(Purpose: To prohibit the use of funds for reorganizing certain B–1 bomber forces)

At the appropriate place, insert the following:

SEC. . None of the funds available to the Department of Defense for fiscal year 2001 may be obligated or expended for retiring or dismantling, or for preparing to retire or dismantle, any of the 93 B–1B Lancer bombers in service as of June 1, 2001, or for transferring or reasigning any of those aircraft from the unit, or the facility; to which assigned as of that date.

Mr. CRAIG. Mr. President, recently the Air Force revealed as part of its programmed budget decision its plan to cut the B–1B force structure by more than one-third. This has a substantial impact on a variety of Air Force bases that currently have a B–1B mission, and actually eliminates the B–1B entirely from Mountain Home Air Force Base in my State, from McConnell Air Force Base in Kansas, and from Robbins Air Force Base in Georgia.

Such a drawdown in the B–1B fleet has the same national impact as would BRAC. Clearly, decisions of this magnitude should not be made without consultation with Congress. There was no opportunity for advice and consent on the part of the Air Force or the Office of the Secretary of Defense.

Therefore, I offer this amendment on behalf of myself and Senator ROBERTS to preempt any precipitous action by the Department of Defense that could circumvent the right of Congress to review such a significant change in our Air Force defense structure.

This amendment will prevent any 2001 funds from being used for the preparation of retiring, dismantling, or reassigning any portion of the B–1B fleet. This would allow Congress the necessary time to consider the significance of the Air Force's decision and its impact with regard to the fiscal year 2002 defense budget.

The B–1B satisfies a very specific warfighting requirement as our fastest long-range strategic bomber capable of flying intercontinental missions without refueling. With its flexible weapons payloads and a high carrying capacity, it is extremely effective against time-sensitive and mobile targets.

While cutting the force structure is advocated as a means of cost savings and weapons upgrade, it comes at a significant national security cost. Removal of the B–1B from Mountain Home Air Force Base calls into question DOD's support of the composite wing which is the basis for the air expeditionary wing concept and raises other long-term strategic and mission questions.

The composite wing is our Nation's ''911 call'' in times of conflict that require rapid reaction and deployment over long distances. Do we want to eliminate our nation's 911 call, particularly in light of a future defense strategy that requires the increase capabilities that the B–1B offers as a long-range, low-altitude, fast-penetration bomber?

Mountain Home Air Force Base is unique.

At Mountain Home, we train our men and women in uniform as they are expected to fight by bringing together the composite wing and an adjacent premier training range with significant results that will ensure that we are the next generation air power leader. We have composite wing training twice a month, premier night low-altitude training, dissimilar air combat training, and the current composite wing configuration fulfills the air expeditionary wing requirement 100 percent. Without the B1–B in the composite wing, our target load capability is reduced by 60 percent.

Removal of the B1–B from the three bases will actually increase costs while reducing operational readiness: The B1 missions for the National Guard at McConnell and Robbins Air Force bases have a 15 percent higher mission capable rate than active duty units at Dyess Air Force Base in Texas and Ellsworth Air Force Base in South Dakota, with 25 percent less cost per flying hour, due to decreased wear and tear on the aircraft. Also, the National Guard repairs B–1 engines for the whole fleet at 60 percent of the depot cost. As a result of the high costs associated with traveling to others bases for training, other B1–B wings from Dyess Air Force Base and Ellsworth Air Force Base take part only once a year in composite wing training, whereas the B1–B wing at Mountain Home Air Force Base conducts this type of training twenty four times per year. The result is that aviators from Mountain Home are rated higher in operational inspections and training because of the enhanced training opportunities which they receive at reduced cost to the government.

The Department of Defense shouldn't make budget decisions which change major national security objectives without congressional review. Military budget decision should be made for the right reasons and not be based on playing political favors, especially when it impacts our operational capability and readiness, and will cost the government more money in the long run. Therefore, I urge my colleagues to support this amendment which will provide Congress with time to review the Air Force's decision and its effects on our national defense structure.

I have another amendment for proposal that is to be drafted and that I believe the ranking member will offer before the 6 o'clock deadline. I will speak briefly to that amendment. It deals with grain and commodity sales to Israel.

