It has a wide open door because the President doesn't reserve any money for the Medicare trust fund. It has a wide open door because the proposal that has come over from the House is very leaky. It has a huge, "we will protect the Medicare trust fund, unless we don't." That is not going to work, or sell, and it should not because it is not right.

One of the reasons this proposal is necessary is because, if you look at the President's budget proposal, it simply does not add up. As I have gone through the numbers and tried to determine the President's plan and the effect of the President's plan, here is what I have found: The projected surplus is \$5.6 trillion. That is what the CBO says and what the OMB says, and we all know that is a 10-year forecast, and we all know it is highly uncertain. We all know there is only a 10-percent chance that is really going to come

true. The people who made the forecast told us there is a 45-percent chance it will be greater than that. There is a 45-percent chance it will be lower than that.

That counsels to many of us that we ought to use caution here. The President says the Social Security trust fund is \$2.6 trillion out of that \$5.6 trillion. His documents say the Medicare trust fund is \$500 billion of that \$5.6 trillion.

If you subtract out the Social Security and the Medicare trust funds, you wind up with an available surplus of \$2.5 trillion.

If we look at the cost of the Bush tax cut, here is what we find. It has been advertised as a tax cut of \$1.6 trillion, but when the House considered parts of the President's tax cut, they reestimated the cost, and they increased the cost by over \$100 billion. For just part of what the President has proposed, they have increased the cost by over \$100 billion.

Part of that is moving up the effective date. Part of it is a reestimate of the true cost of parts of the President's proposal. Instead of a \$1.6 trillion tax cut, it is a \$1.7 trillion tax cut.

In that same reestimate done for the House, we learn that there is a very serious problem that will be created or made worse by the President's proposal, and that is the alternative minimum tax. The alternative minimum tax today affects about 2 million taxpayers. The Joint Tax Committee has now told us if we pass the President's plan, the alternative minimum tax will affect not 2 million people, but over 30 million people.

Let me repeat that. The Joint Tax Committee has now told us that if we pass the President's tax plan, it will affect not 2 million people in the alternative minimum tax, which is currently the case, but over 30 million people, and that it will cost \$300 billion to fix it.

That has to be added to the President's plan. It is not in the President's plan. It is not there, but this is made more necessary by the President's plan, and it will cost \$300 billion to fix.

The interest cost associated with this tax cut and the alternative minimum tax reform is another \$500 billion because anytime you spend money or cut taxes, that means you have greater interest costs and the interest cost associated with that tax cut and the alternative minimum tax reform that it makes more necessary is \$500 billion.

Then we have the President's spending initiatives over the baseline. That is \$200 billion. If you add up the President's tax cut, his spending initiatives, it is \$2.7 trillion, but if you are protecting the Social Security and Medicare trust funds, you only have \$2.5 trillion available. He is, by my calculation, \$200 billion in the hole already and counting, and it will be more because we have yet to have the estimate of what his estate tax elimination costs. We can be confident it is going

to be far higher than the previous estimate because of the economic changes that have occurred in the interim.

They have not reestimated his marriage penalty proposal, which we know is going to be higher, again because of changes that have occurred in the economy since the previous estimate. This is before any defense initiative sent forward by the President. Does anybody in this Chamber not believe the President is going to send up a major defense initiative next year? We all know he is. I personally believe he should. I think we are going to need more money in defense, but it does not end there.

Some of the tax extenders are included in the President's baseline; others are not. We all know the provisions that affect energy are going to be extended in the Tax Code. There is a cost to that. That is not in these calculations, and it does not stop there because we now know the President's prescription drug proposal is badly deficient in terms of the resources he has dedicated to a prescription drug benefit.

The Republican chairman of the Finance Committee said to us the number is going to have to be much higher to have a serious prescription drug benefit; it is going to be much higher than what is in the President's budget. The President has \$153 billion in his estimate for a prescription drug benefit. The Congressional Budget Office is telling us the estimates on all the prescription drug proposals are being increased by about one-third because of new information on what is happening to the cost of pharmaceuticals.

I am saying this to my colleagues and I am saying this to anybody who is listening because when you add these things up, the President's proposal simply does not make it. There is this tremendous gap between what is available if we are protecting the Social Security and Medicare trust funds and what is being used. In fact, it is very clear that the President is using all of the non-trust-fund money for his tax cut and its related expenses.

It is clear, I just do not know how any of this can be in any serious question. We all agree on the projected surplus, and I think most of us understand it is highly uncertain. It is a 10-year number. The forecasting agency itself has told us it is highly uncertain. This is the President's own number for the Social Security trust fund. This is his number for the Medicare trust fund.

The Bush tax cut—this is the reestimate done on the House side of just part of his plan, and it added \$100 billion to the \$1.6 trillion that has been so much discussed. We know there is an interest cost associated with any tax cut or any spending proposal. The spending initiatives of the President are not in dispute. It is \$200 billion above the so-called baseline.

