The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Rev. Charles V. Antonicelli, St. Joseph's Church on Capitol Hill, Washington, DC.

PRAYER

The guest Chaplain offered the following prayer:

Lord of all hopefulness, we come before You this day to praise You and to thank You for Your countless blessings.

With heavy hearts, dear Lord, we pray for Your peace and Your justice in our world. Help us to be the instruments of Your will. In Isaiah we read, “Put away your misdeeds from before My eyes; cease doing evil; learn to do good. Make justice your aim: redress the wronged.”

God Almighty, bless and protect the men and women in this Senate who seek to do Your will. Give them right judgment. Help them to know Your loving presence always.

We ask this in Your holy name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable Ted STEVENS 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.

The PRESIDING OFFICER (Mr. BROWNBACK). The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning the Senate will resume consideration of S. Con. Res. 23, the concurrent budget resolution, with 30 hours left for debate on the resolution. Fifteen hours remain under the control of the chairman of the Budget Committee and the ranking member respectively. Pending is the Boxer amendment No. 272 striking the reconciliation instruction to the Energy Committee relating to ANWR. The debate on both sides of the aisle participated in the debate last night, there are still several Senators wishing to speak on this amendment this morning.

The consideration of other amendments is expected during today's session and rollcall votes will occur throughout the day. The Senate will finish the budget resolution this week. Therefore, Members should expect late nights and rollcall votes for the remainder of the week. I do want to stress to my colleagues that we will finish the budget resolution this week. We have 30 hours for debate and then the voting on the amendments, which is not a part of those hours. Therefore, we really have a challenge over the next 3 days but one that we will step up to and meet.

There is a lot of indecision in terms of potential military action abroad. As we all know, the clock is ticking for a deadline tonight and we will take that into consideration, but we will be focused on the budget over the course of today. It is the Nation's business. The American people expect us to pass a budget. We have certain statutory deadlines that we will meet in this Congress and therefore will finish the budget resolution this week.

The PRESIDING OFFICER. The Democratic whip, Mr. REID. Mr. President, through the Chair to the leader, on the ANWR amendment, we have 40 minutes remaining on this side. The time on the other side is gone. Of course, other time can be yielded, as it will be, to speak on the amendment.

We have a couple of amendments lined up. I spoke to Senator NICKLES last night. The majority leader was present during most of those conversations. We hope to offer another amendment forthwith.

The one question that a number of Members have asked is what is the leader's—I think we all contemplate something happening in the next 24 hours in regard to the situation in Iraq. What is the leader's desire as to a resolution, which I am sure will be forthcoming at that time, as far as Members being able to speak on the resolution?

Mr. FRIST. Mr. President, not knowing what will happen tonight with the President's statement, as the deadline is reached for Saddam Hussein—and I have been working with the Democratic leader—we have a resolution of support and are working through the language that is most appropriate. We will do that over the course of today. Again, I want to be very careful not to anticipate an outcome which is not quite there, but if military action is begun, we would very soon introduce that resolution and give Senators the opportunity to speak. I think we all recognize that if military action is undertaken, although we hope and pray that things will be very short-lived, we do want to make sure Senators have the opportunity to express their support for our troops and for this President, if this engagement begins. So that is underway. We will address that over the course of the day. I do want to make it clear to our colleagues that we will be here this week until we finish the budget.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 2004

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. Con. Res. 23, which the clerk will report.

The legislative clerk read as follows:

- This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
A concurrent resolution (S. Con. Res. 23) setting forth the congressional budget for the United States Government for fiscal year 2004 and including the appropriate budgetary levels for a fiscal year 2003 and for fiscal years 2005 through 2013.

Pending:
Boxer amendment No. 272, to prevent consideration of drilling in the Arctic National Wildlife Refuge in a fast-track budget reconciliation bill.

The PRESIDING OFFICER. Who yields time?

The Senator from Nevada.

Mr. REID. Senator Conrad authorized Senator Boxer to control the final 40 minutes of debate. Do we not have 40 minutes on the amendment?

The PRESIDING OFFICER. Forty-one minutes is controlled by the sponsor.

Mr. REID. Senator Conrad has authorized me to delegate that 41 minutes to Senator Boxer for allowing other Senators to speak during that 41 minutes.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 272

Mrs. BOXER. Mr. President, at this point, I would like to go to four people in sequence: Senator Bingaman, 10 minutes; Senator Durbin, 5 minutes; Senator Murray, 5 minutes; Senator Stabenow, 5 minutes. That will be the total of our speakers and then we will be happy to yield an equivalent amount of time on the other side if that will be acceptable. These Senators would like to give their short statements and then go back to their committees.

Mr. NICKLES. Reserving the right to object, the Senator is trying to block in how much time?

Mrs. BOXER. Twenty-five minutes.

Mr. NICKLES. Reserving the right to object, let me consult with my colleagues from Alaska.

Mrs. BOXER. As I understand it, I control 41 minutes of time. Is that correct? Instead of just standing here and speaking myself about this amendment, I have suggested we allow it to go in this sequence and then back to my colleagues on the other side, just for the sake of my colleagues’ schedule.

Mr. STEVENS. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. When I left the floor last evening, I yielded to my colleague from Alaska, Senator Murkowski, and it was my understanding the time would be charged against the bill. Instead, I understand it has been charged against the amendment. I ask the manager of our bill to allocate to us an equal amount of time as remains for the Senator from California under the amendment.

Mr. NICKLES. Mr. President, I am happy to yield to my friend and colleague from Alaska an hour and a half so he may be in opposition to the amendment of the Senator from California.

Mr. STEVENS. I thank the Chair.

The PRESIDING OFFICER. The Senator has that right.

The Senator from California has the floor.

Mrs. BOXER. Mr. President, I yield 10 minutes to a real leader on this issue, Senator Bingaman, the top Democrat on the Energy Committee.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for up to 10 minutes.

Mr. BINGAMAN. Mr. President, I very much appreciate the Senator from California yielding me some time to speak and briefly express the point of view that I expressed when we debated this bill last year.

As all of us know, this issue has been a perennial one. It comes back all the time in the Senate and has now for several decades. I rise to support the amendment of the Senator from California. The amendment would strike the provisions from the budget resolution that pave the way for the opening of the Arctic National Wildlife Refuge to oil and gas development.

There are various reasons, both related to national security and related to the environment, that lead me to conclude that we do not support going ahead with oil and gas leasing and development of the Arctic Refuge. The most compelling reason for not opening the refuge is that it will do very little, if anything, to further our national energy security. A drop of oil would come from the Arctic Refuge for at least 7 years and more likely 10 or 12 years.

I urge my colleagues to vote in support of the amendment for the following reasons:

First, drilling in the Arctic Refuge is not an answer to the problem of energy security. This chart is familiar to any who were here during the debate on the energy bill last year. The U.S. Geological Survey estimates the mean economically recoverable oil on Federal lands on the Costal Plain of the Refuge at somewhere between 3.2 and 5.2 billion barrels and that is at prices of somewhere between $20 and $24 per barrel, in 1996 dollars. Clearly, prices are higher today.

The Arctic Refuge would supply no more than 2 percent of America’s oil demand in any given year. This chart shows the U.S. oil consumption in millions of barrels. The top line is the total oil demand. Below, the green line, is domestic oil production. The small red line is the ANWR production. Relative to our total consumption it is a small item. It will be at least 7 years, more likely 10 to 12, before there is actual production on the Coastal Plain if we were to vote today to open this area for production. Peak production would not occur for 20 years or more after the initial production started.

Another chart shows the same point in a slightly different way, that drilling in the Arctic Refuge does not address in a significant way our reliance on imported oil. This chart contains information from the Energy Information Administration. The green line indicates the net imports with ANWR production and the blue line is net imports without production from ANWR. According to our own Energy Information Administration, which is part of the Department of Energy, that production would begin in about 2012 and production from ANWR of oil, any significant oil, would end by about 2025. Then we are right back where we started.

So our dependence on foreign imports to meet our oil demand will continue to grow. It will not grow as much during those years when ANWR is in production, but it will grow a substantial amount.

The Energy Information Agency estimates that production from the Arctic Refuge would reduce the net share of foreign oil relied on by consumers from 62 percent to 60 percent by the year 2020. As this chart shows, by 2025 we are right back to no reduction as a result of ANWR because ANWR production will have largely played out by that time.

Another reason I offer to my colleagues today in support of the amendment, is that a controversy over the Arctic Refuge diverts attention from the real opportunities we have for enhancing domestic energy production. There are other ways we can expand production.

Senator Grassley, Senator Baucus, Senator Domenci, and I introduced the Energy Tax Incentives Act the other day. Unlike the opening of the Arctic Refuge, this legislation would provide near-term increases in domestic energy production. Not only does the legislation include tax provisions that would help us diversify our energy supply and increase our reliance on renewable sources of energy and enhance energy efficiency, it would also provide specific incentives for increased oil and gas production.

Some would ask, from where is this oil and gas production going to come? I have another chart that makes a point people do not focus on. This is a map of the North Slope of Alaska showing the ANWR area on the right, the 1002 area. It shows the National Petroleum Reserve Alaska, the large tan-colored area on the map. The National Petroleum Reserve Alaska is an area that has begun to be leased by the Department of the Interior. Babbitt began that process when he was in office. Secretary Norton is proceeding with that. Frankly, I support going ahead with drilling in that area. There is a substantial likelihood of very large energy production from that area. There is a real prospect of increased oil and gas production from the North Slope.

Let me mention gas production. I indicated one of the reasons we should focus on ANWR is that it is diverting our attention from our show that there are great opportunities to deal with our energy needs. One of those great opportunities is to bring the gas production from the
North Slope of Alaska, gas that is already being produced and reinjected into the ground, bring that gas down to the Lower 48 States. We tried very hard in the last Congress to pass legislation to streamline the process for getting a pipeline constructed, the bills during this period of high natural gas prices. The best opportunity we have to relieve that pressure is building that pipeline to bring Arctic gas down to the Lower 48. That is what we should concentrate on: develop more oil from the National Petroleum Reserve Alaska, bring the gas already produced on the North Slope down to the Lower 48. I hope we can do that.

I also make the point that we need to continue developing alternative sources of energy. That is something we will get into in a large way when we debate a new energy bill this Congress, a new proposed energy bill, and we can make the point again. 'There is no problem with our long-term energy problems is not to open the Arctic National Wildlife Refuge to drilling. It is an environmentally sensitive area, one we have determined to keep off bounds, out of bounds, for drilling up until now. I believe that is a sound policy.

In conclusion, there are many reasons why the Coastal Plain of the Arctic National Wildlife Refuge is not needed and should not be drilled for oil and gas. The environmental sensitivity of the area is clearly well recognized by all. Opening the Refuge is not good environmental policy. Equally important, it is far from necessary as part of our national energy policy. I urge my colleagues to join in opposition to oil and gas leasing and development of the Arctic National Wildlife Refuge and to support this amendment by the Senator from California.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. It is my understanding Senator BOXER has yielded me 5 minutes.

I say to my colleagues who follow this debate, take a look at this Arctic National Wildlife Refuge. If you look at the history of the area, the pine caribou herd has used the coastal plain. Also the coastal plain features a complete range of arctic and subarctic ecosystems, with an extraordinary assemblage of wildlife. Polar and grizzly bears, wolves, muskoxen, musk oxen, caribou, over 200 animal species that use the coastal plain. This is the coastal plain. Also the coastal plain is the only answer to energy problems. The most stunning statistic in this whole debate is that the Arctic coastal plain would only yield 6 months' worth of oil for our country; and we wouldn't get it for 10 years. And this is under the most optimistic assumptions.

There is no doubt that we are over-dependent on foreign oil in our country. We need to address this issue on many fronts, including by exploring alternative sources of energy, such as fuel cells, and by promoting efficiency and thereby reducing consumption. I have talked with coal developers who say that we may be able to use coal to produce hydrogen and feed it into automobiles. I have also talked with automobilists who have told me of myriad existing technologies to improve fuel efficiency in the transportation sector, the largest user of oil.

I urge my colleagues to join in opposition to oil and gas leasing and development of the Arctic National Wildlife Refuge provision. This amendment, if I understand the provisions, would not allow development of this refuge. It would not allow drilling. It would not allow any energy production. I say to the young people in America: Do your part, buy those vehicles that are more efficient, and to Detroit, produce those vehicles—in stead of that, no, we are going to drill for oil in a wildlife refuge in Alaska. Is that what America has come to? Is that what we are all about? Don't we expect our leaders to summon us to show our best, to sacrifice for our Nation so we can lead and demonstrate to future generations that we care about our natural heritage, we care about our spirit of national sacrifice?

This is an amendment that should be defeated. The Arctic National Wildlife Refuge should not be drilled. We should not move forward with this exploration. And this bill calling for tax breaks for the wealthiest people in America as we are poised to go to war is a shameful bill. It is something we should not be considering on the floor of the Senate at this moment in our history. Understand, no matter what stand it correctly, will not change the budget levels. This amendment failed by only 1 vote, on a party-line vote, in committee. But I believe we will win it now.

Let me begin by saying that the Arctic National Wildlife Refuge provision had no place in the bill. For those who want to propose oil and gas development in this area of the Arctic National Wildlife Refuge, we can debate that in a more appropriate context, such as the energy bill. This important issue should not be snuck into the budget through a legislative back door, but should be debated in an open, honest way through the normal legislative process.

Let me also note that the full Senate has already defeated proposals to drill in the Arctic National Wildlife Refuge, because it is bad policy. We should end the special debate once and for all, and move to more reasonable matters that deserve the Senate's attention. There are better, longer-term solutions to our energy crisis than drilling in our few remaining frontier areas, including making automobiles more fuel efficient.

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So, I urge my colleagues to join in opposition to oil and gas leasing and development of the Arctic National Wildlife Refuge provision. This amendment, if I understand the provisions, would not allow development of this refuge. It would not allow drilling. It would not allow any energy production. I say to the young people in America: Do your part, buy those vehicles that are more efficient, and to Detroit, produce those vehicles—instead of that, yes, we are going to drill for oil in a wildlife refuge in Alaska. Is that what America has come to? Is that what we are all about? Don't we expect our leaders to summon us to show our best, to sacrifice for our Nation so we can lead and demonstrate to future generations that we care about our natural heritage, we care about our spirit of national sacrifice?
and gas activities on Alaska’s North Slope. The report finds numerous effects, including “a large oil spill in marine waters which border the coastal plain which would likely have substantial accumulating effects on whales and other receptors because [current cleanup efforts are inadequate].” This is especially significant, given that there is an average of 423 oil spills annually on the North Slope.

The report further finds that climate changes during the past several decades on the North Slope have been unusually rapid.” Climate changes can change ice flow and the entire ecosystem of this area.

In an important new discovery, the report finds “climate changes during the past several decades on the North Slope have been unusually rapid.” Climate changes can change ice flow and the entire ecosystem of this area.

The Arctic Refuge is one of the last, remaining wilderness areas awaiting protection from development that will not destroy it and save it. And let’s end this perennial debate once and for all. There are better, more prudent and development would be, despite all the much-vaunted technological promises, severely damaging to wildlife and the eco.

The truth is we could drill every national park, wildlife refuge, and coastline and still be distracted by the argument that oil exploitation and development would be, despite all the much-vaunted technological promises, severely damaging to wildlife and the ecosystem. And it is inherent to the wilderness qualities of this matchless example of America’s natural heritage.

I ask unanimous consent that the letter be printed in the RECORD.

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

THE CARTER CENTER,
Atlanta, GA, February 27, 2002.
The Honorable Senator,
U.S. Senate, Post Office Building,
Washington, DC.

DEAR SENATOR: Every decade or so we seem to have a great national debate about whether or not to protect our natural heritage. In the 1960s it was over building dams in the Grand Canyon, a desecration comparable to oil drilling in Yosemite or Yellowstone.