Israel, as we all know, began to receive cash transfer assistance in 1979 which replaced, in part, commodity import program assistance. In lieu of assistance specifically for commodity purchases, Israel agreed to continue to purchase United States grain, of which it has purchased 1.6 million metric tons every year since, or until this year, 2001, and ship half of it in privately owned United States-flagged commercial vessels. That, in essence, was the agreement in 1979.

Despite a level of United States aid in every year since 1984 that has been higher than the 1979–1983 level, Israel never increased its grain imports. That was kind of the quid pro quo: As our rates increased, support would go up, and so would their purchases of commodities. Had proportionality been the test, Israel would have reached the 2.45 million tons at least at one point. It never has. However, Israel has consistently cited proportionality in reference to the 2001 Foreign Operations appropriation act in stating its intent to cut purchases of approximately 1.2 million metric tons in this fiscal year. This cut is disproportionately greater than the reduction of the U.S. aid from the 2000–2001 fiscal period and is not consistent with congressional intent.

My amendment, which will be proposed later this afternoon, reshapes this, ensuring that a side letter agreement, with the terms of at least as favorable treatment as those in the year 2001, would be more consistent with past congressional intent and previous bilateral relations. Proportionality is something that I don't think can be or should be effectively argued whereas they did not respond when our aid increases went up.

We will be bringing a letter to the floor insisting that Israel stay consistent with what was agreed to following 1979 as it related to turning, if you will, commodity import programs into cash transfer assistance. We think we have honored our agreement with Israel. The amendment simply requires them to honor their agreement with us.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

USE OF MEDICARE AND SOCIAL SECURITY TRUST FUNDS

Mr. CONRAD. Mr. President, I enjoyed reading the Washington Post this morning and listening to the weekend talk shows. I noticed I was the subject of a number of the articles and a number of the shows. I must say, I didn't recognize the policy that was being ascribed to me. Somehow, people have taken what I have proposed and twisted it and distorted it in a way that is almost unrecognizable. I think after examination it is clear why they have done that, but we will get into that in a moment.

The first article I would refer to is Robert Novak's piece in this morning's Washington Post that was headlined, ''Kent Conrad's Show Trial.''

Mr. Novak asserted that a hearing that I will be chairing later this week to talk about the fiscal condition of the country and where we are headed is some kind of a show trial. I want to assure Mr. Novak and anyone else who is listening, I have no interest in show trials. I do have a very serious interest in where we find ourselves after the fiscal policy that the President proposed has been adopted in the Congress because I think it has created serious problems.

Mr. Daniels, the head of the Office of Management and Budget, was on one of the talk shows this weekend and said I was engaged in what he referred to as ''medieval economics.'' I kind of like better the way Mr. Novak referred to me. He accused me of ''antique fiscal conservatism.'' ''Antique fiscal conservatism,'' that is the characterization he applied to the policies I proposed. Mr. Daniels called it ''medieval economics.''

What is it that I have talked about that has aroused such ire? All I have said is I don't think we ought to be using the trust funds of Medicare and Social Security for other purposes.

That is what I have said. I think that is the right policy. I don't think we should be using the trust funds of Social Security and Medicare for other purposes. After I made that statement, and after I noted that the latest numbers that come from this administration suggest that in fact we will be doing precisely that this year and next year, Mr. Daniels responded by suggesting that means Senator CONRAD favors a tax increase at a time of an economic slowdown.

That is not my proposal. That is not what I suggested. In fact, my record is precisely the opposite of that. They know that. They know that as the ranking Democrat on the Budget Committee this year, I didn't propose a tax increase in the midst of an economic slowdown. It is precisely the opposite of that. I proposed a $60 billion tax reduction as part of the Democratic alternative to the budget the President proposed. In fact, I supported much more tax relief as fiscal stimulus in this year than the President had in his plan.

So, please, let's not be mischaracterizing my position and suggesting I was for a tax increase at a time of economic slowdown. That is not the truth. That isn't my record. My record is absolutely clear. Through all of the records of the Budget Committee and the debate on the floor, both during the budget resolution and the tax bill, my record is as clear as it can be. I favored fiscal stimulus this year, more fiscal stimulus than the President proposed—not a tax increase, a tax cut.