The only question there can be of these figures is this one, fixing the alternative minimum tax. The President

has not included it in his plan, but it is clearly made necessary by his plan. We cannot take 2 million people who are currently caught up in the alternative minimum tax and have it affect 30 million people. That will never be tolerated in this country, and it should not be. It would be unfair for 30 million taxpayers. And they are not saying 30 million, they are saying substantially in excess of 30 million people will be caught up in the alternative minimum tax if the Bush tax cut proposal is passed. It costs \$300 billion to fix. That is not Kent Conrad's number. That is the number of the Joint Committee on Taxation.

There is something else people should know in this Chamber that I call the dirty little secret of the President's budget proposal. The President's budget is in deficit in the year 2005 if he does not raid the Medicare trust fund. The reason I believe his proposal does not protect the Medicare trust fund is that he needs the money in the year 2005 to avoid being in deficit.

These are the numbers from his proposal. What they show is that in the year 2005, the President's budget is in deficit unless he is using the full Medicare trust fund surplus. Some of us believe that is a profound mistake, that that is not a place we should go; we should not raid the Social Security trust fund surplus for any other purpose; we should not raid the Medicare trust fund for any other purpose; we should hold those funds for the purposes intended. We should protect the Social Security trust fund. We should protect the Medicare trust fund. We should not allow them to be raided for any other purpose.

This year, certain Republicans have asserted there is no trust fund surplus in Medicare. It is a bizarre argument, is the only thing I can say. Their argument is there is a Part A trust fund to Medicare and there is a Part B trust fund. They say the trust fund of Part A is in surplus by \$500 billion. They say the Part B surplus is in deficit.

As I said yesterday, there is no Part B trust fund deficit. There is none. They are arguing there is a surplus in Part A, there is a deficit in B, so let's not count the trust funds at all in Medicare.

What a bizarre argument. No. 1, they are factually wrong. There is no deficit over the 10 years in Part B. I direct them to page 19 of the Congressional Budget Office report. Page 19 of this report, available to every Member of Congress, makes it very clear in table 1. It is titled "Trust Fund Surpluses." First is Social Security. We all know Social Security has a trust fund and it is in surplus. That is, it is in surplus during this period of time. It is needed when the baby boomers start to retire. So "surplus" is a little misleading. It is in surplus temporarily, but it is committed to future liability.

The next trust fund mentioned is the Medicare trust fund's Part A. The Congressional Budget Office showed over a

\$400 billion surplus. Their numbers are somewhat different from the President's numbers. The President has an even larger surplus in trust fund Part A. He has a \$500 billion surplus.

In Part B, where some are claiming it is in deficit, the Congressional Budget Office shows very clearly there is no deficit over the 10-year period in Part B, it is roughly in balance.

The argument that some on the other side are making is, since only 25 percent of the Part B trust fund is for premiums and 75 percent comes from the general fund, that means it is in deficit. That isn't what the law says. That isn't what the actuaries say. That isn't what the Congressional Budget Office reports. They report the Part A trust fund is in surplus. They report that the Part B is in balance over the 10-year period. There is no justification for making the claim that if you put the two together there is no surplus at all, because there clearly is.

Even if there weren't, if there were a deficit in Part B, what earthly sense would it make to move the Part A trust fund surplus to a category called "undesignated," called "contingency fund" in the President's plan? That is what he has done. He has taken all of the Medicare trust fund money and moved it from a committed category, a trust fund category, to an undesignated category, a category available for every other kind of spending.

In my State yesterday, he stated he has this fund, this uncategorized fund, this undesignated fund, and if you need more money for agriculture, go to that fund. It is kind of the magic asterisk.

There is no such fund. There is no such fund unless you raid every penny of the Medicare trust fund. If somebody does it, they will be held to account, because some of us are going to tell the truth and we are going to remind people there is a trust fund of Medicare and a trust fund of Social Security and that both of them deserve protection and both of them deserve support and both of them should not be used for other purposes.

I frankly think we ought to put more money in agriculture, but I am not for taking it out of the Medicare trust fund. Any move to use the Medicare trust fund money for other purposes moves up the date of insolvency, and in fact the President's plan to take the \$500 billion from the Medicare trust fund and use it for his so-called contingency fund that is available for defense spending or agriculture spending or any other kind of spending, that moves up the date of insolvency of the Medicare trust fund.

In fact, the actuaries say if we do what the President has proposed and take the money from the Medicare trust fund, put it in the contingency funds, and make it available for other spending, we move up the date of insolvency of the Medicare trust fund by 16 years and it goes broke in the year 2009.

Some of us will not have any part of that plan because it is wrong. It is

wrong for the country. It is wrong for Medicare. It is wrong to take trust fund money that has been designated for a specific purpose and seek to raid it for other purposes. That is what has gotten us into financial trouble in the past. That is what would get us into financial trouble in the future, if we permitted it to happen.

This is a debate that deserves to be heard all across this country. It is fundamental to the economic future of America. Do we raid the trust funds to try to provide an oversized tax cut, or do we protect them? That is the question.

I believe our colleagues will rally around a principle they have rallied around before, which is the fundamental notion, you don't raid trust funds: You don't raid Social Security trust funds, you don't raid Medicare trust funds; those funds ought to be lockboxed, they ought to be walled off, they ought to be protected. That is what this amendment is all about. I believe this is what the American people support.