Now, an equally significant showdown is over the fate of the coastal plain of the Arctic National Wildlife Refuge, an area first set aside for protection by President Dwight D. Eisenhower.

Rosalyann and I have crouched on a peninsula in the Beaufort Sea to watch the defensive circling of a caribou that perceived us as a threat to their young. We have sat in profound wonder on the tundra near the Jago River as 80,000 caribou streamed around and past us to the fringe of the vast calving grounds on the coastal plain. We have watched dens of wolves, large flocks of Dall Sheep, and isolated polar bears. These phenomena of the untrammeled earth are what lead wildlife experts to characterize the coastal plain as America’s Serengeti.

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The point I want to stress to you is that, as with the proposed dams in the Grand Canyon years ago, we face on the Arctic coastal plain a choice about fundamentals. We can destroy it, or we can save it. And let’s end this perennial debate once and for all. There are better, more prudent and development would be, despite all the much-vaunted technological promises, severely damaging to wildlife and the ecosystem. And it is inherent to the wilderness qualities of this matchless example of America’s natural heritage.

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I have been pleased to be a cosponsor of legislation to stop drilling since first coming to the House in 1997. I also am proud to be the author of the ban that we placed on drilling in the Great Lakes, another national treasure. I view this area in Alaska as much of an irreplaceable and fragile natural and national treasure as the Great Lakes. I am very hopeful that today we will, one more time, stop this particular drilling policy from moving forward.

I would like to, once again, speak about some of the same points my colleagues have spoken of because I believe we have to keep repeating them to make it clear what the facts are.

First of all, the Arctic National Wildlife Refuge is, in fact, one of the wildest and most pristine places in the United States. We have an obligation to protect this area for the future, for those who are counting on us to be able to look beyond the immediate time period and look to the future for our country and for our children.

I believe we also have an obligation to stop back-door approaches to this issue. We are seeing, one more time, the drilling in the Arctic National Wildlife Refuge being placed in a bill that is not a budget bill. We are focusing on the budget priorities for the next year.

Frankly, we should be debating how much the war is going to cost, and making sure our folks on the front lines, and our first responders at home, police and firefighters and emergency workers, have what they need as we enter this very challenging time. Those are the kinds of things we should be debating, not seeing a back-door approach to drilling in the Arctic Wildlife Refuge.

Most importantly, we know that drilling in the wildlife refuge will not result in energy independence. This is talked about all of the time, but it needs to be repeated, 100 percent—if we were to drill, we are talking about 2 percent of America’s oil demand every year; and it would take at least 10 years to begin to see this brought on to the market.

We are talking about 2 percent rather than focusing on other areas of energy policy that will net alternatives in terms of conservation: alternative vehicles, alternative fuels, all of those kinds of things we know will allow us to become energy independent sooner and more effectively in the long run.

It is impossible for the United States to drill its way to energy security and independence. What we need to have is a debate about the energy policy of the country and how we are going to move forward. And that needs to be done in the energy bill, not in the middle of the budget resolution.

I am concerned when I hear this particular debate tied to Iraq, the serious debate about war and the oil in Iraq. It is important to keep good, sound energy policy driven by our economy and demand factors, as we all know, not by opening one area to drilling.
In addition, Iraq supplies a very small percentage of our U.S. energy needs. According to the EIA, only 1.5 percent of the Nation's energy supply comes from Iraq. Imports from Iraq were banned in 1990 in the wake of the Persian Gulf war, and we obtained our oil from 1991 to 1995—all with no impact on the greatest economic expansion in U.S. history. The fact is, Canada and Mexico together supply more oil to the U.S. than the entire Persian Gulf supplies.

So I encourage my colleagues to join with me in support of this amendment.

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

Ms. SIERENSON of South Carolina. Who yields time?

The Senator from Montana.

Mr. BURNS. Mr. President, I, on this issue, yield as much time to myself as I shall need. I ask unanimous consent to do that, and that the time come off the resolution.

THE PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BURNS. Mr. President, I don't know exactly where to begin on this particular subject. But I would like for the American taxpayers to understand one thing: We maintain a strategic oil reserve. It is 700 million barrels of oil that is stored in salt caves in Louisiana. It costs us $175 million a year to maintain the Strategic Petroleum Reserve, to pay the taxpayers to know what they are paying for.

The fact is, part of that oil was purchased by this Government and put in there, but most of it was taken from royalties. They took the oil instead of the money. And that was recovered on the Outer Continental Shelf or from public lands. So it is there: 700 million barrels of oil that costs the taxpayers $180 million a year to maintain.

I suggest that we have a Strategic Petroleum Reserve that is not costing the American people a thing. It is still in the ground in North Dakota, found on public lands, where we cannot get to it. It is found in Montana, on public lands, where we cannot get to it. That is because of organizations that deal primarily in fear, not common sense.

Abraham Lincoln once said: God must have loved the common man because he made so many of us. Then, when we use the same term in the phrase “common sense,” that sort of changes the definition a little bit.

That Strategic Petroleum Reserve is also maintained, and it is still in the ground in ANWR. We do not know how big it is. It has been estimated to be anywhere from 5.3 billion barrels upwards. Does it answer the question of our shortage? Does it take care of all of that? No, it does not. We know that. But, on the other hand, it replaces all the oil we buy that is termed “rogue” oil—Iraqi oil that we buy in the market, and we get hard dollars for and that you contribute to every time you fill your tank at a filling station.

What is that money used for? We have seen it on television every night for the past month and a half. We know what that money is being used for. We give it to a tyrant who uses that money to subsidize families, to entice them to take one of their children and dynamite him and walk onto a bus and blow themselves up, and for the development of weapons of mass destruction, chemical and biological warfare. That is what that money has done.

And yet we sit here today trying again to ban the use of a resource that is not only one of the major underpinnings to our economy, but also takes away from that $180 million a year we spend to maintain that SPR in case of an emergency. That is 90 days. It wouldn't even last 90 days. We would just go through it, bingo. It defies common sense, what we are doing here.

As far as my State of Montana is concerned, I don't know what the impact is. I know during the major exploration and lifting of Prudhoe Bay and the North Slope when it opened up, probably 1,500 families in Montana worked on the North Slope. It provided a lot of paychecks saying that their figure here on the creation of jobs is what some would claim, but it isn't zero, I will guarantee you that. It is going to put a lot of people to work. Maybe jobs only are important to us if they are done in Montana. Maybe it is the welfare of the people if it is just in our State. But the impact it has on Alaska is terrific, on the people who live there, work there, raise their families there, provide services there.

If you wanted to put it to a vote in Alaska, this debate wouldn't even be taking place. The Native Alaskans; ask them, take a vote among them, if we really believe in this 50 percent plus 1. It is their income. This is just about all they have.

What you see of the pictures over there is a result of a 30-day growing season. Any other time I would look with great interest at a photograph that was being displayed last night of the caribou that was out in the water. They had water clear up over their back going into the sea up there. Do you know why they are standing in that water, folks? It is not to cool off. Because they have mosquitoes up there that you think of. Dog tags and check your blood type. That is what they are getting away from. It is a hostile environment.

What are we doing here with the new technology: I mentioned a while ago the jobs of the families who are affected in my State. Those kinds of jobs have moved on. New technology has taken over. We drill differently now. We do it all differently with horizontal drilling practices, with one little area removed. We have moved on.

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What is that money used for? We have seen it on television every night for the past month and a half. We know what that money is being used for. We give it to a tyrant who uses that money to subsidize families, to entice them to take one of their children and dynamite him and walk onto a bus and blow themselves up, and for the development of weapons of mass destruction, chemical and biological warfare. That is what that money has done.

And yet we sit here today trying again to ban the use of a resource that is not only one of the major underpinnings to our economy, but also takes away from that $180 million a year we spend to maintain that SPR in case of an emergency. That is 90 days. It wouldn't even last 90 days. We would just go through it, bingo. It defies common sense, what we are doing here.

As far as my State of Montana is concerned, I don't know what the impact is. I know during the major exploration and lifting of Prudhoe Bay and the North Slope when it opened up, probably 1,500 families in Montana worked on the North Slope. It provided a lot of paychecks saying that their figure here on the creation of jobs is what some would claim, but it isn't zero, I will guarantee you that. It is going to put a lot of people to work. Maybe jobs only are important to us if they are done in Montana. Maybe it is the welfare of the people if it is just in our State. But the impact it has on Alaska is terrific, on the people who live there, work there, raise their families there, provide services there.

If you wanted to put it to a vote in Alaska, this debate wouldn't even be taking place. The Native Alaskans; ask them, take a vote among them, if we really believe in this 50 percent plus 1. It is their income. This is just about all they have.

What you see of the pictures over there is a result of a 30-day growing season. Any other time I would look with great interest at a photograph that was being displayed last night of the caribou that was out in the water. They had water clear up over their back going into the sea up there. Do you know why they are standing in that water, folks? It is not to cool off. Because they have mosquitoes up there that you think of. Dog tags and check your blood type. That is what they are getting away from. It is a hostile environment.

What are we doing here with the new technology: I mentioned a while ago the jobs of the families who are affected in my State. Those kinds of jobs have moved on. New technology has taken over. We drill differently now. We do it all differently with horizontal drilling practices, with one little area removed. We have moved on.
pretty clear—let alone the promise that this Congress made to the State of Alaska whenever they passed the land bill there and also created the Alaska National Wildlife Refuge.

By the way, we are breaking that promise. That rests on the backs of Congress. So I ask for those who live there, the Natives who were raised there, with their traditions—I will tell you, I don’t know if you have ever seen the caribou come across there. The area is not short of wildlife—not from the caribou, the Prudhoe and North Slope. All the benefits that have gone to Alaska and to America as a result of that tremendous resource—those tremendous reserves, in a part of the world that is fragile, yes; all land is fragile, but it is a land we can take care of and still use the resources it provides.

I ask my colleagues to use some common sense. Go through the same figures I have. If you get a different number, so be it, but I will tell you, because I am just a country boy: I count bushels and heads of livestock. But when you get to the bottom line, it is a plus for America, a plus for our security, a plus for jobs, and it is also a plus for the great State of Alaska.

Our technology has not gotten us to the point where we can safely and economically do in our transportation fuels, using fuel cells and biomass, anything you want to do. That technology is not ready yet, folks. If you want to cut off the oil, you will see how fast this economy would crumble. But you cannot talk economy, you cannot talk numbers, because this is an emotional debate. It is wrong. It is wrong to do it to the State of Alaska, and it is wrong to do it to America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I ask that the Senator from North Dakota yield such time as I may consume.

Mr. CONRAD. I am happy to do so.

Mr. REID. Mr. President, we are doing our best, in accordance with the direction we have gotten from the major party leader, to move this bill along. We are trying. I spoke to the manager of the bill this morning, and we are trying to do that. We want to offer other amendments. We have a couple of minutes left to speak on ANWR. We want to offer other amendments. We were ready to vote on ANWR last night, or this morning, or early this afternoon—anytime. We need to move this legislation along, and we are doing the very best we can, but we have amendments that we want to offer.

I hope we have the opportunity to do that. The time is quickly dwindling, and we are doing our best not to have many votes on the vote-athon; but with each day that goes by, it appears there will have to be more because people are not giving us the opportunity to offer amendments.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, I will use my leader time for the comments I am about to make.

The decision whether or not to allow drilling in the Arctic National Wildlife Refuge is a defining moment for national energy and environmental policy.

This debate reflects two divergent views of our Nation’s values and future.

We have a choice: Either we can continue building oil wells in environmentally sensitive areas or we can reject the quick fix and broaden our Nation’s energy base while honoring our commitment to our national heritage.

It has become apparent that America depends too heavily on some very undependable foreign sources of oil.

Hostilities in Iraq are just the latest chapter in decades of instability in the Persian Gulf.

Meanwhile, production of oil in Venezuela has been brought to a near standstill because of domestic unrest.

For the sake of our economy, for the sake of national security, and for the sake of our environment, America must reduce its reliance on foreign oil.

But instead of diversifying energy supply, investing in new technologies and promoting efficiency, the Bush administration’s priority is to look for the next big domestic oil field.

Last year, the Senate rejected the Republicans’ effort to authorize drilling in the Arctic National Wildlife Refuge in comprehensive energy legislation.

Now they are back attempting to use the budget resolution to grease a change they couldn’t make in the energy bill.

No matter how clever they view this parliamentary sleight of hand, the proponents of drilling in the Arctic Refuge cannot escape the facts.

While endangering one of the most pristine areas in the world, drilling in the Arctic National Wildlife Refuge would do nothing to make our country more energy independent.

We cannot maintain stability by while the administration promotes a short-sighted strategy that mortgages one of our most precious and irreplaceable wild spaces for a few months’ supply of oil.

Gasoline prices are soaring today. Yet this proposal would add nothing to our oil supply for 10 years.

Even then, the Arctic Refuge would supply our country with no more than 6 months’ worth of oil and would reduce our dependence on foreign oil by just 2 percent.

This is not a serious attempt to come to grips with America’s long-term energy needs. America cannot drill its way out of this problem.

Ninety-five percent of Alaska’s North Slope is already open to drilling and exploration. Even if we drilled in the last 5 percent, even if we drilled in the backyards of every American, we could not satisfy our Nation’s appetite for oil.

America produces just 3 percent of the world’s oil; yet we consume 25 percent of that supply.

The answer to our energy challenge will not be found in the Arctic Refuge.

The answer will be found in our willingness to encourage American innovation and break the habit of spiraling energy consumption. We have met this test in the past.

In the 1970s, Congress increased fuel efficiency standards and began to encourage the development of renewable fuels.

Today, those fuel efficiency standards save our country the cost of 3 million barrels of oil every day.

That, and a wide range of clean, domestic, renewable energy technologies would dwarf any contribution the Arctic Refuge could make in the future.

Meanwhile, if drilling in the Arctic Refuge is authorized, our lack of vision would come at enormous cost.

According to the administration’s own Fish and Wildlife Service, “The Arctic refuge is among the most complete, pristine, and undisturbed ecosystems on Earth . . . a combination of habitats, climate and geography unmatched by any other northern conservation area.”

There is no alternative to Arctic National Wildlife Refuge once it is despoiled. But there is an alternative to this reckless proposal.

A true national energy strategy that speaks to our core environmental values while at the same time frees our country from the dictates and uncertain fortunes of foreign oil producers.

Now more than ever, we should be aware of the real cost of dependence on foreign oil.

Now more than ever, we need real answers and serious stewardship to the energy challenges of our Nation’s future.

Mr. President, I encourage my colleagues to vote to strike the authorization to drill for oil in the Arctic National Wildlife Refuge from the budget resolution.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. On behalf of Senator CONRAD, I yield 10 minutes to the Senator from New Jersey, Mr. LAUTENBERG.

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

Mr. LAUTENBERG. Mr. President, I thank my colleague from Nevada for yielding to me to talk about the Boxer amendment and talk about the decision we could be making very shortly about the use of oil from the Arctic National Wildlife Refuge.

Mr. President, what happens is, as these debates get going, sometimes we hear statements that are somewhat misconstrued or mistaken. We just heard it suggested on the floor that funds from the purchase of Iraq oil are used to purchase bombs. Nothing could be further from the truth. The fact is, the money is contributed through the United Nations to buy food to be distributed to the people of Iraq. There is no way that money can be used to buy...
bombs. It is important we keep the record straight.

I want so much to see the Boxer amendment prevail, but in order to make the case, apparently, we have to do more than simply justify the fact that we did not do this, proved to be a failure. Other ways to preserve the oil and not have to invade this snow desert, if one has ever seen it. It is one of the most beautiful places in the world, and the last thing we ought to do is turn the Arctic National Wildlife Refuge into an oilfield.