We are going to have a debate, and the debate is required because we have a serious problem developing. Let's have it in honest terms. Let's not mischaracterize people's positions. Mr. Daniels, don't mischaracterize my position. You know full well I have not called for a tax increase in times of an economic slowdown. You know full well that my record was calling for a tax cut—in fact, more of a tax cut in this year of economic slowdown than the President was calling for.

It is true that over the 10 years of the budget resolution I called for a substantially smaller tax cut than the President proposed because I was concerned about exactly what happened. Let's turn to that because this is what set off this discussion.

As we look at the year we are now in, fiscal year 2001, if we start with the total surplus of $275 billion and take out the Social Security trust fund surplus of $156 billion and the Medicare trust fund of $28 billion, that leaves us with $92 billion. The cost of the President's tax cut which actually passed the Congress wasn't what he proposed. It was substantially different than he proposed because it was more front-end loaded, $74 billion this year. And $33 billion of that is a transfer out of this year into next year—a 2-week delay in corporate tax receipts in order to make 2002 look better, because they knew they were going to have a problem of raiding the Medicare trust fund in 2002.

What did they do? They delayed certain corporate receipts by 2 weeks—$33 billion worth—and put them over into 2002. That added to the cost of the tax bill.

There is only $40 billion of real stimulus in this tax bill that is going to go out into the hands of the American people during this year. But the cost is $74 billion because of this cynical device they use to delay corporate tax receipts to make 2002 look better.

As we go down and look at the cost of other budget resolution policies for this year—largely the bill that is on the floor right now, the supplemental appropriations bill for certain emergencies—and we look at possible economic revisions that their own administration has suggested will come—that is, we are not going to receive the amount of revenue anticipated—we then see that we are into the Medicare trust fund by $17 billion this year. That is what it shows for this year.

We had distinguished economists testify before the Budget Committee. Based on what they said, next year we are going to not only be using the entire Medicare trust fund surplus but we are actually going to be using some of the Social Security trust fund as well, $24 billion next year; that is, if we take into account a series of other policy choices that are going to have to be made.

That is the question I am raising. Mr. Daniels wants to change that into a discussion of having a tax increase this year. I don't know anyone who is advocating a tax increase this year. I am certainly not. I advocated a tax reduction. But we don't have a forecast of economic slowdown for the next 10 years. That is not the forecast of the administration. They are forecasting strong economic growth. That is their forecast. Yet with a forecast of strong economic growth starting next year, we see that we are into the Medicare trust fund and the Social Security trust fund next year. We have problems with the two funds in 2003 and 2004, and that is before a single appropriations bill has passed.

This is not a question of the Congress spending more money and putting us back into the deficit ditch. That is not this situation. We are in trouble just based on the budget resolution that was passed—the Republican budget resolution, I might add.

Their tax cut—the tax cut supported by this President, and the reduction in revenue that they themselves are predicting—we have trouble going into the Medicare and Social Security trust funds just on the basis of those factors: The budget resolution that they endorsed, the tax cut that they proposed and the President signed, and the economic slowdown that they are predicting.

We are into the trust funds already. That is before the President's request for additional funding for defense. He has already asked for $18 billion for next year. That has a 10-year effect of over $200 billion.

The question I am raising is, Where should that money come from? We are already into the trust fund before the President's defense request. Should that come out of the trust funds of Medicare and Social Security? Should we raise taxes to fund it? Should we cut other spending to fund it? Where should the money come from? Or, does the administration believe we should just go further into the Social Security and Medicare trust funds? I hope that is not what they believe because I think that would be a mistake.

Again, this is all within the context of their forecast of a stronger economy, of a growing economy. Is that circumstance the right policy to fund the President's additional spending requests for defense and the right policy to take it out of the Medicare trust fund or the Social Security trust fund? I don't think so. I think that is a serious mistake. As I say, we are already in trouble. We are already into the trust funds before the President's defense request, before any new spending for education.

Remember that the Senate just passed, almost unanimously, a bill that authorized more than $300 billion of new spending for education. It is not in the budget resolution. We can see that if we fund just a part of that—if we only fund $150 billion of it—that makes the situation with the trust funds more serious.