On Thursday, the Los Angeles Times reported that the American people, if they are asked: Are you for the Bush tax cut? Are you against it? overwhelmingly, they say they are for it. If you ask the American people about the choices, they give quite a different answer. When The Los Angeles Times asked in a nationwide poll if they would prefer the Bush tax cut or the Democratic proposal that had a tax cut half as big as the President proposed, with more money for Medicare, more money for education, and more money to pay down debt—which would they prefer—then the American people gave this answer: 30 percent said they were for the Bush tax cut; 55 percent said they were for the alternative plan to reduce the size of the President's tax cut in half and to have more money to strengthen Medicare, to improve education, and to pay down more of the debt.

That is what the American people are supporting. Yes, they want a tax cut, but they want one that is affordable. They want one that gives room to strengthen Social Security, improve Medicare, enhance education, strengthen defense, and pay down more of our national debt. That is where the American people are. That is where I hope this Chamber will be.

The first fundamental test is on Tuesday. The basic question: Do we protect the Social Security and Medicare trust funds? I hope very much we get the same result this year as we got last year. The result last year was 60 votes, on a strong bipartisan basis, for the fundamental principle that we do not permit a raid of the Social Security or the Medicare trust funds. That is important for the future of our country. It is important for the future of our economy. I hope very much this Chamber will say we are not going to abandon fiscal discipline.

We are not going to abandon the notion that we ought to pursue the maximum paydown of both our short-term and long-term debt. That is in America's interest. That is what is at stake on Tuesday.

I thank the Chair. I yield the floor. I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HATCH. Mr. President, I was sitting here mulling things over after I listened to my colleague from North Dakota and his very erudite comments about the budget, about President Bush's budget, the tax cut package, and so forth.

It is kind of amazing to me because, in all honesty, I am afraid our colleagues on the other side completely ignore what happened during the Reagan years. In their zeal to say that President Reagan caused the budget deficits, they ignore the impact of the marginal tax rate reductions that occurred during those years.

The reason I know a little bit about this is because I was one of a handful who worked very hard to convince President Reagan to cut the marginal tax rates, which at that point topped out at 70 percent in this country. He cut the maximum rate down to 28 percent by 1986.

I remember all the arguments that were raised then by our colleagues on the other side; and they basically centered on the fact that if you cut taxes like that, you will run us into huge deficits because by cutting taxes, you will cut revenues. Those were the arguments made by our colleagues on the other side. They have completely glossed over what really happened in saying that all of the subsequent deficits occurred because of Ronald Reagan and his tax cuts.

The real facts are that Ronald Reagan's tax cuts—those marginal tax rate reductions from 70 percent down to 28 percent, by 1986—helped to lead us into an unprecedented era of prosperity we still enjoy today, and that the resulting federal revenues that came about after those cuts did not decrease, except for one single year. In fact, annual revenue to the Treasury actually almost doubled during the Reagan years. The fact is, those tax cuts led to greater revenues because more people saved their money. Instead of the federal Government spending it, most people invested their money, created businesses, opportunities, and jobs for others. In the end, we actually received more tax revenues.

Well, then, how did we get the big deficits? In part, the deficits came from Reagan's increases in military spending. But let's stop and think

about that for a minute. That spending has been highly criticized. But defense is the only area where he literally increased spending that I can recall. All of the other increases in spending came from our friends on the other side and liberal Republicans.

Let's quit talking about Democrats and Republicans. Let's talk about liberals and conservatives. The fact is, we enacted the marginal tax rate reductions, and revenue jumped to almost double as a result. But spending went up dramatically during those years because, in order to get the marginal tax rate reductions, Ronald Reagan had to agree to Democrat spending because Tip O'Neill was the Speaker of the House at that time, and the House was controlled by Democrats, or should I say, by the liberals, and they just kept spending. That was part of the payoff in order to get tax rate reductions.

But we should not lose sight of the fact that we had a tremendous increase in revenues as a result of tax rate reductions.

The same revenue effect occurred when Senator LIEBERMAN and I pushed through the Hatch-Lieberman capital gains rate reduction in 1997. I can remember our friends, our liberal friends in this body, saying: If you cut capital gains rates, we will lose revenues. We said: No. If you cut capital gains rates, people will save more, invest more, create more businesses, more jobs, more opportunities, we will have more people working, with more people paying taxes into the system. We will actually increase revenues.

Some of them even laughed at us until the DRI econometricians came out with their analysis, and they are hardly a conservative group. They came out and made it clear that not only did we not lose revenues as a result of reducing capital gains rates from 28 percent down to 20 percent, but we actually gained revenues. We did not gain as much as I thought we would, but we gained revenues. That is what happened with the Reagan marginal tax rate reductions.

But the spending increases were phenomenal during those years. True, military spending went up during the Reagan years. And I am sure Ronald Reagan would be the first to take credit for spending more on the military. In fact, during John F. Kennedy's tenure as President, we were spending almost 50 percent of the budget on the military. Over the next years, it greatly decreased. Reagan finally got it up to higher levels, but it was far cry from where John F. Kennedy had it as a percentage of budget expenditures.

Today, under the Clinton budget, it has gone down to somewhere below 3 percent, virtually half or less of where Ronald Reagan had it.