I traveled to Alaska in the aftermath of the Exxon Valdez spill in 1989. At the time, I was chairman of the Transportation Appropriations Subcommittee, so I had jurisdiction over Coast Guard funding. I was also a senior member of the Environment and Public Works Committee. So I had a great deal of interest in the Valdez incident.

What I saw was shocking, stunning almost. Over 11 million gallons of oil spilled into the Prince William Sound. I witnessed beautiful wildlife covered in oil, many dead or dying. I saw workers from the Department of the Interior, the fire service, and others hand wiping oil off birds and other wildlife. It was a tragedy.

The disaster left a major impression on me. I thought about my children, my grandchildren, other people's children, and other people's grandchildren. I never wanted to see the dismay on their faces should they ever witness this tragedy.

To this day, 14 years later, the area remains contaminated with a persistence that has surprised many scientists. Sadly, the optimistic predictions of its recovery proved to be unjustified. Fully 60 percent of the area remains contaminated. Pools of toxic oil are still being found several feet deep.

Ecosystems, such as those in Prince William Sound and the Arctic National Wildlife Refuge, are so fragile, they are such delicate treasures of our Nation.

I had the privilege of visiting the Arctic National Wildlife Refuge at the same time, and I can tell you, from personal experience, that in addition to the damage caused by drilling and oil spills, the debris of human intrusion, acres of rusting pipes and dilapidated structures dishonors America's 100-year-old tradition of protecting remote wilderness areas.

On that visit, I flew in a single-engine plane across to a community called Deadhorse. It is right near Prudhoe Bay. It was troubling to see that area, the tundra littered by refuse left by the same oil companies that now avow they will be good environmental stewards should the Arctic Refuge be open to drilling.

Why would we risk devastation these national treasurers? For what gain?

There is a dispute as to whether it is a 6-month oil supply or more that we will see from the Arctic Refuge, but for this short-term gain, what is the long-term risk, the cost?

I believe the long-term damage is too great. Turning this refuge into an oilfield will result in the loss of a national treasure we will never be able to replace. Look at what is happening on the North Slope. The National Research Council's new report shows that oil drilling on the North Slope has drastically reduced the population of nesting birds, such as the snow goose, and seismic exploration has displaced the culturally sacred bowhead whales from their feeding areas, according to the National Research Council.

Additional drilling will only compound the stresses on these and the 200 other animal and bird species that inhabit the region.

What would the payoff be for recklessly endangering this national treasure? We would save more oil than we could drill at the Arctic Refuge at the height of production by requiring SUV's and car fuel efficiency standards as regular cars. We never hear talk about conservation. We never hear talk about everybody pitching in on the eve of a war to economize and use less fuel whenever we can do so.

There is simply no good reason to endanger this fragile Coastal Plain ecosystem.

More than oil is at stake here. Thoreau wrote:

In wilderness is the preservation of the world.

America and the world need the last remaining wilderness places. The Arctic wilderness is one of those places. It would be unconscionable to despoil it for all time just for a bit of oil. We can find other ways.

I came across an article that tells us about the risk, a risk we are not discussing in pure terms. This is an Internet news report from a service called "ANWES.

The headline is:

``ExxonMobile damages for Valdez spill cut to $4 billion from 5; to appeal.''

It is going to be appealed further by the ExxonMobile company. They already paid some damages to the Alaskans, some money for the cleanup of Prince William Sound, and another 1 billion to state and federal governments.

"ExxonMobil damages for Valdez spill cut to $4 billion from 5; to appeal."

An article that tells us about the risk, a risk we are not discussing in pure terms.

I believe that if we did not do this, we could find other ways.

I witnessed beautiful wildlife covered in oil, many dead or dying. I saw workers wiping oil off birds and other wildlife. It was a tragedy.

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Why would we risk devastation these national treasurers? For what gain?

There is a dispute as to whether it is a 6-month oil supply or more that we will see from the Arctic Refuge, but for this short-term gain, what is the long-term risk, the cost?
About 40,000 fishermen, Native properties owners and others affected by the spill sued Exxon over the disaster. Most of the cases were consolidated and heard at the 1994 trial. Many plaintiffs were depending on portions of the punitive verdict to help heal various problems, including a deteriorating fishing economy.

Now, the appeal court ruling has dashed those hopes, said Riki Ott, a Cordova fisherman, marine biologist and environmental activist.

"The ruling means that Exxon Mobil may emerge unpunished for the spill, which continues to harm the area's environment and people, Ott said.

"They keep on, business as usual, and try to shove all of us under the carpet by retrying on the court system, which favors big corporations," she said. "Exxon has continued to profit of this, and we're all slowly going broke."

SHOCK AND SURPRISE

Sue Aspelund, executive director of Cordova District Fishermen United, said she reacted to the news with "shock and surprise."

The fishermen's group on Wednesday was still trying to figure out what to do next, she said.

"This is not the end of a 50-year struggle," said Andrea Cordon, executive director of Cordova District Fishermen United. "We're going to appeal this."

"They just go on, business as usual, and try to reframe the court system, which favors big corporations," she said. "Exxon has continued to profit of this, and we're all slowly going broke."

The PRESIDING OFFICER. The Senator from New Hampshire. Who yields?

Mr. NICKLES. Mr. President, how much time does the Senator from New Hampshire desire?

Mr. SUNUNU. I had not calculated it. Twenty minutes.

Mr. NICKLES. I yield to the Senator from New Hampshire as much time as he desires.

The PRESIDING OFFICER. The Senator from New Hampshire. Who yields?

Mr. SUNUNU. I thank the Chair. Mr. President, I thank the chairman. As a new Member of the Senate, I belong to this body, as do many of my colleagues, experience having served in what we like to refer to as the "other body," the House of Representatives.

Prior to that service, I worked in what we sometimes refer to as the "real world" in manufacturing, having been trained as a mechanical engineer.

Engineers often try to develop solutions to problems by arguing from first principles, and that means simply that you individually understand of a problem you wish to address. Once you come to terms with the central element of that problem, you are far better able to craft a meaningful and effective solution.

What the astute listener might ask is: What does this have to do with the Federal budget? And to that I reply, if you really want to put together an effective budget and a meaningful budget that will serve us well, we need to recognize exactly what this budget resolution is for.

As we listen to much of the budget debate, one might understand or come to assume that the budget resolution establishes funding levels for every conceivable Federal program, every line item in the budget, that it rewrites the Tax Code; that it modernized Medicare, all in and of itself without even having the benefit of the President's signature. Of course, this is not the case, even though the rhetoric we hear might suggest otherwise.

So what is the budget resolution? It is simply a blueprint. It is a vision the Congress puts forward of where we imagine our budget priorities should be this year and in future years. We try to set priorities for taxes and for spending, try to estimate what we are going to collect into the Federal coffers, and try to set priorities for modernizing programs like Medicare or Social Security.

Above all, it reflects a set of priorities.

For example, listening to the debate this morning, one might get the impression it actually authorizes oil exploration in northern Alaska. That is simply not the case. What the budget resolution as written would do is allow the Senate Energy Committee to write legislation that would then be debated on the Senate floor. It would still have to come through the Senate validation or production in northern Alaska to take place. The budget simply provides the mechanism allowing that legislation to be written and then later brought to the floor.

The goal in this debate should be to reflect the right set of priorities in our country. To be sure, this is a $2 trillion budget we are talking about. If I or any of my colleagues were writing a $2 trillion budget, I am sure someone somewhere would find something in that $2 trillion budget they might disagree with, and I understand that. Any Member of the Senate, any citizen of our country, can find something in our Federal budget they are not comfortable with, that they do not like, that they would disagree with, a program they would change. But if we want to do the work of the American people in the Senate, we need to put together that budget blueprint. We need to set those priorities, and I would hope those priorities would be consistent.

As we listen to the debate over the next few days, unfortunately we will hear a lot that is not consistent. We will hear individuals raise concerns about the cost of military action at this historic time. But after raising concerns about those costs, those individuals will then step forward and vote for amendments that raise domestic spending and increases the deficit.

We will hear individuals raise concerns about economic growth, and then in the next few days, unfortunately we will hear a lot that is not consistent. We will hear individuals raise concerns about the cost of military action at this historic time, and after raising concerns about those costs, those individuals will then step forward and vote for amendments that raise domestic spending.

We will hear Members raise concerns about economic growth, and then instead of stepping forward to propose or support a package that lays the foundation for future economic growth, what will they do? They will step forward and then vote to raise domestic spending. There is a pattern, to be sure.

We are in challenging and difficult times, and we have work in front of us that will require us to make difficult choices and to set the right priorities for our country.

Why do we need this budget in the first place? We need this budget, as I suggested before, to enable us to get our work done. I talked about the budget allowing an appropriations committee to come forward with legislation crafting a comprehensive energy policy that might include exploration in northern Alaska. The budget will also set an overall limit on discretionary spending. This year, I think the goal put forward in the President's budget is approximately $784 billion. But we need to set that goal, that cap, that target, so the other spending committees, the
Appropriations Committee in particular, can then move the spending bills forward.

This is not insignificant. Last year, we failed to pass a budget in the Senate and we paid for it. We paid for it because we could not get the work of the country done. We ended up completing that work, not in September, October, November, or December of last year, but in January of this year. That is simply wrong. That is why we need a budget. The budget is the foundation for critical legislation, and not just a comprehensive energy bill. If we want to modernize Medicare, pass a prescription drug benefit for retirees in this country, we are going to need a budget resolution. If we want to pass an economic growth package that helps lay the foundation for job creation in America, we are going to need a budget resolution.

The economic crisis does appear chaotic under any circumstances, but without a budget we are even more so. I do think it is important to note the minority in this case has not offered any comprehensive alternative to the budget. We have heard and will continue to hear a lot of discussion in this budget resolution, and we will continue to have a lot of arguments and have that debate no matter what the spending level in this budget resolution was. If it was at $794 billion, we would have similar amendments to increase Federal spending in a number of areas. The fact of the matter is, we would hear those arguments and have that debate no matter what the spending level in this budget resolution was. If it was at $794 billion, we would have similar amendments to increase Federal spending. If it was at $800 billion, $810 billion, or $820 billion, we would have the same size and scope of the Federal Government any faster than the average family might be expanding its budget.

To be sure, we will hear people argue about the level of spending and we will have amendments to increase Federal spending in a number of areas. The fact of the matter is, we would hear those arguments and have that debate no matter what the spending level in this budget resolution was. If it was at $794 billion, we would have similar amendments to increase Federal spending. If it was at $800 billion, $810 billion, or $820 billion, we would have the same size and scope of the Federal Government, because some legislators find it more difficult than others to set priorities and to control the size and scope of that spending. Now more than ever we need to set priorities. We have heard and will continue to hear a lot of discussion in this budget debate about the deficit. It needs to be addressed. We cannot ignore it. In order to do the right thing regarding the deficit, we have to understand why it is there. Why do we have a deficit? I just talked about spending growth. Growth in spending, expansion of the size and scope of the Federal Government, that alone is responsible for 25 percent of the deficit we have projected for the coming fiscal year and over the coming 10 years.

We had surpluses after a long period of expansion that began in the early 1980s, with a sharp brief interruption in 1991. Revenues increased year after year. We had record revenue growth because we had strong economic growth. That enabled us to balance the budget. Coupled with control of growth in spending, we were able to balance the budget. Some say the surpluses then just provided incentives to ramp up the spending level again. As we have seen over the last 5 or 6 years, the growth in discretionary spending has been at near historic levels. No one should be surprised, because we were living on a fiscal surplus in the wake of September 11. With the recent economic downturn, we have seen unemployment costs increase once again. So new spending has been responsible for about 25 percent of the deficit. An even larger portion, almost half of the deficit, has been caused by the slowdown in the economy and the drop in revenues. This is unfortunate, but we all understand we are in slow economic times.

The result has not been created by tax cuts. Despite the rhetoric, the Tax Relief Act signed into law in 2001 was responsible for less than 25 percent of the deficit and the last 5 or 6 years. It was the slowdown in the economy, cutting Federal revenues by over $150 billion over the last year, that resulted in 50 percent of the deficit we see today. That is why it is important that we include in this budget resolution a tax cut to allow for an economic growth package. The economy has slowed down.

We need to understand why it slowed down. It is not because of inflation. It has not been because of a slowdown in consumer spending. Consumer spending has been surprisingly robust over the last 18 months. It has not been a credit squeeze like we had in 1991. This economic slowdown has been driven by and led by a slowdown in business investment. Businesses are reluctant to go out and spend additional capital on improvements to plants and equipment, on improvements of productivity and expansion of their facilities. We know of the slowdown in technology investment that has led this slowdown in the economy.

If we want to do something about it—and I think we all care about the economic growth in this country—if we want to do something, we have to address the reason for the slowdown, to address the sharp downturn in business investment. That is what the economic package of the President has put forward and what this budget resolution attempts to do.

We have other options. We could do nothing. At the end of the day, if you watch the votes carefully, you will see that there are a number of Members of this body who would just as soon do nothing. They do not support an economic growth package. They will argue they do not want to increase the deficit. That means do nothing, do not spend any additional money, do not put together an economic growth package. I do not think with the economy as slow as it is, the American people want us to say we are going to do nothing to try to get job creation back on track.

We could spend more money and there will be a series of amendments to
this budget resolution to do just that. Some will be offered by those who decry the short-term deficit, or the deficit that we have had over the last year. But they will offer amendments to spend more money and ultimately increase the deficit. The idea that we could spend ourselves out of a recession is ridiculous. It is absurd on its face.

We have extended unemployment insurance. That was the right thing to do and it is an important thing to do. But in and of itself, spending more on unemployment insurance will not rekindle economic growth. We need to recognize that in order to create incentives for entrepreneurs and risk takers to spur job creation, we need to look at the Tax Code. That is where the growth package comes forward.

Is it a big package? Relatively speaking, not at all. It represents less than 2.5 percent of our Nation’s revenue collections. But it is focused on making the Tax Code more fair: by getting rid of the double taxation on dividends; by giving small businesses incentives to invest in plants, equipment and the modest increases by tripling the amount small businesses could expense over time. It tries to deal with the economic slowdown by recognizing the first principles of why the economy has slowed down in the first place.

This budget sets forward a realistic, reasonable, and common-sense limit on Federal spending. It sets priorities even within those areas for veterans health care, special education, science and technology, homeland security, and our national defense. It allows us to modernize Medicare and add an important prescription drug benefit. It also sets forward principles for an economic growth package we all know is needed in America next 10 years. But it is a strong resolution. With all due respect to the chairman of the Budget Committee, it is probably not a perfect resolution. I served for 6 years on the Budget Committee in the House, and I am told that there is nothing wrong. But it is a strong set of priorities for America. It reflects common sense when you look at the economic realities, the budget realities and the national security realities we have.

America was built on a foundation that rests on individual liberty. From that very first principle comes our country’s commitment to property rights, to free markets, and to open trade. It is this debate on the budget in the coming days, I hope our budget resolution will reflect the importance of these ideas; that it will include provisions necessary to strengthen our economy, and that it will reflect the commitment with the rights of individuals. These are not just fanciful ideas, but are bedrock principles that enabled America to build the strongest economy the world has ever known. They make us strong today and will keep us strong tomorrow.

Although I am just beginning my service in the Senate, I hope it will be marked by a consistent and enduring commitment to these ideas. I can think of no better way to serve my State and my country.

I yield the floor.

Mr. INHOFE. Mr. President, I rise today to discuss America’s national security and the need for American independence from Middle Eastern oil. America’s chronic dependence on foreign oil is a critical national security issue. The issue is complex and businesses nationwide, but also has a direct impact on our Nation’s ability to fight and win wars. As we prepare to engage in military operations in Iraq, it is important to understand that our forces are highly dependent on foreign oil, much of which comes directly from Iraq. In other words, we are dependent on oil from Iraq to fight a war against Iraq.