This is before any funding for natural disasters. There is no funding for natural disasters in the budget. Yet we know we spend $5 billion to $6 billion a year on natural disasters. Should that funding come out of the Medicare and Social Security trust funds? That is exactly where we are headed.

The question is, Is that the right policy? That is before the tax extenders are dealt with. Those are popular measures such as the research and development tax credit and the wind and solar energy credits. Some of them run out this year. We are going to extend them. Yet that is not in the budget.

Is it the right policy to take the funds necessary to extend those tax credits out of the Medicare and Social Security trust funds? Because that is what we are poised to do.

The alternative minimum tax—that now affects some 2 million taxpayers, but under the tax bill that has passed it is going to affect 35 million taxpayers—just to fix the part of the alternative minimum tax that is caused by the tax bill we just passed would cost over $200 billion to fix. That is not in the budget. Should that money come out of the Medicare and Social Security trust funds? Because that is what we are poised to do.

I have said I do not think that is a good policy. I do not think we should pay for a defense buildup out of the trust funds of Social Security and Medicare. I do not think we should pay for additional education funding out of the trust funds. I do not think we should pay for natural disasters or tax extenders or the alternative minimum tax fix out of the Medicare and Social Security trust funds. Because we need to run surpluses there to prepare for the retirement of the baby boom generation. That is the money that is being used to pay down the publicly held debt.

I think, as I have said, at a time of strong economic growth—which is what is in the forecast—as a policy we should not be using the Medicare and Social Security trust funds to fund other parts of governmental responsibility. I think that is a profoundly wrong policy. Any private-sector organization in America that tried to use the retirement funds of their employees to fund the operations of the organization would be headed for a Federal institution, but it would not be the Congress of the United States; they would be headed for a Federal prison because that is fraud, to take money that is intended for one purpose and to use it for another.

We have stopped that practice. In the last year we stopped raiding the trust funds to use those moneys for other purposes. We have stopped it. We have used that money to pay down debt. That is the right policy.

I hope very much we do not go back to the bad old days of raiding every trust fund in sight in order to make the bottom line look as if it balances. I suggest to my colleagues, using the Medicare trust fund or the Social Security trust fund for the other costs of Government is not a responsible way to operate. That is the point I have made.

I do not advocate a tax increase at a time of economic slowdown. I want to repeat, my proposal that I gave my colleagues was for a substantial tax cut this year, fiscal stimulus, $60 billion of fiscal stimulus that I supported in this year. But we are not talking about an economic slowdown being projected by this administration for the next 10 years. They are projecting a strong return to economic growth.

I just saw the Secretary of the Treasury, the top spokesman on economic policy for this administration, at a meeting overseas saying they anticipate a return to strong economic growth next year. That is their projection. That is their forecast.

What I am saying is, if we are in a period of strong economic growth, it is not right to raid the trust funds of Medicare and Social Security for other purposes. It is just wrong. It should not be done. But that is exactly where we are headed. The record is just as clear as it can be. We are going to be into the Medicare trust fund and even the Social Security trust fund next year just with the budget resolution that has passed, just with the tax cut that has passed, and just with the slowdown in the economy that we already see. That is where we are. That is before any additional money for defense. That is before any additional funding for education. That is before any money for natural disasters or tax extenders or to fix the AMT problem. And that is before additional economic revisions we anticipate receiving in August from the Congressional Budget Office.

When we factor in those matters, what we see is a sea of red ink, what we see is a very heavy invasion of both the Medicare trust fund and the Social Security trust fund. That is where we are headed.

The question I am posing to my colleagues, and to this administration, is, Does that make any sense as a policy? I do not think so. I do not think this is where we want to go, especially given the fact that we know in 11 years the baby boomers start to retire and then our fiscal circumstance changes dramatically.

We have to get ready for that eventuality. The first thing to get ready is not to raid the Medicare trust fund and the Social Security trust fund at a time of surpluses. That is just wrong. They can call me an antique fiscal conservative. They can call me somebody who is advocating medieval economics. I do not think so. I do not think this is antique fiscal conservatism. I think this is good old-fashioned, Midwestern common sense. You do not take the retirement funds of your citizens to fund the operation of Government. You do not take the health care funds of your people for other operations of Government. There is not a private-sector company in America that could do that.