But what people seem to ignore, when they complain about military spending, is that because of the increase in the budget for the military, the cold war was ended because the Soviets had to throw in the towel because

they could not compete with the United States of America. The fact is, we probably have saved trillions of dollars by ending the cold war, with the United States emerging as the No. 1 power in the world today.

So even with that additional spending, which was not anywhere near as high as the percentage of the budget that John F. Kennedy was spending, we have probably saved trillions of dollars over the years since the cold war came to an end.

I never cease to be amazed at how our liberal friends in this body are constantly talking about balancing the budget. It never ceases to amaze me because in 1994, when they controlled both Houses of Congress, and President Clinton was President, their budget projections showed \$200 billion in deficits every year ad infinitum. Tell me that isn't true. I know it is. I was here—\$200 billion every year, henceforth in the future. Basically, President Clinton said there was not much we could do about it.

And then, all of a sudden, the first Republican Congress in almost 40 years came into being, and we started pushing for a balanced budget, which we shortly after achieved. And now our liberal friends are trying to claim they balanced the budget. Give me a break.

I am talking about liberals on both sides of the aisle. If you just look at last year, the people in these two bodies could not control spending and it went up in whopping fashion. The reason it went up is because there was no pressure to control spending because we had a surplus, and we could just tap into that surplus at will.

I might also add that President Clinton used the surpluses for "emergency" spending that exceeded \$20 billion a year. Frankly, almost everything they wanted to spend on, from a liberal perspective, suddenly became an emergency. Some of those programs were emergencies, but certainly not all.

I guess what I am saying is, if we do not give the taxpayers back some of this \$5.6 trillion projected surplus—and I have to say \$1.6 trillion of the \$5.6 trillion isn't very much—if we do not give them back some of that surplus, I guarantee you the wonderful Members of Congress, especially those on the liberal side—but I have to say some conservatives, too; all of us are to blame—we will spend every stinking dime of it. And the American people will be the worse off for it.

When I hear these analyses done by our friends on the other side, they never give credit for the dynamic effects of cutting marginal tax rates. They always use static budgetary figures that never take into consideration economic stimuli that comes from cutting taxes and giving people a break.

Of course, they have been able to get away with it for years because, for all of the time I have been here—and I have been here for 25 years—there has never been a conservative control of either House of Congress. It has always

been under the control, if you look at the numbers, of the left. And the left believes in spending. They believe the Federal Government is the last answer to everything.

They believe the Federal Government, like a great big all-consuming nanny, is going to take care of all of us. They ignore the economic fact that there are some dynamics in economics that do occur when you give incentives to the American people.

We have a \$5.6 trillion projected surplus. Most economists, including OMB, including CBO, indicate that this may be a conservative figure. It may be even beyond that if we do what is right. One of the things we can do to make sure it is a conservative figure and to make sure we might even get more money in revenue is to cut marginal tax rates because it does work to do so. If we have the guts and the brains and the ability to do that, the American economy is going to be much better off.

President Bush has said he doesn't want a spending increase of more than 4 percent in the total budget. He has also said he will be reasonable with regard to the spending needs of Congress. He has also said he only wants \$1.6 trillion from the \$5.6 trillion projected budget in tax cuts. That leaves \$4 trillion more, and he is going to put \$2.6 trillion away for Social Security and Medicare.

I get such a kick out of the lockbox arguments on both sides because there is no lockbox. There is never going to be a lockbox. The fact is, if we save that money, unless we reform Medicare and Social Security, we are going to have to take that money and either spend it, which is what Congress will probably do, or we are going to pay down the national debt, which is what we should do to an extent.

Even if you save the \$2.6 trillion for Social Security and Medicare, that is not going to do much good unless we reform those programs. Everybody knows there are approximately 40 million people on Medicare now. That is going to rise to 80 million people by the year 2035. If we don't do something now to reform Medicare, it won't make any difference how much money we put in there. It will not be enough. Social Security has some of the same problems.

When Social Security came into existence, there were 46 workers, if I recall correctly, for everybody receiving Social Security. Today, it is 3.4 workers for everybody on Social Security, going down to 3, maybe 2.9 in the next 10 years, 2.9 workers for everybody receiving Social Security.

What future do our kids have unless we reform these programs and make them work and make them live within their means? I hear all these comments about a lockbox and how we have to save Medicare and Social Security. Yet I don't see a lot of effort being made, at least by the left and maybe some of us on the right, being made to save these programs, to reform them, and make

them work. I am very concerned about these issues.

President Bush is willing to set aside \$2.6 trillion of the projected surplus. He wants \$1.6 trillion for a tax cut, and that still leaves a considerable amount of money to take care of other problems we have. That surplus won't be there if we keep taxing and spending as we have a tendency to do.

Last year was a perfect illustration, as we just spent ourselves into a blind fit of passion. Those who actually handle the budget, those who handle the appropriations process, are having a heck of a time trying to hold the more moderate-to-liberal members among us from spending this Nation into bankruptcy.