During the 1970s energy crisis, America was 36 percent dependent on foreign oil. Today we are 50 percent dependent, and by 2010, we are headed for well more than 60 percent. For the military, it now takes eight times as much oil to maintain the same U.S. soldier as it did during World War II. The Department of Defense today accounts for nearly 80 percent of all U.S. government energy use. During the 1991 Persian Gulf war, our 652,000 soldiers consumed $1 billion of petroleum products—four times the daily amount used by the 2 million Allied soldiers that liberated Europe from the Nazis in World War II. Since World War I, the outcome of every war has been influenced by the energy we have. We are talking about a serious national security issue.

As a result of military operations in Iraq, we must prepare ourselves for the possibility of disruptions in the flow of oil from the Middle East. Iraq has been the fastest growing source for United States oil imports. Shockingly, in the year 2000, $5 billion of American money went to Iraq to buy oil. After September 11, how U.S. dependency on foreign oil relates to our national security. Deputy Secretary of Defense Paul Wolfowitz said that U.S. dependency on foreign oil “is a serious strategic issue. . . . My sense is that [our] dependency is projected to grow, not to decline. . . . It’s not only that we would, in a sense, be dependent on Iraqi oil, but the oil as a weapon. The possibility of taking that oil off the market and doing enormous economic damage to it is a serious problem.”

It is critical that we develop our own resources and establish our energy independence. Energy Secretary Spencer Abraham has reviewed our national energy policy. He has warned that unless we break our dependence on our national security, damage our economic prosperity, and harm our quality of life. Likewise, in both 1995 and 1999, the Secretary of Commerce acknowledged, pursuant to a law directing him to do so, that U.S. oil deficit poses a threat to national security. This threat has been acknowledged by both sides of the aisle.

According to Secretary Abraham, consumption of energy has risen sharply yet production continues to decline. In a report released by the Energy Information Administration, the Department of Energy estimates that oil and gas reserves totaling 1,166 trillion cubic feet have been recovered from 48 states and Alaska. The oil we could recover from three square miles of Alaska alone would allow our Nation to replace the oil we buy from Saudi Arabia for 30 years.

The time to act is now—not for some immediate quick fix, but for the long-term security of America in the years and decades ahead. Our lack of an adequate long-term national security energy policy is not a partisan matter. It is a supreme national challenge that cannot be continually ignored without posing an increasing danger to our security and our way of life. Sadly, our Nation has failed for three decades to address this issue properly.

The tired refrain that ANWR “will destroy the environment” is so out of date and out of touch with reality when we have the technology and the know-how to affirmatively protect the environment while meeting an important long-term national security challenge. Additionally, I wish it were required for everyone who is going to be voting on ANWR to take a trip up to the North Slope of Alaska to see what we are really talking about. It is not a pristine wilderness. It is an area, a very small, a minuscule part of that area up there, and we are talking about an environment where the Eskimos, the local people, are begging us to come in and open it up.

They have estimated that between 5.7 billion and 16 billion barrels of recoverable oil will be found in ANWR’s Coastal Plain—up to 16 billion. That equates to over $300 billion worth of American oil. The American people want our Congress to compel the Administration to build our military, our defenses and our future security on all fronts. This was true before September 11. It is only more true today. It is time for the Senate to vote, for the Congress to act, and for America to move forward towards true and lasting energy independence.

Mr. SARBANES. Mr. President, I rise in strong support of the amendment introduced by Senator Boxer, which would strike the provisions contained in the pending Budget Resolution that would allow for the commencement of oil exploration and drilling in the Arctic National Wildlife Refuge, ANWR. I am deeply concerned about the irreparable damage these actions would have on this unique and beautiful wilderness. A mere 6 days ago, the Senate unanimously passed a resolution commemo- rating the Centennial Anniversary of the Wildlife Refuge System, established by President Theodore Roosevelt in 1903 with the designation of the Peli- can Island Reservation on the eastern coast of Florida. According to last
week’s resolution, which I cosponsored, the Senate “reaffirms its commitment to continued support for the National Wildlife Refuge System, and the conservation of our Nation’s rich natural heritage.” The language contained in the pending Budget Resolution, which would lead to the disturbance of the largest and most pristine components of the Wildlife Refuge System, not only falls far short of this reaffirmation, but explicitly breaks the commitment laid out by President Roosevelt a century ago.

The principal mission of the Wildlife Refuge System, in President Roosevelt’s own words, is “keeping for our children’s children as a priceless heritage, all of the delicate beauty of the lesser and burly majesty of the mightier forms of wildlife. . . .” Moreover, Roosevelt declared that this mission is founded on the basic principle that “wild beasts and birds are by right not the property merely of the people who are alive today, but the property of unborn generations, whose belongings we have no right to squander.” The environmental damage we have seen throughout the country over the past 100 years has strengthened and reaffirmed Roosevelt’s foresight in preserving certain areas of beauty and natural significance for present and future generations.

Proponents of drilling in ANWR have claimed that oil exploration activities on the Refuge’s fragile coastal plain will result in virtually undetectable environmental impact. However, an extensive, congressionally mandated report released earlier this month by the National Research Council of the National Academies of Science and Engineering makes clear that drilling in ANWR will result in significant damage to the region. According to the report, which examined the cumulative effects of oil and gas exploitation and production on Alaska’s North Slope over the past three decades, “loads, pads, pipelines, seismic-vehicle tracks, and transmission lines; air, ground, and vessel traffic; drilling activities; landfills, housing, processing facilities, and other industrial infrastructure have compromised wild-land and scenic values over large areas. . . .” Moreover, “climate changes during the past several decades on the North Slope have been unusually rapid,” and “noise from property merely of the people who are alive today, but the property of unborn generations, whose belongings we have no right to squander.” Sanctioning these incursions not only would damage the environment today, but it would take away those tangible and inherent values the refuge will provide to future generations—our children and grandchildren.

Last Thursday, March 13, the Senate unanimously approved a resolution marking the Centennial Anniversary of the National Wildlife Refuge System. This week, we have the opportunity to follow that symbolism with a more tangible step in defense of our refuge system, by voting to remove the rider on ANWR oil and gas exploration from the budget reconciliation bill.

Mr. SNOWE. Mr. President, I rise today to support the Boxer-Chafee amendment that has my cosponsorship along with 14 other colleagues. The amendment strikes the reconciliation instructions to the Committee on Energy and Natural Resources that would open up the Arctic National Wildlife Refuge to oil and gas exploration and drilling.
The issue as to whether to open up a pristine and vital habitat refuge for a finite amount of oil is a fundamental policy question that should not have been injected into the budget process, thereby bypassing the Senate committee process. Including the drilling receipt instructions in reconciliation instructions in the budget is a major policy initiative with serious environmental ramifications.

The budget process, with its strict rules, is not conducive to adequate consideration of this issue. In fact, opening up the Arctic Refuge proved to be extremely controversial in the 107th Congress and was debated at length during the Senate’s consideration of its omnibus energy bill. On April 18, 2002, by a vote of 54 to 46, the Senate defeated a procedural motion to invoke cloture to shut off the debate.

Revenues from oil leases in the Arctic Refuge have been estimated to be $1.2 billion per year. I believe that the budgetary effects of oil leases in the Refuge are incidental compared with the weight of its policy impact. The tradeoffs just don’t balance out when considering drilling for a finite supply of oil in the most volatile area of the globe.

Oil exploration in the Refuge is not the solution to our Nation’s current energy problems, and for years the issue has distracted us from the real answers to energy needs. Unfortunately, over the past several years, rather than being serious about offsetting the nation’s increasing thirst for oil by increasing the use of alternate and renewable energy sources, we are now more dependent than ever on these foreign oil sources. If we are to be serious about addressing our energy needs, we should be advancing energy efficiency, energy conservation and clean, renewable sources of power so that we can reduce our need for foreign oil. It is absolutely critical that we be responsible for air pollution and greenhouse gases impacting climate change.

As the storm clouds gather today in the Middle East, we should be putting our energies into becoming more fuel efficient, for instance, by increasing corporate average fuel economy, or CAFE, standards, to close the SUV loophole that currently allows the increasingly popular sport utility vehicles that get 17 miles per gallon to be while passenger cars must meet a 27.5 mpg standard. Increasing the CAF  standard to that of passenger cars would help to eliminate the need to import oil from the most volatile area of the globe.

In addition, based on the estimate provided by the Department of Energy’s Energy Information Administration, it would realistically take seven to 12 years from approval to first production of oil, meaning that not a single drop of oil would be available to go to market for 7 to 12 years. In contrast, Paul Portney, Chairman of the National Academies’ 2001 Report on CAFE standards, stated at the Joint Commerce and Energy Committees’ hearing that year that “...increases in fuel efficiency could be made in a few years.”

The fact is that, sooner or later, any oil found in ANWR will run out—while increasing demand will continue to decrease oil usage. It is estimated that one million barrels of oil per day would be saved by the Feinstein-Snowe bill that closes the SUV loophole. Improving the gasoline mileage of the Nation’s new vehicles by just three miles per gallon could take less time and could be expected to save more oil than would ultimately be recovered over the lifetime of the finite oil resources in ANWR. The United States Geological Service estimates a 95 percent probability of 4.2 billion barrels of recoverable oil, and a five percent probability of 11.8 billion barrels of recoverable oil.

Interestingly, CAFE increases would keep more greenhouse gases, specifically carbon dioxide—the major cause of climate change—from going into the atmosphere because less gasoline would be used and therefore there would be less vehicle emissions of CO2. In contrast, the process of getting oil out of the ground is not the right way to go because of the oil drilling facilities and processes required for extraction.

Drilling in the Arctic Refuge poses environmental impacts on sensitive habitats. The Refuge is the summer home for thousands of migratory birds; year-round home to muskoxen, fox, wolf and wolverine; and its lagoons support eight species of marine mammals, 62 species of coastal fish, and seven species of freshwater fish. Of note, the Refuge is the calving ground of the Porcupine caribou herd.

Much has been said on the Senate floor about the Central Arctic caribou herds in the North Slope drilling area that has been discussed by the North Slope pipeline was installed, but these caribou have the ability to move south, unlike the Porcupine caribou herd within the Arctic National Wildlife Refuge that have no place to go due to the geological features of the narrow strip of an island-like area in the refuge between the ocean and the mountains.

Again, I would like to reiterate that including drilling receipts and reconciliation instructions in the budget is not the right way to go as it is a major policy initiative with serious environmental ramifications that must be debated fully in the proper forum of committee hearings and subsequent floor and panel debates. Consider the National Research Council’s recently published report on the effects of drilling in the North Slope of Alaska. It stated that, even though oil companies have greatly improved practices in the Arctic, the first decades of drilling along the North Slope produced a North Slope cost of the war, which will cost between $100 billion and $200 billion was Larry Lindsey, and as we know, he was shown the door.
Vote for this budget if you think we should ignore the costs of the war. Vote for this budget if you love deficits. If you like breaking promises to our children on No Child Left Behind, cutting afterschool programs and the like, vote for this budget because that is what the proof is. The science tells us it will take 8 to 10 years to get it up and running.

This is the alternative, drilling in this God-given area.

I will give the remainder of my time to Senator Lott. I have been talking about a place that looks like this. Yes, in the winter it is icy. Yes, in the winter there is not much—it doesn’t look as beautiful as this, but I don’t look as good as I looked when I was young, so that happens sometimes. But the bottom line is, it is a beautiful place.

Here are some other beautiful pictures. We will show you some of the wildlife that we have, this beautiful bird which is the whimbrel—quite beautiful. It is my chart bird, I call it. That is a beautiful example of what we are trying to save.

I will yield the remainder of my time on the resolution to Senator Conrad and hope my colleagues on both sides will support the amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I am wondering. I ask my colleague and friend from California who showed those pictures of a beautiful area adjac—

Mr. NICKLES. The answer to the question is you have not been there?

Mrs. BOXER. Yes, I stated that clearly in the debate. The last time I was in the 1002 area, but my chief environmental legislative aide took my place on a trip that, unfortunately, I had to cancel 6 months ago, and just said it was absolutely exquisite.

As my friend knows, we have hundreds of wildlife refuges. I have been to a few. I haven’t been to them all. But this is God’s gift and whether—

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The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

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The PRESIDING OFFICER. The Senator from Oklahoma has the floor.
Mr. DOMENICI. I thank the distinguished minority floor leader.

Mr. President, fellow Senators, and more importantly, fellow Americans who might be watching. I am going to have one of my aides turn this chart for a moment so you are going to be able to read the print very easily. It says:

If ANWR was the size of this chart, the total footprint of any development there would be smaller than the box below. You see the people running the television here in the Senate have to be very concerned because if they are not, you will not even see it. ANWR is as big as this chart. We have done it to scale, all of that blue.

Now, regardless of what is said about what you are going to do to ANWR, let me submit to you that you are going to do it on this little piece, I say to the chairman. Look at this. Can you see it? Maybe I can show the chairman of the Budget Committee. Do you see that little piece there? I don't think you can even see that little piece. That is where ANWR is going to have a footprint to produce oil for America.

Can you imagine we are here arguing about whether or not we ought to take this tiny little piece? Here it is. Let me show it to you again. Do you see this, Mr. Chairman? I don't think you can see it from there. That is the size of the footprint. And the whole chart is the size of ANWR.

Now, I can guarantee you, the thousands of Americans who have been writing to their Senators and who joined the Sierra Club to say don’t do anything in ANWR have no understanding, have never been told—as a matter of fact, have been told to the contrary—that of this huge wilderness, that is the amount of the footprint which will yield oil for America’s future.

I ask the Presiding Officer, are you looking at this chart?
The PRESIDING OFFICER. Yes.
Mr. DOMENICI. Do you need any assistance to see it?
The PRESIDING OFFICER. I can see it from here.
Mr. DOMENICI. You don’t have to answer. As a matter of fact, I am very hopeful that everybody can see it, because you saw beautiful polar bears, you saw fantastic growth everybody is proud of. But can anyone believe that little, tiny footprint is going to affect polar bears in ANWR wilderness? Can you believe that much property, used to drill oil for America’s future, is going to have an impact on America’s economic future?

I submit, if the issue had not already been decided in the Senate, Senators had not already been convinced, if they truly started right here on the floor—let’s discuss America; let’s discuss the amount of oil we have to use each day; let’s discuss our future; let’s take a look at ANWR. If we had not received requests for contributions from those who support keeping ANWR exactly like it is, and not letting us have any of the resources that belong to America—if none of that occurred, we were here in a closed session, all 100 Senators, and those who wanted to say “no drilling” got a day, and I got an hour, they talked all they wanted, and I would put this chart up and say, “Are you kidding? You don’t even want America to take a look at that?”

Now, having said that, it has been said on this chart on the floor there isn’t enough oil in ANWR to amount to anything. A few years ago, when I was sitting around and heard somebody say, “America doesn’t need this oil.” I said to myself, “Who are we kidding? How can we tell? What is our future? Are we doing? We don’t need the oil that could be produced from Alaska because it isn’t very much oil!”

Well, I started, over the weekend, asking, How much oil is it? How much oil is it? How much oil is it? Cause you saw beautiful polar bears, and I said to myself, “Mr. President, fellow Americans, would you understand?” And I decided we could take a little trip. We could take a trip through America and look at where we are producing oil today, and as a point of fact that was producing oil, we would decide whether we needed that oil. After all, we are so strong and so arrogant about our economic future that there is a lot of oil America might have we must not need. Guess what happened. The very first State I came upon was Texas, Texas. As I rode across America and stopped in various States, I stopped in Texas. And what did I find? I went to their Department of Minerals and Resources, and I asked them, “Can you help me? I am trying to find out where oil is produced in America and whether we need it or not. And what in the world did I find? ANWR has more oil than Texas. So I surmise we do not need the oil from Texas. Texas. What did I find? ANWR has more oil than Texas. We will use them, but how many? Everybody understands the oil consumption is not going to come down dramatically during the next decade to 20 years. And what are we going to be doing? We are going to be depending upon the world for that period of time, and well beyond that, to buy it from the world.