I think this is very clear, the circumstance we face. We are already in trouble just with the budget resolution that has passed, just with the tax cut that has passed, and just with the economic slowdown that is being forecasted in the next 2 years. The trouble only gets more severe, only gets deeper, when you factor in the President's request for a big increase in defense. I think it is fair to ask the President, and this administration, how do you intend to pay for it? Do you intend to use the money from the trust funds to pay for this big buildup in defense? Do you intend to use the Medicare and Social Security trust funds to pay for natural disasters? Do you intend to use the Medicare and Social Security trust funds to pay for the tax extenders? I think people deserve to know what their recommendation is.

Mr. President, I will conclude as I began by saying I am not for a tax increase at a time of economic slowdown. That does not make good economic sense. The administration is not forecasting an economic slowdown next year or for the years to follow. They are forecasting strong economic growth. Yet the policies they have laid out and the plan they have put in place lead to huge, dramatic raids on both the Medicare and the Social Security trust funds each and every year for the next 9 years. I believe that is a mistake. I do not support that policy.

I support, certainly, fiscal stimulus at a time of economic downturn. But when we have forecasts of strong economic growth, to build in a policy that says the way we pay for the operations of this Government is to take money from the Medicare trust fund and the Social Security trust fund—count me out. I don't care what name you call me, I don't want any part of it. I don't care if I am the only vote that says: I am not, at a time of economic growth, for using the trust funds of Medicare and Social Security to fund the other operations of Government. That is wrong. I believe it is wrong in every way. And I want no part of it. But that is where we are headed.

Mr. DORGAN. I wonder if the Senator would yield for a question.

Mr. CONRAD. I am happy to yield.

Mr. DORGAN. Mr. President, I noticed some press coverage today by some folks who were raising some questions about my colleague's numbers. I wonder if the Senator would answer this question. Is it not the case that this question of tax cuts and fiscal policy was always based on surpluses we do not yet have? Is it not the case that this rosy scenario everybody talked about—especially conservatives coming to the floor of the Senate—was: ''This economy is going to grow forever. Let's anticipate surpluses year after year after year. And let's put in place tax and spending decisions that anticipate that''?

My colleague, Senator CONRAD, and I and others repeatedly said the conservative viewpoint would be a viewpoint that says let's be cautious. Yes, when we have surpluses, let's provide some tax cuts. Let's provide some investments we need. But let's be a little bit cautious in case those surpluses don't materialize.

Yet here we are, just a couple of months from those fiscal policy decisions, and we are going to have a midsession review by the Office of Management and Budget which is what I would like to ask the chairman of the Budget Committee about. That midsession review almost certainly will tell us this economy is much softer than anticipated and we will not have the surpluses we expected. Things might get better, but they might not. And if they don't, we might very well head back into very significant deficit problems.

I ask my colleague, when does the Office of Management and Budget give us their midsession review? Is that supposed to be in July?

Mr. CONRAD. Typically, we would get it in July or August. We are hearing already from the Congressional Budget Office that they anticipate that the forecast will be somewhat reduced because economic growth is not as strong as was anticipated. That means we will have less revenue than was in the forecast.

My colleague and I warned repeatedly that these 10-year forecasts are uncertain. Nobody should be counting on every penny to actually be realized.

Some said to us in rejoinder: There is going to even be more money. I remember some of my colleagues on the Budget Committee saying they think the forecast is too low.

I hope over time that will be the case. I hope the economy strongly recovers. I hope we have even more revenue. That would be terrific. But I don't think we can base Government policy on that. We certainly can't bet on every dime of the revenue that is in a 10-year forecast.

The reason it matters so much is because if we look ahead—these are the years of surpluses we are in now—but, according to the Social Security, what happens, starting in the year 2016, we start to run into deficits in both Medicare and Social Security. Medicare is the yellow part of the bars; Social Security is the red. These surpluses that we now enjoy turn to massive deficits.

That is why some of us think we have to save the Social Security trust fund for Social Security and the Medicare trust fund for Medicare, and that while that is necessary, it is not sufficient. We need to do even more than that to prepare for what is to come because we have a demographic tidal wave called the baby boom generation. They are going to turn these surpluses we have now into deficits. And if we start, at a time of surpluses, by raiding the trust funds, this situation becomes much worse, far more serious.