Yet all we hear is, we shouldn't cut taxes. When you have a \$5.6 trillion projected surplus, by gosh, you know the taxpayers are paying too much in taxes. It is the time to give them some of these taxes back. Is this \$1.6 trillion tax cut exorbitant? Hardly. It is about half in relative terms what John F. Kennedy did and only a third of what Ronald Reagan did. It is not a great big ballooning tax cut. The fact is, if we cut taxes, this economy will be stimulated and spurred on to higher revenue.

The so-called "budget surplus" is really an overcollection of taxes which belongs to the American people. There is no question about it.

One other point we need to understand is that the budget surplus is not the result of some brilliant new goods or services the Federal Government sells. The Government's revenues come from collections from the American people. The Federal Government hasn't created this surplus.

Some on the other side would say their massive increases of taxes, such as the 1993 tax increase, have helped. I suspect that is possibly true. Then again, doesn't that argue in my favor and make the point I have been making: we are taxing the American people far too much when you have these kind of surpluses? There are some on the other side who have never seen a spending bill they didn't fall in love with. There are some on the other side who have never said, in the whole time I have known them—and I think we could pick them out rather easily—they have never said: Where are we going to get the money to pay for these programs?

There are some on the other side who really do want us to have the Federal Government take care of everybody from the cradle to the grave. That sounds wonderful except it would make the United States an also-ran country like so many others that have taken that type of philosophy and put it into practice.

What we have to do as Members of Congress is to support this President. The American people did elect him, in spite of all the moaning and groaning about Florida. The facts are that George Bush did win Florida. He probably won New Mexico, too. Because

Florida was where it was at, they didn't contest New Mexico. He probably won a few other States. If you look at some of the reports that have come in, there is no reason for anybody on the other side to be complaining at this particular point.

Some have said Gore received a half million more votes. Well, that is irrelevant because we have an electoral college system where we have a direct election by 50 States, not by 280 million people, except insofar as they vote for a particular candidate in their respective States. There is a genius to that system because it makes our system for running for President a truly national election rather than a series of regional elections. Under this system, a candidate can't afford to ignore any State, any of the 50 States, when he or she is running for President.

If you need any further proof, just look at the last election. Wyoming, with three electoral college votes, made the difference. I might add, Vermont would have made the difference with three. North Dakota would have made the difference with three, or Alaska with three votes. Every State was in play. There was a genius to the Founding Fathers.

Our electoral college system requires a national, not a regional, campaign. Why is that important? Because the Founding Fathers were afraid, in fact terrorized, that the small States, the more rural States, would be completely obliterated by those who had all the money and the population. So they gave a little advantage to the small States by having the House of Representatives elected proportionately but the Senate with equal rights of suffrage for every State. In other words, Utah, with 2.1 million people, has the same number of Senators as California with 32 million. The reason was because they wanted to have the Senate protect the country. That is why Senators have 6-year terms, so they can rise above politics occasionally.

The fact is, our electoral college system works very well because Presidential campaigns have to be national, not regional. The media would not control the Federal election completely, which they would, because only the 10 or 12 largest States would control the country. What it means is that George Bush, if we had a direct popular election, would have spent a lot more time in New York, a lot more time in California, a lot more time in Michigan, a lot more time in Illinois. He would have picked up those 500,000 votes or more. He didn't spend a lot of time in States he knew he was going to lose. He had to try to make sure he ran a national campaign and picked up enough votes to win the electoral college, so that no 6, or 8, or 10, or 12 States, at the most, would control everything in this country. The media would not control the major centers that disseminate all the news in this country. Nobody doubts for a minute that the media is one-sided. Everybody in America

knows the media are certainly tilted to the left. It is awfully hard to even get a job in the media unless you are on the left. We all know that; the media knows that; there isn't even a question about it.

So our electoral college system does work. It makes it a national election, not a regional election. The media can't control the election. You have to campaign in all of the respective States, and, literally, it makes a lot of sense. This last election proved that more than ever before.

I hear these arguments that George Bush is taking us down the road to destruction because he wants to give the American people some of their money back. George Bush is absolutely right on his tax cut. There should not be a \$5.6 trillion surplus without a realization that the American people are being taxed and overtaxed. I have to tell you, if we don't do something about it and give some of that money back, our wonderful friends in both bodies here—and they are good people; they just can't help themselves—are going to spend all that money and we are going to try to "do good" with all that money. In the end, we will kill this economy dead than a doornail.

So what President Bush is fighting for out in the hinterland right now is extremely important. It will make the difference as to whether we have another 17 or 18 years of economic prosperity, with continual rises in productivity and other benefits that are economic in nature, or whether we start to descend and regress as a nation. I believe that is one reason he was elected. I believe that is one reason we need to support him.

I have heard a lot about bipartisanship around here. In all honesty, this is a good chance for everybody to show bipartisanship and support the President in the one program that he really thinks is the centerpiece of his agenda. We are going to try to do something on education, but let's be honest about that: The Federal Government affects only about 7 percent of all of public education in this country; 93 percent of all educational funds come from the States. That is where they ought to come from, and that is where the power ought to be, and that is where the authority ought to be. But President Bush is going to do what he can in education. That will probably be the next bill on the floor after bankruptcy.