It seems to me that a secondary issue—one primary issue—we are debating in the Senate is jobs for Americans. I regret to tell you that for those who oppose that little tiny piece of this budget resolution called ANWR, they are opposing the biggest job producer this whole bill has in mind. I am more certain that if ANWR is permitted to be produced the time comes that it is producing, it will produce more jobs for America than this bill with all its tax provisions and
at the same time will produce oil for Americans. This is the estimate given by the experts of the American jobs, high-paying jobs. We are not even including in this the fact that American companies will own it. Americans will be part of the rig operators. Americans will be part of the huge workforce. Here is the estimate of employment that would flow from ANWR. You could vote against all the tax relief if ANWR was coming on board next month. That can’t happen because it is a few years away. The jobs: 575,000 full-blown American jobs for American men and women and American executives, and they have to be high paying. For any State that would like to look: for Colorado, there is estimated employment of 8,000; New York, 17,000; California, 63,000 jobs if ANWR comes on. I suppose in the course of things, 63,000 jobs doesn’t mean that much for a big State such as California.

Incidentally, if I would have followed that little trip through America to see where the oil was produced and I would have passed right on by Texas, and passed right on by New Mexico, and passed right on by Arizona and a little pinch of Nevada, and ended up in California, it is home to the town of Kaktovik, with its mountains shown in the Sierra Club ads. Ex- editorial in words as to what it is. It is discussed in this editorial in words as to what it is. It is rather succinct. It covers what I have just discussed, the insignificance of the probable damage to ANWR. I have tried to depict it in terms of jobs. It discusses that with words. They are wordsmiths, and they have done it in a very exciting, excellent, and forthright manner. The discussion that I just did. They also discuss what the distinc- guished chairman of the Budget Com- mittee discussed for just a few mo- ments as to what is the nature of this tiny piece of geography that is part of ANWR. The actual footprint of this that have been shown in pictures here on the floor. It is discussed in this editorial in words as to what it is. It says:

This oil would come from a tiny piece of land that is nowhere near the “pristine” mountains shown in the Sierra Club ads. Exploration would be on Alaska’s coastal plain, a sliver of tundra that [the Secretary of the Interior] has described aptly as “flat, white nothingness.”

The editorial continues: Far from pristine, it is the home of the town of Kaktovik, with its people, cars, boats and airplane hangars. The actual drill- ing footprint would be about 2,000 acres, the size of Washington’s Dulles Airport.

I ask unanimous consent that the enti- rety of this editorial be printed in the RECORD.

Here being no objection, the mate- rial was ordered to be printed in the RECORD, as follows:

(Drilling for Votes)

If war in Iraq, sky-high oil prices and a moribund energy bill aren’t reason enough for the Senate to finally approve drilling in the Arctic, could someone please tell us what is?

The Arctic National Wildlife Refuge is back in the headlines, and the good news is that Senate Republicans are very close to passing a drilling amendment. By attaching ANWR to the Senate budget resolution, they would override President George W. Bush’s threats (and Presidential aspirations) of certain opposition Senators from the North.

The arguments for Arctic drilling haven’t changed, but it’s worth running through them again. The biggest is the ANWR is a new and important supply of oil. The site is expected to produce 10.4 billion barrels, or 1.4 million barrels a day—the largest single supply of oil in the country. To put this in perspective, the oil- rich states of Texas and California each offer about one million barrels a day. No, ANWR won’t provide “energy independence,” but it will give a cushion in the event of future oil-supply crises.

This oil would come from a tiny piece of land that is nowhere near the “pristine” mountains shown in the Sierra Club ads. Exploration would be on Alaska’s coastal plain, a sliver of tundra that Interior Secretary Gale Norton has aptly described as “flat, white nothingness.” Far from pristine, it is home to the town of Kaktovik, with its people, cars, boats and airplane hangars. The actual drilling footprint would be about 2,000 acres, the size of Washington’s Dulles Airport.

As for the environmental consequences, we’d point to the recent National Academy of Sciences report that examined the potential effects of drilling in the nearby North Slope.

Green groups have spun the report as evidence of eco-calamity, but anyone who reads it knows it shows more or less the opposite. The report, for instance, found that there had been no major oil spills on the North Slope, though operators there, and that small spills had had no cumulative ef- fects. While some animals had been “af- fected,” the committee could not list any species that were threatened. And it con- ceded that drilling hadn’t led to any large or long-term declines in the much-celebrated caribou herd.

It also noted that new technology had re- duced damage to the tundra. Given the re- port was measuring the effects of 25-year old drilling, the report acknowledged that new technology would re- quire best-technology, we can expect even better results. And the report acknowledged that oil development had resulted in real im- provements in schools, health care, housing and other community services for Alaskan communities.

As good as these policy arguments are, the reality is that drilling ultimately hinges on the environmental politics of the Senate. Re- publicans have 48 sure votes. They need two more, because Vice President Dick Cheney is standing by at his secure, undisclosed loca- tion to break a tie. Most of the focus is therefore on a few moderates, Arkansas Democrat Mark Pryor and Blanche Lincoln, and Republicans Gordon Smith and Norm Coleman.

If it’s political cover these folks are looking for, they might consider the environ- mental advantages that would accrue to their home states with a yes vote. For start- ers, the ANWR plan would divert $2 billion of the $2.15 billion in federal royalties from drilling directly to the states for land and water conservation. A gusher of new oil in Alaska would also reduce the incentive to keep drilling in the Louisiana, which has its own environmental costs.

And if these “moderates” are truly on the fence, they could give them the benefit of the doubt, vote to keep ANWR in the Senate budget resolution for now and then fly to Alaska to see the site for them- selves. At least if they changed their mind in the final budget later in the year, they’d really know what they were voting against.

We know it is perhaps a forlorn hope that Senators will vote on ANWR with environ- mental symbolism. But why not? On the economic and environmental merits, this isn’t even a close call.

S9328

Domenici: One remaining issue is: How do you drill for oil today, and how did you drill for it 25 years ago or even 30 years ago, when some of the wells were drilled in California—maybe hundreds of the wells were drilled in California and hundreds, maybe thou- sands of the wells Texas were drilled? Has America made any strides in changing the way we drill for oil in 15, 20, 25 years?

I can tell you some of the most dy- namic, intelligent engineers in the world have spent years finding out how to drill holes in Mother Earth. As a matter of fact, the expertise in drilling did not just come over these years from people interested in drilling for oil but have had an interest in drill- ing for many reasons.

Would you believe that the great lab- oratories of America—Los Alamos, Sandia, Livermore—have had a genu- ine, abiding piece of their research di- rected at how do you drill holes into Mother Earth?

One time, they were experimenting in one of the laboratories in drilling
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thousands of feet underground to see if they could tap into the geothermal heat pockets. They learned all kinds of things about drilling. Then they had to drill holes as part of the nuclear weapons activities in the deserts of Nevada. Millions of dollars were put into, how do you not want to waste all this money you don't produce a whole bunch of environmental degradation? Couple that with the resources of the energy companies, which wasn't so; it was pretty big. It was pretty hot stuff. You put it together and you have the most Dulles you ever found, innovative ways to drill for oil you could ever imagine.

Let me just suggest, if oil is about 400 yards over there and you found it—about four football fields away—and you don't want to touch that ground, you can start here, where I am standing, and you can drill over there in what is called slant drilling. It is done with such precision today that it can take place for yards and yards and yards from the actual point under the earth. Limited to strike the liquid mineral, or the natural gas. That is what will be used if you are worried about how will you use this tiny piece, the size of Dulles, to go into the hinterland without touching anything.

"That is the answer. You will go in when it is frozen, you will do your drilling activity, and when it starts to thaw, you get out and wait until it freezes again, you come back and, frankly, you won't know anything has happened—except that underground you will be moving ahead full speed to make America have more of the oil that is ours, that we own, that we will use for our future.

I have a little picture up here from Science Times. It was covered in the Times. It is called "Hunting For Oil: New Precision, Less Pollution."

I am sure those who have circulated millions and millions of letters and the hundreds of TV ads saying we are going to ruin ANWR—if we take a tiny piece of the size of Dulles, which I have just shown you on the map, and we drill, they are assuming you are going to spoil the earth as you do when you are producing with the conventional drilling of wells.

This is a pictorial of the chronology and the evolution of how you go about drilling today.

Using the latest drilling techniques, oil drilling sites like those in the Alpine Fields of Alaska's North Slope are using cutting edge technology in the hope of reducing environmental damage.

To reduce the damage, recent advances are lessening the industrial impact on the fragile Arctic ecosystem.

They proceed to show you an Alpine Field, Alaska. They show you what is happening. Let me move over here because I described it in not too good a manner a while ago when I said the oil was 400 yards away, four football fields. You can see why I was wrong.

Let's look at this diagram. You see, here is the platform that might be the size of Dulles. Here is the drilling. Here is the oil underground. And you see, way far away, the oil is underground, and it is going to be drilled and come up, and everything is going to be done on this platform. The same here. Here is a giant reservoir underground. It is many yards from where you have set out the little milky shake, and the propagation of the tundra. Here you are with this dramatic picture of how, just like a curved saw, you put it underground and maneuver it, and the “milk shake” is way over there, and your little child, after you tell them they can't go over here in their bedroom where they are feeling ill, and they just gobble it up from way down in the kitchen, where you don't even have to move the Mix Master that made the ice cream for them. You don't have to take it up to the bedroom. This describes the actual drilling that is taking place.

I told you a while ago that I was going to give you just a shirt-sleeve example, where four football fields over there is where that oil all was. I used an example that is way too small. As a matter of fact, 4 miles—not 400 yards, but 4 miles—away is this oil from this drill. It is not yards, not football fields, but miles. How many? There is where you thought that oil all was. I am not going to say 4. I am just going to say 6. In fact, if people want to know, we can set a piece of that aside and 4 miles away you can take oil out of the ground? It was 400 yards.

As a matter of fact, I am using 4, because my staff told me 4. They have evidence from the science that it is 4. I don't see any reason it could not be more than 4. I don't see why it cannot be 6. In fact, if people want to know, we could go ask the experts how far away it can be. It can be plenty far away.

So no hard feelings. Everybody makes their case. I have been here a long time. I have probably learned probably the most probably the most probably the most about ANWR. If the Senate cannot say, 1, we need oil; 2, we need American oil; 3, if we have got American oil and we can take it out of the ground, we ought to properly assess the risk, we ought not to just say no. We just established we need it. It should be American, if possible. So, third, we ought to properly assess the risk.

The risk is not properly assessed by saying it is too far ANWR, therefore we need oil. That is not a risk assessment. That is an arbitrary decision—that in one swath negates the first two propositions of significance and reality. We need oil, and we need American oil.

It is a fact that we do hear in America—and people are fair minded— we should not be using so much oil. I hear that. I am prepared to confront that on the floor of the Senate because, when the energy bill comes up, some people are going to say we are not a free country, and, after all, we use a third of the energy of the world. Who do we think we are? Do you know what I say? I say we need it for our standard of living, but we don’t deny it to the other people in the world. We will help them produce more. We will help them produce clean electricity so they can grow. But I am not prepared to say, since we need it for our standard of living—just because we want to sustain our way of life, we have to take the oil. We don't have to take the oil in Alaska. What does that have to do with it? What does that have to do with whether we are using oil?

Mr. President, the other thing I think Senators and the people of this country ought to look at is, what is oil? It is easy to say we don’t need oil, why should we buy so much oil? But oil is our everyday life.

Fellow Americans, do you want to live without cars? Sure, you do. Can you? No, you cannot. I will repeat, would you like to live without cars? Most Americans would say, of course, I love cars, I like them. If you want to say I wish I didn't, I wish I didn't have to, I will ask you, how would you make a living?

Equally important, where would you live? There are two freedoms that are not covered anywhere in the sacred documents of our country that have evolved, and they are about, as American as the proverbial apple pie. They are: The freedom to own a house anywhere one can afford it; the yearning to have a house that is your own. We are not going to change that until America is no longer America. The second freedom is to own an automobile or two so you can go where you want when you want.

I respect the fact that Americans say: This is our life. But I regret to tell my fellow Americans, without oil or if oil becomes so ungodly high priced, both of those freedoms will be in jeopardy. There is no question, both of those freedoms will be in jeopardy because we have built our life around that freedom. You think about the Mix Master that made the ice cream. Where you don't even have to move the car, I and they are about, as American as the proverbial apple pie. They are: The freedom to own a house anywhere one can afford it; the yearning to have a house that is your own. We are not going to change that until America is no longer America. The second freedom is to own an automobile or two so you can go where you want when you want.

In summary, it is almost impossible to prove that ANWR will be damaged to any noticeable degree if we produce the oil that is under the footprint the U.S. Government would like to lease so we can determine whether oil is there and how much. It is almost impossible to prove damage.

In summary, although this debate will not go on much longer, to take any instrument, any study, any report anybody wants to bring to the floor to
the contrary and debate it. If they want to use the Academy of Sciences study that has just reviewed the Prudhoe area, let’s debate it. One may find a few sentences in there that are cautionary, but they will find tremendous information saying those who claim Prudhoe Bay has been significantly damaging are in error, and it produced that other part, Prudhoe, which passed this Senate by one vote and has produced oil for America without which we would really be in trouble. We can debate that issue.

This is so small in comparison to the size of this wilderness, an area in the wilderness for which we are very grateful to whomever structures the underground oil reserves that they put it in this part of ANWR such that the drilling will occur in the area as I have described it: not mountainous and beautiful and full of flowers, but level and barren in a gigantic piece that looks like part of New Mexico that turned white and froze.

The next is we are not strong enough to throw away much of our own patrimony. Do we know where I got the word except it is so important to own your own resources that in Spanish-speaking countries, such as Mexico, they call the oil of Mexico “El patrimonio del estado de Mexico,” the patrimony of the state. That is how important oil is. This is our patrimony. It belongs to us. For those who say we should not drill in ANWR because somebody went there and said, We just should not touch this wilderness, to me is absolutely ignoring the reality of America’s future.

Every other issue I can think of—new technology which will cause a minimalization of environmental degradation, jobs in the future, and every other issue I can think of—is on the side of the last two or three votes deciding to get this done, not for me, but I have nine grandchildren. I hope they can still drive a car and own a house wherever they would like and work hard. I don’t have the time to make the transition toward other technologies that will make our lives like they are today rather than lock this up for no good reason.

I close by saying the patrimony of America:
I yield the floor.

The PRESIDING OFFICER. Who yields time?
The Senator from California.

Mrs. BOXER. Mr. President, I ask to take 5 minutes off the resolution to respond to the Senator from New Mexico. I believe I might pause there for a unanimous consent request. Mr. President, I ask Senator Nickles, is that correct? Does Senator Nickles wish that I wait while he propounds a unanimous consent request?

Mr. NICKLES. If the Senator will.

Mrs. BOXER. As long as it does not come off my time. I would like to reserve the 5 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Oklahoma.
Mr. NICKLES. Mr. President, I ask unanimous consent to withdraw amendment No. 279. The PRESIDING OFFICER. The amendment is so ordered.

Mr. NICKLES. Mr. President, I send for Mr. GRAHAM of South Carolina, proponent of the amendment, to report it.

Mr. GRAHAM of South Carolina. Mr. President, I extend unanimous consent that the amendment be dispensed with.

Mr. NICKLES. Mr. President, the amendment is as follows:

The President pro tempore read as follows:

AMENDMENT NO. 272

Mr. NICKLES. Mr. President, I ask unanimous consent to withdraw amendment No. 279. The PRESIDING OFFICER. The amendment is so ordered.