I don't think name calling is going to carry the question here. They can accuse me of medieval economics or antique fiscal conservatism. I don't think it is either one to say you ought to reserve the trust funds of Medicare and Social Security for the purposes intended. You ought not to use the money to finance the other functions of Government, however worthy the other functions are. I don't think we should use the money at a time of economic growth, which is what the administration is projecting for next year and beyond. Yet we see, according to the most recent numbers, that we are already into the trust funds. That is before a single appropriations bill has passed the Senate, before a single one has passed.

The question is, Are we going to dig the hole deeper? What are we going to do about the President's defense request? He wants $18 billion next year. The effect over 10 years is in the range of $200 billion from a request like that. That is not in the budget. Since we are already into the trust funds, it simply means that if we were to approve such a request, we would go deeper into the trust funds and Medicare and Social Security to defend or to finance that defense buildup.

How are we going to pay for natural disasters? At a time of economic growth, should we be funding natural disasters out of the trust funds of Medicare and Social Security? I don't think so. Should we fund the tax extenders by taking the money out of the trust funds of Social Security and Medicare? I don't think so.

They may call that antique fiscal conservatism. I will wear that as a badge of honor, that policy of protecting the trust funds of Medicare and Social Security. Call me any name you want. That is exactly the right thing to do. Certainly in a time of economic growth, you should not be using trust fund money to fund the other needs of Government. That is shortsighted. It is irresponsible. It is wrong. I am not going to support it.

I believe at the end of the day the American people will not support it because they have common sense. They know this doesn't add up. They know if you have already got a problem, you don't dig the hole deeper before you start filling it in. That is just common sense.

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

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 5 p.m. today.

Mr. STEVENS. Reserving the right to object, Mr. President, will the Senator indicate whether we can get some time limit to make sure people understand the time limit of submission of amendments today? Parliamentary inquiry, Mr. President, if the Senator will yield for a moment.

Mr. BYRD. Yes, I yield for that purpose.

Mr. STEVENS. Is it not the case that all amendments to this bill must be filed and presented by 6 p.m. today?

The PRESIDING OFFICER. The Senator is correct; all amendments must be offered.

Mr. STEVENS. Offered on the floor of the Senate or they will not be eligible for consideration.

The PRESIDING OFFICER. First-degree amendments must be offered by 6 p.m. today.

The Senator from West Virginia.

Mr. BYRD. I renew my request.

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

Thereupon, the Senate, at 4:31 p.m, recessed until 5 p.m. and reassembled when called to order by the Presiding Officer (Mr. DAYTON).

SUPPLEMENTAL APPROPRIATIONS ACT, 2001—Continued

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 865

Mr. VOINOVICH. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The pending amendment is laid aside. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. VOINOVICH], for himself, Mr. HELMS, Mr. SESSIONS, and Mr. CRAPO, proposes an amendment numbered 865.

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

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

The amendment is as follows:

(Purpose: To protect the social security surpluses by preventing on-budget deficits)

At the appropriate place, insert the following:

SEC. ___. PROTECT SOCIAL SECURITY SURPLUSES ACT OF 2001.

(a) SHORT TITLE.—This section may be cited as the ''Protect Social Security Surpluses Act of 2001''.

(b) REVISION OF ENFORCING DEFICIT TARGETS.—Section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 903) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) EXCESS DEFICIT; MARGIN.—The excess deficit is, if greater than zero, the estimated deficit for the budget year, minus the margin for that year. In this subsection, the margin for each fiscal year is 0.5 percent of estimated total outlays for that fiscal year.'';

(2) by striking subsection (c) and inserting the following:

''(c) ELIMINATING EXCESS DEFICIT.—Each non-exempt account shall be reduced by a dollar amount calculated by multiplying the baseline level of sequesterable budgetary resources in that account at that time by the uniform percentage necessary to eliminate an excess deficit.''; and

(3) by striking subsections (g) and (h).

(c) ECONOMIC AND TECHNICAL ASSUMPTIONS.—Notwithstanding section 254(j) of the Balanced Budget and Emergency Deficit