The hallmark of the Bush tax cut legislation is the same as Ronald Reagan's. When Reagan came in, people laughed at first when he started talking about a 25-percent marginal tax rate reduction over a 3-year period. But you can't laugh at it today. It was the Reagan marginal tax rate reductions that almost doubled the revenues. It was Congress' spending that put us into the huge deficits we had. Plus, he did increase the military, but we ended the cold war, which saved us trillions of dollars over the years.

Then we had a battle for the balanced budget amendment year after year. We

knew we would always lose that battle. There was only one time we had a chance of winning. It had to be waged, and it got the American people thinking, my gosh, they are right, we should balance the budget. It was the 1997 capital gains rate reductions, that Senator LIEBERMAN and I and a whole raft of others in the Congress fought so hard to get, which helped to stabilize the economy. It helped in so many ways. It was the productivity that grew out of those issues. I think Alan Greenspan, to a large degree, has done very remarkable work at the Fed. I think Bob Rubin did a very good job in stabilizing world markets as Treasury Secretary. But it was the first Republican Congress in almost 40 years that insisted on balancing the budget, and President Clinton was brought reluctantly with us. We insisted on balancing the budget, and we were able to finally do it. Our colleagues on the left are now claiming they are the ones who did it. Give me a break.

As bad as spending was last year, it could have been far worse. We had to fight every inch of the way to control it, to the extent that we could. It would have gone completely out of control. It is not all the left's fault; some of the blame is on the right as well.

All of these factors came together to bring us to the point now where we have a balanced budget and a projected \$5.6 trillion surplus. I suggest there will be a lot more if we cut tax rates by 1.6 trillion, as President Bush would like to.

I get a little tired of this class warfare that goes on around here, too. It gets very old to hear that "the upper 1 percent" is going to benefit so much and those making \$25,000 a year will get no benefits out of this program. That is not true. All levels of taxpayers are going to get tax cuts from the Bush plan.

A family of four earning \$35,000 a year or less will pay nothing in taxes. There is a good reason that taxpayers with even lower incomes are not going to get much benefit from the tax cut they don't pay any taxes to begin with, as far as income taxes are concerned. They do pay through the nose, especially if they are self-employed, on Social Security, FICA taxes, there is no question about it. We need to do something about that, but not without some reform of the Social Security system.

When you stop and think about it, the upper 5 percent of income-taxpayers pay 50 percent of all the income taxes in this country. All Bush wants to do is reduce the top rate from 39.6 percent down to 33 percent, and the other three brackets correspondingly, with the lower ones being reduced the most.

Guess what the bottom 50 percent pay in Federal income taxes. Less than 5 percent of Federal income taxes.

So, naturally, those who benefit from marginal rate reductions will be those who pay taxes. Naturally, there will be people who are wealthy and who will

benefit from that tax rate reduction. But these people don't take that money and put it into socks or mattresses, they put it into productive uses, by and large, and in the process create more opportunity, jobs, high-technology, and they keep the United States in the forefront of all of these economic programs that have made us the greatest Nation in the world.

Yes, those who pay taxes are going to get tax reductions. Those who don't are still going to get plenty of benefits from the Federal Government. We do need to do something to save Social Security and Medicare, no question about it. I, for one, hope we have the guts to do something about that over the next few years. But when I hear these comments all based on a static economic analysis, never considering the dynamism we have all seen occur since 1982, just completely ignoring that and acting as though it doesn't exist, and coming out with these doomsday scenarios that are trying to undermine what President Bush is trying to do, which is to just get the taxpayers a little bit back. In comparison to John F. Kennedy and Ronald Reagan, the Bush tax cut is half of the Kennedy tax cut and one-third of the Reagan tax cut, if you want to put it in relative terms.

I hear these doomsday scenarios that we should not cut taxes because we have so much for which we need to spend that money. I am not speaking of my friend from North Dakota. I think he literally wants to do what is right, but he is using the static economic analyses that aren't necessarily accurate.

You can use figures to make any point you want. But there is one figure you can't ignore, and that is a \$5.6 trillion surplus that virtually all of the major economic analytical groups say is going to be there. If that is so, then you have to draw the conclusion that the American people are paying too much in taxes and that they deserve tax breaks under these circumstances.

I want to see us go toward a more dynamic economic analysis, at least have both sides of it so we do not just have this stultification to any kind of tax rate reduction that is being argued by our friends on the other side.

I hope they are not arguing these basic budgetary principles, that I think are wrong, just so they can politically make it tough for President Bush. He has only been in office a couple months.

Frankly, it would be a crime to not give his program a chance to work since he is our President. It would be a crime to not work in a bipartisan fashion to do what needs to be done. Literally, it would be a crime not to give this President some support. We have done it for President Clinton, and it is time to do it for President Bush. It is not President Bush for whom we are doing it in the final analysis, it is for everybody in our society, and really for many places in the world that depend

upon the economic stability of the United States of America.

I make these points because I get concerned when I hear one-sided arguments on the budget, one-sided arguments on tax rate reductions, one-sided arguments on Medicare and Social Security, one-sided arguments based on static analyses that never take into consideration actual real-world results, one-sided arguments that ignore the facts in this country that tax rate reductions work, and one-sided arguments in complete derogation and ignorance of the last 18 years.