Mr. NICKLES. Mr. President, I send amendment No. 274 to the desk.
say, yes, this is exactly where they want to drill, where the caribou are roaming.

So let's get that right. I am not going to stand up in front of pictures that do not apply to make my case. That is ridiculous. You do not say that. That is wrong. It is not a fair way to debate. I want to debate on the merit.

I also have never, ever said in this debate—and I spoke last night, as well as this morning—that people on the other side of the aisle because they get campaign contributions from big oil and gas companies and other economic interests. I will not do that. I have more respect than that. But, of course, my colleague from New Mexico says the only reason we are fighting for this is that we get contributions from a few environmental organizations. Hogwash.

I would like to line up the campaign contributions of the environmental organizations versus the campaign contributions of big oil and gas companies. Let's just cut it out. The Senate should be above that. I speak from my heart when I say there is an inconsistency with setting aside this beautiful acreage and then saying, oh, well, now we need to drill.

I received a call this morning from former Representative John Seiberling. Last night, his picture was held up by Senator STEVENS. Senator STEVENS said there was a deal cut in 1980 to allow oil drilling. Obviously, I was not in the meeting. The fact is, I came to the Congress in 1982, so I missed that by 2 years.

Representative Seiberling phoned us this morning. He was the chairman of the House Subcommittee on Public Lands. He was in that picture, and he said there was no deal to open the Alaska Wildlife Reserve to exploration. So I want to state that for the record, just as last night I talked about the letter from President Jimmy Carter who said he was not opposed to oil drilling, even though he, too, was referred to as being part of this so-called deal.

I also want to show a footprint of the New Jersey Turnpike. Now, my colleagues are going to say: Well, Senator BOXER, what does that have to do with anything? The fact is, this is the same size footprint that the opposition is saying would be the footprint of the oil field that would be allowed in this refuge.

I say to my friends, the way Senator DOMENICI posed it, he had a great big chart and a little dot. Well, what goes on when you drill for oil is not a little dot. That is so obvious; it is kind of silly. If we even take the footprint that they talk about, the 2,000 acres, that is the footprint the size of the New Jersey Turnpike, and I say to anyone who has some common sense, no one would say that what happens on the New Jersey Turnpike does not have an impact on the surrounding community.

I also say to my friend, because he opposes me in a lot of areas—this is my friend from New Mexico. I served on the Budget Committee for years. I have tremendous respect for him, but we disagree. I, with just as much fervor as he, will say to my colleagues today I want them to look at the footprint for offshore oil drilling off the coast of California. It will look really small if you look at the whole footprint, the 2,000 acres. My people in California know it is destructive. How do we know that? We have seen it. We have seen what happens when oil spills. We know that no matter what technology is promised, accidents occur. We have certainly experienced that in Alaska given what has happened in the past from spills, and I put that in the RECORD before.

We know the USGS analysis says that oil in the refuge is scattered in many different areas. It would require multiple fields across the Coastal Plain, 250 miles of roads, 100 miles of pipeline.

The PRESIDING OFFICER (Ms. MURKOWSKI). The time of the Senator has expired.

Mrs. BOXER. Madam President, I ask for 3 additional minutes off the resolution.

The PRESIDING OFFICER. The Senator from North Dakota yield 3 minutes.

Mrs. BOXER. I would like 3 additional minutes, if I could, off the resolution, or I could take it off the amendment; it is immaterial.

Mr. CONRAD. We are now in a situation where we have an extended debate on ANWR. At some point, we have to draw it to a close.

Mrs. BOXER. I will take the time from the amendment.

Mr. CONRAD. That will be fine, if we take it from the amendment.

Mrs. BOXER. That will leave 1 minute, and I will reserve that.

I say to my friend from North Dakota, the Senator from New Mexico had an hour speech and I believe I need an hour speech. Senator STEVENS, we are talking 250 miles of roads, 100 miles of pipeline, airfields, gravel pits, power lines, waste facilities, and other structures. We are talking about this, not coming from the side of those who believe this pristine area ought to be left alone, but from the USGS survey.

John Seiberling says no deal was cut in 1980; Senator STEVENS sees it a different way. People can take away different meanings. But I mention that in the name of preserving President Carter's name as being part of a deal, and he writes a letter and says he does not want to see drilling here, we ought to set the record straight.

This is a fair debate. But it ought to be based on the facts as the people who were in the room said. Senator STEVENS laid out how he felt. John Seiberling phoned and left his phone number. I am sure if Senator STEVENS would like to chat with him, that would be fine with him.

Mr. STEVENS. Who should I call?

Mrs. BOXER. I am happy to answer on your time. May I answer on your time?

Mr. STEVENS. You mentioned my name, thank you very much.

Mrs. BOXER. I am sorry, I have 60 seconds left to rebut an hour-long tirade by someone on the other side who said the reason we are preserving the Arctic is because we received campaign contributions. I print in the RECORD the facts, a letter from Jimmy Carter who opposes drilling in this area. He talks about it very eloquently.

John Seiberling, then-chairman of the House Subcommittee on Public Lands and National Parks, was in the picture that my friend from Alaska held up last night, and has said absolutely there was no deal cut to drill in this area. It is important we set that record straight.

I correct that. He was not in the picture, but in the meetings that led to the picture. He was the chairman of the House Subcommittee on Public Lands.

Lastly, I ask unanimous consent to have printed in the RECORD a copy of a very important document put together by the Alaska Wilderness League. In it there are comments of the National Research Counsel on the cumulative environmental effects of oil and gas activities on Alaska's North Slope. We keep hearing there is no problem, no problem at all, but there are newspaper reports that say the local people who live up there claim there is a problem with the caribou herds. They are going elsewhere, away from the oil fields.

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

COMMENTS ON THE NATIONAL RESEARCH COUNCIL, REPORT ON THE CUMULATIVE ENVIRONMENTAL EFFECTS OF OIL AND GAS ACTIVITIES ON ALASKA'S NORTH SLOPE

Overall: The report documents significant environmental and cultural effects that have accumulated as the result of three decades of industrial activity on Alaska's North Slope. Industrial activity has transformed what once was part of the largest intact wilderness area in the United States into a complex of oil fields and their interfaces and pipelines that stretches over 1,000 square miles. Many important effects on animals and vegetation extend well beyond the actual "footprint" of development. New technologies have reduced some effects, but despite this, the committee concluded that expansion into new areas is certain to exacerbate existing effects and generate new ones. While no economic assessment of the environmental costs of oil development on the North Slope has been done, the report estimates that the costs of removing facilities and restoring habitat will run in the billions of dollars. No money has been set aside for this purpose by either the oil companies or the government. Because natural recovery in the arctic is slow, effects caused by unrestored facilities are likely to persist for centuries.

ANIMALS

Bowhead whale migrations have been displaced by the intense noise of seismic exploration offshore. Spilled oil poses a great potential threat to bowhead whales due to their specific morphological characteristics. The reproductive success of some bird species in the oilfields has been reduced to the
point where some oilfield populations are likely maintained only by immigration from more productive “source” habitats elsewhere. An important consequence of this phenomenon is that losses of such “source” habitats can threaten the viability of a population even though most of the habitat occupied by the species in a region remains relatively intact. The location of such “source” habitat for birds or other species is not well characterized for the North Slope. Thus, the spread of industrial development into new areas as a result of declines in unexpected species declines, even though total habitat loss might be modest.

Some denning polar bears have been disturbed by industry activities. Though limited development offshore has taken place to date, full scale industrial development offshore would displace polar bears and ringed seals from their habitats, increase mortality, and decrease their reproductive success. Predicted climate change is likely to have serious effects on polar bears and ringed seals that will accumulate with those related to oil development. Caribou

Although industrial development has not resulted in a long-term decline in the Central Arctic Herd, most Arctic wildlife (current oil development), the Committee concluded that by itself is not a sufficient measure of whether adverse effects have occurred. Control activity and infrastructure produced fewer calves, and following years when insect harassment was high, that effect increased, which may have depressed herd size. The spread of industrial activity into other areas that caribou use for calving and relief from insect harassment, as well as for the extent of the coastal plain is narrower than elsewhere, would likely result in reductions in reproductive success.

The Porcupine herd, which calves in the Arctic National Wildlife Refuge, has the lowest growth rate of the four arctic herds, and the least capacity for any changes in climate. Higher insect activity associated with climate warming could counteract any benefits of reduced surface development by increasing the frequency with which caribou encounters infrastructure.

DEVELOPMENT “FOOTPRINT”

Development has directly affected 17,000 acres spread across an area roughly the size of the land area of Rhode Island. Of this, 9,000,000 acres are tied to the TAPS, the Haul Road and facilities in NPIRA. The environmental effects of oil development are not limited to the “footprint” (actual area covered by a structure), but occur at distances where varying depending on the environmental component affected, from a few miles (animals), to much farther (visual effects) and include damage to whales.

CLIMATE CHANGE AND NEW TECHNOLOGIES

Climate change will continue to affect the usefulness of many oilfield technologies and how they affect the environment. For example, the long and hot summer season, seismic and other off road tundra travel is permitted, and ice roads and pads are constructed, has been steadily decreasing since the 1970s, when the coastline of the North Slope was generally stable. The coastline of the North Slope will ever be restored. Because natural recovery in the arctic is slow, effects of unrestored structures are likely to persist for centuries, and will accumulate as new structures are added.

WILDERNESS

Oil development has compromised wilderness values over 1,000 square miles of the North Slope. The potential for further loss is at least as great as what has already occurred as development expands into new areas. Roads, pads, pipelines, seismic vehicle tracks, transmission lines, air, ground and vessel traffic, drilling activities, and other industrial activities and infrastructure have eroded wilderness values over an area that is roughly the same size as the total land area of Rhode Island. Of this, some 30,000-line miles will be surveyed on the North Slope over the next decade. These trails produce a serious accumulating visual effect and can damage vegetation and cause erosion. Data do not exist to determine the period that the damage will persist, but some effects are known to have lasted for several decades. Seismic exploration is expanding westward into the western arctic and the foothills, where the hillytopography increases the likelihood that vehicles will damage vegetation. The use of ice roads and pads has increased and will continue to do so, but little information is available on how long effects persist.

REGULATORY ISSUES

The report did not evaluate the adequacy of existing regulations. However in the course of the review numerous other issues arose. Examples include the following.

protecting the tundra from winter off road travel

DNR permits tundra travel for seismic camps on the North Slope, and for travel of winter snow machines and snowmobiles. Restrictions on such travel illustrate the complex regulations that exist to accommodate use of the area affected by permits it has issued.

Groundwater

Existing data on groundwater suggests that sub-permafrost groundwater may meet the regulatory definition of a drinking water source more commonly than thought. No testing of groundwater is required prior to waste injection.

Water withdrawals

Water withdrawals from fish-bearing lakes for purposes such as building ice roads and pads are limited to 15% of the estimated minimum winter water volume. The committee concluded the lack of use of this criterion, which it terms arbitrary. For fishless lakes, there were no restrictions on removal of water as of late 2002; all unfrozen water from such lakes can be drained. The effects of such complete withdrawals have not been evaluated.
reconciliation so those who have deep, strong feelings will not be able to talk at length about it, to stop it. I hope we stop it today.

I reserve 1 minute for closing debate. The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES, Madam President, previously I yielded the Senator from Alaska 1 hour on the amendment. Is there any time remaining?

The PRESIDING OFFICER. There is 12 minutes remaining on the amendment.

Mr. NICKLES. I yield to the Senator from Alaska not only those 12 minutes but also such time as he desires on this resolution. I also remind him I told the Senator from Alabama that he would be recognized for a few minutes, as well. I yield to the Senator from Alaska such time as he desires.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Madam President, I am delighted to be here when my friend from California mentions my name and someone I should call. I assume that would be President Carter. President Carter told the House of Representatives in the 1980 bill that after the election. And he waited until after the election, but he did sign it.

The item I read last night is from Jimmy Carter's own record, his own words at the time he signed that bill. It is true, since that time he has campaigned against a provision of the bill that he signed.

We have an amendment introduced now by the Senator from Connecticut to repeal that provision. But that is the first time there has been an amendment to repeal that provision, primarily because the people who were here then who made the commitment to Alaska are all gone. It is sad we have to wait until those people who make commitments to a State that leads to a decision to withdraw over 100 million acres of Alaska land, the one decision we got was we would be able to open up exploration and development on the Arctic coast if we could show there would be no irreparable harm in that area. That was shown with two environmental impact statements.

Later I will make comments about the impact of the provision of the Senator from California with regard to the people of California. I spent a good period of time in California. I was raised there and went to school there—UCLA. I tell the people of California when their price of gasoline goes up, call Senator Boxer. Call her and ask her why she opposes oil coming from Alaska as it used to. For over 20 years we sent oil to California from the same area. Now she refuses to allow us to continue to explore in the area that her two colleagues, Senator Jackson and Senator Tsongas, in 1980, said would be open.

There are pretty flowers all over Alaska in the summertime. I can show the Senator from California a picture of a million acres of golden rod waving in the breeze. It is beautiful. But I can also show a picture again of the tundra. This is what the area she had a picture of looks like most of the time, the tundra, solid, frozen tundra, and we do not spill the flowers. We do not disturb the caribou. We build ice roads across the tundra and drill for oil and gas. It is completed when it is still frozen land.

We did not disturb the caribou. As a matter of fact, here is a good example. I am sorry the Senator from California mentions whom I should call. She might want to visit with the Eskimos in the Senate gallery. They are part of 100,000 Alaska Natives in favor of drilling in this area. I intend to spell that out in more detail later.

I don't need to call a former President. I know where President Carter stands on this. It was when I saw him signing the bill. He signed that bill that contained the section 1002, and he gave us the right and approved the offer made by Senator Jackson and Senator Tsongas to me that if we allowed the million acres to be withdrawn, we would continue to have the right to explore in the Arctic.

I yield to my friend, and I reserve the remainder of my time. I will talk right up to the vote and urge Members of the Senate to think about one thing, and that is the value of the oil in our area of Alaska as compared to the continued dependence upon foreign oil in increasing amounts in this country.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. SESSIONS. Madam President, I thank the Senator from Alaska for his tremendous leadership on this issue. It is a very important issue to America. I salute the Presiding Officer for her leadership on it. It is so important.

There is an economic impact in this area would have minimal environmental impact. This is going to be the most closely watched drilling ever to occur in the world. I suppose. It will be environmentally sound in every possible way, using the newest technology, as Senator DOMENICI said. It will be on land where you can control things better. It will be a minute footprint in the millions of acres of land. It is going to be carefully done.

While we are talking about safely drilling in Alaska, today no one I know of is seriously opposing drilling in the Caspian Sea. No one is opposing the drilling that goes on in Venezuela. We are only discussing the drilling off the coast of Louisiana, Alabama, and Mississippi, and in the Gulf of Mexico right now, producing oil and gas in a much more high-risk environment than this would ever be. So this is an unbelievable argument to me. It goes against all logic.

This is a minute environmental impact, I suggest. But it represents, without doubt in my mind, the greatest economic growth potential of anything in the President's package or anything we are dealing with on the floor right now. I think this is an important issue for America. The reason is, we are talking about new wealth to America.

Every day, if we do not buy the oil that comes from this region, we will be sending our money to Venezuela and Saudi Arabia and Iraq and whatever other OPEC nation we would be sending it to—a direct sucking sound of American wealth going to foreign nations.

We have had various studies. One said 735,000 jobs would be produced. Another one has come in at 575,000 jobs that would be created.

I want to make one point. These are going to be critical jobs, high-paying jobs in drilling—environmental engineers, pump manufacturing, shipping, transportation, rail, airlines are going to be active, steelheaders, and that kind of thing, high-paying jobs. Money will be paid to them out of the money that would have otherwise been sent outside of this country for foreign oil that would not have been paid to American workers. High paid salaries to American workers—it will be missed by us.