The fact is, we all have to do our best to analyze this the best we can, but we should not ignore the econometricians, though not conservative, who have proven that tax rate reductions do work, and we should not ignore the fact that restraint in spending does work, too. We have not had much of that around here, even with a Republican Congress.

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

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

Mr. HATCH. Mr. President, I want to take a few more minutes to respond to some of the comments of my friend and colleague from North Dakota.

The Senator from North Dakota keeps talking about a Bush tax cut of more than \$1.6 trillion. He can talk about any number he wants, but the President has made it clear that he is committed to a budget that would reduce Federal revenue collections by \$1.6 trillion over the next 10 years. Budget Committee Chairmen DOMENICI and NUSSLE have committed to producing a budget that reduces tax collections by \$1.6 trillion over 10 years.

The House and Senate Republican leadership are determined to allow taxpayers to keep more of their own money—\$1.6 trillion—over the next 10 years. All the above have agreed that any changes to the President's tax relief proposal—adding provisions, removing provisions, changing provisions—would have to be accommodated within a budget that reduces Federal revenues by \$1.6 trillion over the next 10 years.

Let's now look at why the number is not \$2.4 trillion, \$2.5 trillion or \$2.6 trillion.

The claimed additional interest cost of \$500 billion to the tax cut is a red herring argument; interest is included in the budget; trying to tie interest cost to the tax cut is inconsistent with past practice on spending increases and tax cuts.

Moreover, Mr. President, adding interest to these tax cuts assumes that the every dollar of the tax cut would be used to pay down the debt if the taxes were not cut. In reality, every Member

of this Chamber very well knows that if we do not send this money home to the taxpayers who were overcharged in the form of too high of taxes, most of the surplus will be spent by Congress. There is no interest savings when the alternative to tax cuts is spending increases. All one has to do is look at last year for an illustration.

The claimed additional revenue loss of \$200 billion connected with the alternative minimum tax will have to be addressed within the context of the \$1.6 trillion figure; with respect to the child tax credit, it is already accounted for in the President's budget. The President, the Vice President, and the Secretary of the Treasury have made it clear that if the AMT is taken care of, some other feature of the President's tax plan would be reduced to make it fit in the \$1.6 trillion number.

The claimed additional revenue loss of \$200 billion for the retroactive portion of the tax cut will also have to be addressed within the context of the \$1.6 trillion figure.

The claimed additional revenue loss of \$100 billion for tax extenders is an example of double counting; extenders are already addressed in the President's budget.

The bottom line is that the numbers used by the other side are bogus arguments to support their ultimate goal: very little tax cut and much higher spending.

The President's budget shows that you can pay down the Federal debt, return some of the surplus to the people as tax relief, and provide targeted spending increases. I think we ought to talk facts, not fiction. That is what I am trying to do.

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

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

Mr. LUGAR. Mr. President, I ask unanimous consent to speak as if in morning business.

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

(The remarks of Mr. LUGAR pertaining to the introduction of S. 508 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

AMENDMENT NO. 28

Mr. DORGAN. Mr. President, I rise in strong support of amendment No. 28. This amendment will increase the authorization of appropriations for LIHEAP assistance, weatherization programs, and State conservation grants. It also will expand the Federal energy efficiency program to include water, as well as energy, conservation.

This provision is critical. In my part of the country, and elsewhere around the Nation, we have experienced record

cold temperatures, and record-high natural gas prices. I have received letters from people who have to choose between heating their homes and eating, because they can't afford both. I also heard from a couple that can't afford to keep their retirement home, because the heating bills have been so high. We must do something to rectify this terrible situation now.

Under current law, States have the flexibility to establish, or raise, the threshold for LIHEAP eligibility at 60 percent of the State's median income level. Because of limited resources, States rarely reach that threshold.

Specifically, 2/3 of LIHEAP funds currently go to individuals who earn \$8,000 per year or less. One-third goes to those who earn approximately \$15,000 per year. That is, only 19 percent of people that could qualify for eligibility to receive LIHEAP funds actually receive such funds. Eighty-one percent of those eligible, therefore, do not receive LIHEAP funding.

This amendment would expand the LIHEAP program to attempt to reach the 81 percent not currently receiving LIHEAP assistance.

This amendment also is critical because it would increase the eligible income levels, so that LIHEAP assistance would be provided to a broader group of people, who cannot pay their exorbitant energy bills. This amendment would enable States to provide LIHEAP assistance to households with incomes up to and including 200 percent of the poverty level for each State.

We also need to place a greater emphasis on conservation, and on renewable energy. Unfortunately, the President's budget cuts these critical program elements.

As yesterday's Washington Post reported, "The Bush plan calls for a \$700 million reduction from this year's \$19.7 billion Energy Department spending." Nearly half "of those proposed cuts were aimed at the efficiency and renewable-energy programs. They are currently budgeted at \$1.18 billion. The research is focused on a range of programs, from high-mileage, hybrid motor-engines and more energy-efficient industrial processes to new building designs that conserve energy."

I hope the Bush administration will realize the impracticality of cutting alternative energy and energy conservation programs at a time when we have a shortage of domestic energy supply sources and are overly reliant on foreign energy supplies.