So I would say this is big. I will just briefly make this point. How big is it? If we had 575,000 jobs, and they are making higher wages, if they are a spouse who is working, they may be paying more than the figure I would float out, but I suggest these jobs will result in IRS payments to Uncle Sam, Uncle Sugar, of probably $10,000 per job.

You add that up, 575,000 jobs at $10,000 to the tax man of the United States. That turns out to $5.75 billion a year to the Treasury of the United States. Over 10 years that is almost $50 billion.

Are we going to pay this to the "stans," to Russia, Venezuela, Mexico, Iraq, Kuwait, those countries? That is who is getting it now and will be getting it in the future. It is really a tremendous amount.
This does not count the royalties that will be paid by the drilling companies to the United States. They will be paying $10 to $20 billion over the life of this activity.

We have also not forgotten, I hope, that we are under a budget resolution as proposed, will result in the payment of $2.5 billion to the Land and Water Conservation Fund for conservation programs in America. I have absolutely no doubt—I know the Presiding Officer—that this $2.5 billion will do more environmental good throughout the entire United States than this 2,500-acre footprint of drilling would cause damage in this vast ANWR region of Alaska.

I really believe this is a tremendously important economic issue for America. It is jobs, jobs, jobs. Those of us who are wrestling with a budget in this country that shows declining revenues, it will guarantee increased tax revenues to the United States. We must not exaggerate the fears that pull us back from this important issue.

It is great to be with the Senator from Alaska, and know he knows this issue so well. I appreciate his leadership. Yes, it is good for Alaska, but it is good for the entire country. I am grateful that he is here.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 374

Mr. CONRAD. Madam President, I know the Senator from South Carolina has a sense-of-the-Senate amendment. Let me just say I regret that because we have done our level best to stop the practice of offering sense-of-the-Senate amendments on the budget resolution. We have established a point of order against them to try to discourage sense-of-the-Senate amendments. And we have been so far, until this moment, successful on both sides. I just say to my colleagues, if we start down this path, we will be right back to where we were last year. We are going to be right back to vote-arama. We are going to be right back to a circumstance in which, when all time has expired, we are going to face 30 or 40 or 50 votes and nobody is going to have a chance to explain them. We are going to have Senators, hour after hour after hour, marching down into the well of the Senate to cast votes on issues they have not even had a chance to debate or had a chance to discuss.

I regret very much the sense-of-the-Senate amendments that have been put in this queue. I say to my colleagues on the other side, if we start down this path, the same thing is going to happen over here.

Let me say, it is not the fault of the Senator from South Carolina. He has offered an amendment in good faith. We respect that Senator. But the point is a larger question of how we proceed on a budget resolution. Both sides have worked very hard to prevent vote-arama.

We are right now rushing toward that result. I hope everybody thinks very carefully now about the decisions we are making because we are going to reap the whirlwind.

Let me just say this to my colleagues. There is an alternative. The Senator from South Carolina has gotten in the queue. I hope we can work out an agreement. On him is a number of amendments. I understand staffs on both sides are working on that. If we do not draw the line here, it is Katie bar the door. And we should all understand that.

No. 2. I hear the Senator from South Carolina has a reasonable time to discuss his amendment, hopefully during that period our staffs can work together and we can reach an accommodation and agreement so the amendment of the Senator can be adopted without a vote. I urge that course on my colleagues on the other side.

Next, that we then move to a debate on another amendment with the ability to come back and finish off on ANWR before the vote that is now scheduled at 3 o'clock. I just hope we all think very carefully, now, in these minutes, before we head down this path, of where it leads. At the same time, on both sides, we discussed trying to reach an agreement on a number of amendments, those to be debated and those to be in vote-arama.

On our side we are calling a caucus to discuss that very question. I hope the other side—I have already talked to Senator Nickles about it—will give it close consideration as well, so we avoid this spectacle of vote-arama. But right now colleagues should understand we are headed for the vote-arama of all time, and it will not reflect well on the body, and it probably will not lead to the best results.

With that, I yield the floor and, again, hope my colleagues consider these options.

Mr. GRAHAM of South Carolina addressed the Chair.

Mr. STEVENS. Madam President, will the Senator yield for a moment?

Mr. GRAHAM of South Carolina. Absolutely.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Madam President, while the Senator from North Dakota is here, I would like to see if there could be an agreement. I understand we are going off this amendment to delete the ANWR provision in this budget resolution for a little while. I wonder if it would be possible if we could ask unanimous consent that we return to this amendment at 3 o'clock—the vote will be at 3—and the time between 2 and 3 o'clock be equally divided between the two sides.

Mr. CONRAD. I would certainly be open to that. I want the opinion of the manager and chairman of the committee.

Mr. NICKLES. I have no objection to that. This is a very important amendment. It is one of the reasons why I encouraged our colleagues to bring it up. I knew it was going to take some time. I have no objection to that.

Mr. CONRAD. We have no objection on this side.

Mr. STEVENS. I do offer that unanimous consent request. I point out, I could speak from now until 3 o'clock, if the Senate were to like to do that, but I think it is best we go ahead as the leader requests we do. I renew my request.

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

Who yields time?

The Senator from South Carolina.

Mr. GRAHAM of South Carolina. Madam President, I have a housekeeping chore. I would like to submit to the clerk a modification to my amendment and ask unanimous consent.

The amendment can be modified without a vote. I urge that course on my colleagues on the other side.

I have no objection to that.

Mr. STEVENS. I have no objection to that. The amendment can be modified.

The PRESIDING OFFICER. The amended amendment is the amendment that is before the Senate.

Mr. CONRAD. We have no objection to the amendment as modified.
We can argue about the nuances of the diplomacy and lack thereof in some people's opinion that got us to being on the brink of war, but once hostilities begin, I am sure everybody will come together and say a prayer for our troops and support our President the best we can.

That same dynamic needs to exist with Social Security, because there is a big, gaping hole in America's domestic agenda. You can talk about the size of the tax cuts, whether we should have one, or whether we should have $750 billion or $350 billion or 30 cents or $2 trillion. Whatever opinion you have, I respect, and I have my own about that; and that is a point of debate.

One thing we need to understand and come together on quickly, in my opinion, is certain facts surrounding Social Security.

In 75 years—I know that seems forever. But my predecessor, Senator Thurmond, turned 100 a few months ago, and he is going to be a favor of his grandfather. Our State’s former junior Senator, now senior Senator, is 81. So in South Carolina, 75 years is not long in politics. It seems forever, but it is not, really.

In 75 years, our trustees, the people in charge of the Social Security trust fund, tell us we will be $25.3 trillion short of the money necessary to pay benefits. I want to repeat that. I know there are a lot of important votes to come, and my friends are trying to get through this day, so we can get on with the next event of the next day. We are in the middle of an international crisis, and our hope is we can get through the coming days as quickly as possible.

Time is not on our side in solving Social Security structural problems. You could say: Well, 75 years is a long time.

But between now and 75 years from now, for the obligations of the trust fund, and the money to pay those obligations, there will be a $25 trillion gap. And I ask, simply, the following question: Where does the money come from?

People want to know how much the war is going to cost—and the occupation. The truth is, it is going to be billions of dollars over several years. As we try to find out where the money comes from to get us through this day and this year, I hope we will start focusing on, in a bipartisan fashion, where does the money come from to keep Social Security solvent?

Seventy-five years from now, if nothing changes—if we do not do anything to address the demographic dynamics, the changes in the number of people working, the number of people retired, the Social Security issue as a way to cap future power for the moment—then we are going to allow one of the best programs in the history of the Nation not only to become insolvent but create a financial crisis in this country that we have not experienced, ever.

Another date I like to point out: In 2042, which seems forever, but it is not, really. That is, it is not, really. That year, we will be $25.3 trillion short of the money necessary to pay benefits. I want to say that again. If we do nothing different, if we just collect the same amount of money, and get the same growth rates, in 2042 you are going to reduce benefits for everybody on Social Security by 26 percent. The idea that Social Security beneficiaries, raise payroll taxes of the workforce in existence then by 50 percent. These are two very dramatic and unacceptable options, in my opinion.

Now, in 2042, I doubt if I will be here. But if every American stands the test of time, I will be here because I will turn 100 in 2055. If I can do what my predecessor has done, which I very seriously doubt, I will have another term left. I doubt if that will happen in my case, but somebody is going to be here in 2042 from South Carolina and every other State represented here today.

My hope is that during my time in the Senate, I can join with my colleagues of like mind on both sides of the aisle to make life a little better for the American public, the taxpayer, and those who will be doing the job we are engaged in today a little better than the trustees tell us of what is going to happen in 2042.

I would like to recognize certain Members of this body: Senator Gregg, Senator Breaux, and many others, Senator Moynihan, a former Member of the Senate, who have brought ideas to the table, have worked in a bipartisan manner, along with President Bush. I compliment President Clinton for putting the issue of Social Security on the table. I didn’t particularly like his solution to better growth rates, but he acknowledged that growth rates were a problem. So there is the foundation being laid in the last couple years to do something constructive.

I compliment everybody in this body who has been part of that process. As a Member of the House for four terms, I tried to be a constructive Member dealing with Social Security over there.

The temptation to achieve political power is great when the Senate and the House are so closely divided. Every issue is looked upon as the issue that can get you back in the majority or the issue that may cost you the majority. My concern is that if we have that approach to reforming and solving Social Security—I know the Senator from North Dakota who is managing the minority side of the bill is a fine Member who loves his country as much as I do—if we keep this partisan atmosphere going that has existed in the past and has been bipartisan in the democratic atmosphere we will run into a problem. So in 2042, I would like us to avoid what is coming our way. The only way to do is to start now.

Another date the Social Security trustees tell us is important is the important date is 2018. I have gone from 75 years now to 2042 to 2018. What happens in 2018? In 2018, for the first time in the history of the program, we will pay more in benefits than we collect in taxes. What is going on here? There are a lot of young folks working in the Senate—pages, interns. We are really talking about their future more than anything else.

In 2018, we pay out more in benefits than we collect in taxes. What is wrong with Social Security? What is wrong with Social Security? Why is itmounting up this unfunded obligation? Why are we beginning to pay more in benefits than we collect in taxes? Why do we have to cut benefits in 2042, and why do we have to cut benefits?

Well, it is not a Republican or a Democratic problem in terms of politics. It is just the way the country has changed. I was born in 1955. In 1950, a few years before I was born, there were 3.3 workers for every retiree. According to the trustees, in 1950, there were 16.5 people working paying Social Security taxes for every retiree. Today there are 3.3 workers to every retiree. Twenty years from now, there are going to be two workers for every retiree. That is not a Republican problem. It is not a Democratic caused problem. That is not because we can’t get along up here. That is because the ratios have changed. There is no reason to believe they will go back the other way.

My father and mother are deceased now, but I think in my mother’s family there were nine members of her family, and my father had eight. I am not married. I don’t have any kids. My sister has one. I sort of reflect what is going on in the world. I hope to help solve the problem later down the road. If I do what Senator Thurmond has done, 23 years from now, I would have my first child. I doubt if that will happen, either.

But as we kind of mark these points in time and make it personal, the problem is that the demographic changes in America have put Social Security at risk. It is nobody’s fault, but it is every worker’s problem. You cannot keep the program solvent when the ratio has gone from 16.5 workers to 1 in 1950 to 20 workers to 1 in 2018. That is just not enough money coming into the system.

When you talk about Social Security spending and what to do and the idea that we are spending Social Security surplus to run the Government,
you get everybody upset. And they should be. I came to the House in 1995. One of the first things we tried to do was isolate Social Security money surpluses and make sure we did not use the Social Security dollars paid into the system. If you called surplus that has been a practice that has been going on for 30 or 40 years. Both parties have engaged in that practice.

Every year we collect more in Social Security taxes than we pay in benefits. That is just good government. It is not good business. For several years we have been able to avoid doing that in a bipartisan way.

You remember in the last debate there was a box labeled Social Security. Let’s look the American public in the eye and say that two workers paying into the Social Security taxes than we pay in benefits. That is just good government. It is not good business.

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by the Trust Funds does require the Treasury to allocate General Revenue for this purpose, and this allocation must be met by increasing taxes, reducing other federal spending, or borrowing by the federal government.

(5) Some have proposed a Social Security "lock box." Would a "lock box" by itself extend the solvency of Social Security beyond the near term or would it have no direct effect on the future solvency of Social Security?

Answer. As suggested above, the Social Security Trust Funds are investments in the U.S. Government under the control of the Secretary of the Treasury. The mechanism by which the Secretary of the Treasury earns and pays interest on these investments is not subject to amendment by Congress. The interest and principal balances of the Social Security Trust Funds as of the last Tuesday in May of each year are published in the "Trust Fund Report." These are balances of interest and principal balances as of that date. The Secretary of the Treasury would have no authority to earn or pay interest on these balances other than as specified in the law. The "lock box" would not alter this committee and would thus have no direct effect on the future solvency of Social Security.

(6) How many South Carolinians do you project will be receiving Social Security benefits when the program becomes insolvent? How many South Carolinians currently receive benefits?

Answer. In December of 2001, about 704 thousand South Carolinians were receiving Social Security benefits. This represented about 1.5 percent of all Social Security beneficiaries. About 1.4 million South Carolinians will be receiving Social Security benefits at that time.


Answer. Table: The table below provides the historical and projected numbers of Social Security covered workers and beneficiaries. Ratios of covered workers to beneficiaries are shown both where beneficiaries include all beneficiaries and where beneficiaries are limited to retired workers. The number of beneficiaries was extremely small in 1940, the first year that Social Security beneficiaries were payable, because only workers with some work in 1937 through 1939 could qualify. This resulted in a very high ratio of covered workers to beneficiaries at the start of the program, which required several decades to mature.

SOCIAL SECURITY (OASI) COVERED WORKERS, BENEFICIARIES, AND RATIOS—1940–2080

<table>
<thead>
<tr>
<th>Year</th>
<th>Covered Workers</th>
<th>Retired Workers</th>
<th>Total</th>
<th>All Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940</td>
<td>37,580</td>
<td>140</td>
<td>38,720</td>
<td>150,648</td>
</tr>
<tr>
<td>1950</td>
<td>61,730</td>
<td>747</td>
<td>62,477</td>
<td>93,182</td>
</tr>
<tr>
<td>1960</td>
<td>72,530</td>
<td>861</td>
<td>73,391</td>
<td>156,024</td>
</tr>
<tr>
<td>1970</td>
<td>113,649</td>
<td>11,367</td>
<td>124,016</td>
<td>196,270</td>
</tr>
<tr>
<td>1980</td>
<td>130,672</td>
<td>12,624</td>
<td>143,296</td>
<td>216,600</td>
</tr>
<tr>
<td>1990</td>
<td>143,547</td>
<td>14,007</td>
<td>157,554</td>
<td>232,440</td>
</tr>
<tr>
<td>2000</td>
<td>165,443</td>
<td>15,127</td>
<td>180,570</td>
<td>245,000</td>
</tr>
<tr>
<td>2010</td>
<td>176,131</td>
<td>17,445</td>
<td>193,576</td>
<td>263,576</td>
</tr>
<tr>
<td>2020</td>
<td>184,845</td>
<td>19,454</td>
<td>204,300</td>
<td>284,300</td>
</tr>
<tr>
<td>2030</td>
<td>186,687</td>
<td>20,015</td>
<td>206,702</td>
<td>287,102</td>
</tr>
<tr>
<td>2040</td>
<td>202,238</td>
<td>21,537</td>
<td>223,775</td>
<td>304,775</td>
</tr>
<tr>
<td>2050</td>
<td>205,100</td>
<td>22,083</td>
<td>227,183</td>
<td>317,183</td>
</tr>
<tr>
<td>2060</td>
<td>207,963</td>
<td>22,625</td>
<td>230,588</td>
<td>320,588</td>
</tr>
<tr>
<td>2070</td>
<td>210,829</td>
<td>23,167</td>
<td>233,996</td>
<td>324,996</td>
</tr>
</tbody>
</table>

Note—Projections are based on the intermediate assumptions of the 2002 Trustees Report.