Beyond the short-term, emergency measures we are working to pass today, we need to develop a broader, long-term energy policy that will attempt to address the multiple energy problems we are facing. I will work with my colleagues to develop such legislation, legislation that must include renewable energy and conservation measures, including improved vehicle efficiency, as well as efforts to diversify our fuel supply sources in an environmentally sustainable manner. This

would include advancing clean coal technologies, for example.

I have introduced legislation to provide a 5-year extension of the wind energy production tax credit. This will help develop a non-fossil infrastructure to relieve burden on other fuel sources and help bring overall energy prices down. I understand that President Bush has announced his support for this type of incentive.

I also am considering legislation to pursue exploration not of the Arctic Refuge, but of Alaska's North Slope, where 35 trillion cubic feet of natural gas have already been identified as readily available. Such legislation would include provisions to develop the pipeline infrastructure to bring that natural gas to the lower 48 States. We must pursue exploration and development, but must do so in a safe and environmentally sustainable manner.

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

The PRESIDING OFFICER (Mr. ROBERTS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. DEWINE. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Senate now be in a period of morning business with Senators permitted to speak therein for up to 10 minutes each.

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

RULES OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MCCAIN. Mr. President, the Committee on Commerce, Science, and Transportation has adopted rules governing its procedures for the 107th Congress. Pursuant to rule XXVI, paragraph 2, of the Standing Rules of the Senate, on behalf of myself and Senator HOLLINGS, I ask unanimous consent that a copy of the Committee rules be printed in the RECORD.

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

RULES OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

I. MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the Committee shall be the first and third Tuesdays of each month. Additional meetings may be called by the Chairman as he may deem necessary or pursuant to the provisions of paragraph 3 of rule XXVI of the Standing Rules of the Senate.

2. Meetings of the Committee, or any subcommittee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the Committee, or any subcommittee, on the same subject for a period of no more than 14

calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed, followed immediately by a record vote in open session by a majority of the members of the Committee, or any subcommittee, when it is determined that the matter to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of Committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interest of effective law enforcement;

(E) will disclose information relating to the trade secrets of, or financial or commercial information pertaining specifically to, a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(F) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

3. Each witness who is to appear before the Committee or any subcommittee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

4. Field hearings of the full Committee, and any subcommittee thereof, shall be scheduled only when authorized by the Chairman and ranking minority member of the full Committee.

II. QUORUMS

1. Twelve members shall constitute a quorum for official action of the Committee when reporting a bill, resolution, or nomination. Proxies shall not be counted in making a quorum.

2. Eight members shall constitute a quorum for the transaction of all business as may be considered by the Committee, except for the reporting of a bill, resolution, or nomination. Proxies shall not be counted in making a quorum.

3. For the purpose of taking sworn testimony a quorum of the Committee and each subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a majority of the members being present, a member who is unable to attend the meeting may submit his/her vote by proxy, in writing or by telephone, or through personal instructions.

IV. BROADCASTING OF HEARINGS

Public hearings of the full Committee, or any subcommittee thereof, shall be televised

or broadcast only when authorized by the Chairman and the ranking minority member of the full Committee.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any subcommittee during its hearings or any other meeting but shall not have the authority to vote on any matter before the subcommittee unless he/she is a Member of such subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the chairmanship, and seniority on the particular subcommittee shall not necessarily apply.

VI. CONSIDERATION OF BILLS AND RESOLUTIONS

It shall not be in order during a meeting of the Committee to move to proceed to the consideration of any bill or resolution unless the bill or resolution has been filed with the Clerk of the Committee not less than 48 hours in advance of the Committee meeting, in as many copies as the Chairman of the Committee prescribes. This rule may be waived with the concurrence of the Chairman and the Ranking Member.

RULES OF THE COMMITTEE ON FINANCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that a copy of the Rules of Procedure, adopted by the Committee on Finance for the 107th Congress be printed in the RECORD.

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

COMMITTEE ON FINANCE

I. RULES OF PROCEDURE

Rule 1. Regular Meeting Days.—The regular meeting day of the committee shall be the second and fourth Tuesday of each month, except that if there be no business before the committee the regular meeting shall be omitted.

Rule 2. Committee Meetings.—(a) Except as provided by paragraph 3 of Rule XXVI of the Standing Rules of the Senate (relating to special meetings called by a majority of the committee) and sub-section (b) of this rule, committee meetings, for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the chairman. Members will be notified of committee meetings at least 48 hours in advance, unless the chairman determines that an emergency situation requires a meeting on shorter notice. The notification will include a written agenda together with materials prepared by the staff relating to that agenda. After the agenda for a committee meeting is published and distributed, no nongermane items may be brought up during that meeting unless at least two-thirds of the members present agree to consider those items.

(b) In the absence of the chairman, meetings of the committee may be called by the ranking majority member of the committee who is present, provided authority to call meetings has been delegated to such member by the chairman.

Rule 3. Presiding Officer.—(a) The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member who is present at the meeting shall preside.

(b) Notwithstanding the rule prescribed by subsection (a) any member of the committee may preside over the conduct of a hearing.

Rule 4. Quorums.—(a) Except as provided in subsection (b) one-third of the membership of the committee, including not less