(8) What is the sum of the total cash shortfalls that social security is projected to experience from now through 2075, from 2025–2050, and from 1950–2075? (in constant and in present-value dollars)

Answer. Combining financial values over substantial periods of time is generally done taking into account the "time value of money". This is accomplished by accumulating or discounting the separate annual values with interest to a common date. Values computed to as of the year to which they are accumulated or discounted.

In present-value dollars, the total net OASI cash flow for years 2002 through 2076 is projected to be $24.9 trillion. This represents the net balances of over $1.2 trillion at the beginning of 2002 are added to the Trust Funds at the beginning of 2002, the program would have had adequate financing to meet the projected cost of benefits scheduled in current law over the next 75 years. It should be noted that if the dollar amount of this additional balance is accumulated with interest to the end of 2076, and then expressed in constant (CPI-indexed) 2002 dollars we get $33 trillion.

The sum of the net cash-flow of almost $1.6 trillion for the period 2002 through 2076 can be separated into the three 25-year sub-periods: $8.4 trillion for the period 2002 through 2026, $6.8 trillion for the period 2027 through 2051, and $2.3 trillion for the period 2052 through 2076. If only negative cash flows are included then the value for the first 25-year period is $9.5 trillion and the total for the 72-year period is $3.5 trillion.

If we project that the total of $3.3 trillion had been added to the Trust Funds at the beginning of 2002, then the amount of borrowing from the General Revenue for 2002 through 2076 can be separated into the three 25-year sub-periods: $11.1 trillion for 2002 through 2026, $9.2 trillion for the period 2027 through 2051, and $3.1 trillion for the period 2052 through 2076.

(9) A demographic group, do African-American males receive the same proportion of the retirement program as other demographic groups?

Answer. Due to the nature of the Social Security program it is difficult to look at the retirement benefits in isolation. The payroll tax rate is specified in two components, one for retirement and survivor benefits and the other for disability benefits. In addition, a significant portion of the benefits payable from the Federal Old-Age and Survivors Insurance program (FOSI) are attributed to the fact that many become eligible for disability benefits before reaching retirement age. However, there are some observations that we can make.

First, the tradeoffs, consider the comparison of returns on retirement and survivors taxes for men and women. Men tend to die younger and have higher career earnings than women. Some men tend to make the return on contributions for retired worker benefits alone lower for men than for women. However, many men and many have spouses with lower career earnings who receive spouse or widow benefits based on the earnings and contributions of the covered worker. Thus, the ratio of retiree-life time payroll tax contributions without materially affecting their monthly benefit level when retirement and survivors benefits become payable. Thus, with all these factors taken into account it is less clear whether men get a lower return on retirement and survivor taxes than do women.

African-American males have a much greater retirement program than white males. But average career earnings are also at least as important as offsets in determining offsets. Because African-American males have higher death rates, they are also more likely to leave a widow beneficiary if they die after retirement. Additionally, African-American males are also more likely to become disabled than are white males.

Some recent studies have suggested that African-American males get a lower return from Social Security retirement benefits. But these studies have not sorted out many of the complicating factors above. In particular, many of these studies consider actual case histories of individuals who work successfully without becoming disabled up to retirement. For such individuals, life expectancy at retirement is clearly greater than for those who have been disabled prior to that time, but these studies use overall population death rates. Because African-American males are relatively more likely to become disabled, this distortion of overstating death rates for those who do not become disabled is relatively large. The second significant shortcoming that causes a disproportionately large understatement in retirement returns for African-American males is that these studies do not use the appropriate model that we hope will address these concerns and will inform you of our progress in the future. But for now, the evidence on this question appears to be inconclusive.

(10) What is the average current return on investment for FICA tax contributions for someone born before and after 1940? Show your work.

Answer. Actuarial Note Number 144 "Internal Real Rates of Return Under the OASI Program for Hypothetical Workers" authored by Orlo Nielson, Oskar Mathieson, and Milton Glanz in June 2001 addressed this issue. This note provides extensive estimates of real internal rates of return for a wide variety of cases. The most representative of these hypothetical cases presented may be the married couple with a husband and a wife, each having Federal Old-Age and Survivors Insurance (OASI) earnings. For this case, assuming a realistic earnings scale through the working lifetime, the real internal rate of return was computed to be 3.50 percent for those born in 1943. Assuming that present-law scheduled benefits would be payable in the future with no change in the payroll tax rate, the hypothetical locked-in tax rate for those born in 1943, declining to 2.93 percent for those born in 1964, and then rising...
gradually as life expectancy rises. However, the current payroll-tax rate is projected to be inadequate to finance scheduled benefits in the long run. Under the hypothetical assumption that the tax rates would need increased as needed to finance scheduled benefits in the future, future real rates are return projected to decline more rapidly, reaching 1.5 percent for those born in 1965 and 1.63 percent for those born in 2004.

In general, real rates of return are higher for married couples with one earner and for workers with low earnings. Rates are generally lower for single workers and for higher earners.

(11) Have policy proposals been introduced that keep Social Security from insolvency, allow for personal accounts, and do not change benefits for those already receiving Social Security benefits?

Answer. Absolutely. A number of Congressional proposals would accomplish these goals. At a hearing before the House Ways and Means Committee in June 1999, ten plans were presented by Congressional sponsors. The sponsors of these plans were, Archer/ Shaw, Kolbe/Stenholm, Nadler, Moynihan/ RKerry, Htancrede, Darmow, Stark, MSanford, and DeFazio. We estimated that all ten of these proposals would restore solvency for the Social Security program for at least the 75-year projection period. None of these proposals would reduce benefits for current beneficiaries, but three of them would slow growth in benefits for current recipients by reducing the size of the automatic cost-of-living adjustment (COLA) either directly, or indirectly (through modifying the CPI). Seven of these proposals provided for individual accounts on a voluntary or mandatory basis.

Since 1999 additional proposals have been developed that would meet these criteria, including the Armey/DeMint plan and Models 2 and 3 of the President’s Commission to Strengthen Social Security.

(12) Have there been any proposals introduced that would create personal accounts, allow for the insolvency of Social Security, without reducing benefits or increasing taxes? Have there been any proposals without personal accounts introduced that would avert future insolvency of Social Security without reducing benefits or increasing taxes?

Answer. The financial shortfalls projected for the Social Security program can only be eliminated by a reduction in benefit levels from what is scheduled in current law, or by increasing revenue to the program. In the long-run, additional revenue can be generated by expanding the amount of advance funding either in individual accounts or in the Social Security Trust Funds. All of the proposals mentioned above pursue this approach to some degree. However, creating additional advance funding requires additional revenue for a period of time. This additional revenue may be generated by (1) reducing Social Security payroll tax rates paid from the Trust Funds, (2) directly increasing the amount of payroll tax or some other tax, or (3) providing transfers or loans from the General Fund of the Treasury. Whether General Revenue transfers or loans represent an indirect increase in taxes depends on a number of complex factors many of which are generally unknown. The Reform of Social Security reform, so no definitive answer can be given.

All of the plans that we have analyzed in recent years provide for one or more of the three measures to generate additional revenue to avert insolvency for the Social Security Trust Funds and to provide for additional advance funding. This is true for plans that include individual accounts as well as for those that do not.

Sincerely,

STEPHEN C. GOSS

Mr. GRAHAM of South Carolina.

They have laid out the rates of return for people born after 1980.

As I have told you, they are less than 2 percent. One thing we can do is to go down because the problem, over time, gets worse. As you pay into the system as a young worker, the obligations of the system get greater, and there really will be no rate of return. As a matter of fact, by the end of your career money not work for you, it is not enough to pay benefits to people who are already in the system.

Here is the good news. If we could, in a bipartisan fashion, work together, I am confident we could construct a program for younger workers—voluntary in nature—that would allow them to take part of the money they pay into Social Security, invest it in a different system—equity and nonequity, depending on what they want to do—that will dramatically outpace a 1.8 percent return.

Here is what I suggest to you as reality. If you had a business and you wanted to invest, you would invest in people in America, and you laid out the program of that annuity and it mirrored Social Security, nobody in the country would invest in it simply because they can get a better rate of return leaving it in a checking account.

Now, every Social Security program is non-retirement. There is a component of Social Security that pays for people who have been disabled and injured. That aspect of the program is extremely important also.

But to have a better business view of Social Security is necessary. If we could achieve better growth rates—and the trustees tell us that if you achieve better growth rates, every dollar in advances, the extra dollar will be able to do 1.8 or 1.6 rate of return, that extra dollar allows benefits to be paid without raising taxes.

We are arguing about the tax cut and how to stimulate the economy. I remember in my last campaign, when I presented this idea, the ad was that “Lindsay Graham is going to take your Social Security tax dollars and put them in Enron stock.” Well, I didn’t wake up one day and think investing in Enron with Social Security was a good idea. That is not what this program is designed to do.

There is bipartisan support for personal accounts, allowing individual Americans the opportunity, if they choose, to invest in plans to get better growth rates. There are visitors here from all over the country, most likely, and I welcome them here. One thing about being a Member of the Senate, or the House, or a Federal employee in any fashion, is that you have the opportunity to invest in the Thrift Savings Plan. It is a pretty good deal. I, as a Senator, can invest up to about $10,000 of my salary into a thrift plan. It is a Government-sponsored plan, administered by the private sector, where I can choose between three or four different investment options, based on the risk I want to take. There are stock funds, mutual funds, bond funds, Treasury notes, you can choose based on the risk I want to take.

All of these funds are supported by the Government in the sense that we are going to stand behind them and not let them collapse. It is even better than that. The Government puts in 5 cents on the dollar up to the $10,000 I put in, and they do the same for every Federal employee.

I suggest something like that should exist for the average working person in this country because under the current tax system, the average American will pay more in Social Security taxes than in any other form of tax, because this comes out of our paycheck—6.5 percent—no matter what our income is, up to a certain level.

For middle- and low-income workers struggling to get by, 6.5 percent—I think that is the correct number—comes out of your paycheck to go into the Social Security trust fund. For younger workers, you would invest the money from you. We are giving you no options to invest it. We are controlling it for you, and you are going to get that 2 percent—eventually less than 1 percent—over time.

That is what is wrong for the people paying taxes. But here is the big crime of it all: That system locks in failure for Social Security. Some Senate, somehow, someday—if we don’t do something relatively soon—is going to be dealing with a trust fund that is $25 trillion short of the money necessary to pay the obligation, and it is going to be dealing with a trust fund from which somebody gets a letter one day saying: That check you got last month will be reduced by 28 percent, and I am sorry we don’t have the money to pay you.

I don’t know who will be occupying this seat then—I doubt if it will be me—but I would like to take some of that burden off their shoulders and off the working families and the working people in this country, in terms of taking their money and getting a better rate of return for it.

So the hope and purpose of this amendment is to get into the record this amendment of 2003, let it be said—if there is a record that stands the test of time, let it be said that in 2003 the Senate will soon adopt facts that I think are irrefutable, nonpartisan in nature, that lay out the future of Social Security solving in a very honest, dramatic, and chilling way.

I congratulate my colleagues who are willing to accept this amendment as part of the roadmap for the budget this year. The facts are real. They are not going to go away unless we make things happen differently.

One thing I remember from President Clinton—and it was a good line—is that
the definition of insanity is doing an event the same way and expecting different results. So I think it is insane politically for us to keep this system in place expecting different results to fall out of the sky. They will not fall out of the sky.

Our freedom is about to be strengthened because some young man and woman chose to volunteer to serve their country and risk their lives for our freedom. You can debate all you would like, whether this is an appropriate thing to do. But they have taken that sacrifice, and they will accept the order, if given, to go forward. That model is the model that has kept us free for over 200 years—average, everyday Americans who are willing to do their part, willing to risk their sons and daughters, their own lives, to make sure the next generation can have the blessings of liberty that we have enjoyed.

There was an interview I heard today of a mother with twin sons serving in the same Marine unit, both of them ready to go tomorrow, if that is the day chosen. The mom and the dad were very worried but bursting with pride about the fact that both of their sons have the family to serve in the Marine Corps and both of them are on the tip of the spear. What they were trying to tell the commentator was that they are proud of them because they are willing to serve their country and protect their way of life. The parents mentioned the fact that their hope is that life will be better for their kids than it was for them, and that truly is the American dream. That is what keeps us all going, trying to make sure that we pass on to the next generation a future with a possibility, with hard work, to be better than the one we have experienced.

I can say with all the confidence in the world that if we don’t act soon, and act decisively, and if we are not willing to make sacrifices politically and make some structural reforms to Social Security, we are committing political malpractice, and the future of Social Security is dismal and the ability to maintain the system is going to be unbelievably costly, and you can wind up with a Social Security pension plan and the military, and no money to do anything else. That is what awaits us as a nation.

But I am just as confident that we will rise to the occasion, and I cannot see how right now—it is beyond my ability as a political person to see how all this is going to come together. I am telling you that, based on faith, I know it will. The problems facing our troops—there are so many scenarios that face them in the aftermath of Iraq. There are thousands of different scenarios of what if that—and what if that. I can only tell you I have the same faith that at the end of the day we will, and at the end of the day the sacrifices will be made.

Unfortunately, some people, most likely, will lose their lives or be injured. We are going to get through this thing at the end of the day stronger rather than weaker. We are doing the right thing.

I have faith in our troops and in our President that the dictator, Saddam Hussein, will be finally punished for what he has done in Iraq. There are thousands of different scenarios of what if that. I hope it is this year—will come together to address the looming problems that face Social Security. This amendment lays out those problems. It puts it as part of the road map for this year’s budget. It encourages us to work all together with the President to come up with solutions to avoid raising taxes and cutting benefits. It is a small step that will hopefully get us to the right place one day.

I am standing on the shoulders of people who have gone before me who have addressed problems of Social Security, such as Senator Moynihan and other Senators in this body from both parties. I do not know how long I will be here. I have been patient with them. All I am saying is I do not have any money to do anything else. That is what awaits us as a nation. The mom and the dad were very worried but bursting with pride about the fact that both of their sons have the family to serve in the Marine Corps and both of them are on the tip of the spear. What they were trying to tell the commentator was that they are proud of them because they are willing to serve their country and protect their way of life. The parents mentioned the fact that their hope is that life will be better for their kids than it was for them, and that truly is the American dream. That is what keeps us all going, trying to make sure that we pass on to the next generation a future with a possibility, with hard work, to be better than the one we have experienced.

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I am standing on the shoulders of people who have gone before me who have addressed problems of Social Security, such as Senator Moynihan and other Senators in this body from both parties. I do not know how long I will be here. Only the Lord knows. I think one of the best things I can do is come up with an approach my colleagues from the other side can buy into, which means a give and take, to put in place a plan that begins to turn around the dynamics that are facing Social Security.

The good news is if we work together, if we start now, we can beat this problem, we can solve this problem. The bad news is if we continue to do what we have done for the past decade, we are going to pass on to the next generation of political leaders and taxpayers a dismal picture. I would argue that would be the first time in the history of the country that political leaders passed on a country that was diminished, not enhanced. I am confident we will not be the first ones to make that mistake.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator for his statement. I will take a few moments later to respond. Hopefully, we can get an agreement on the contents of the Senator’s amendment. In the meantime, the Senator from Wisconsin is patiently waiting. I yield her 10 minutes or whatever time she uses.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I will later be offering a very important amendment on the budget resolution. It will fully fund the No Child Left Behind Act, and I will be offering that amendment with Senators KENNEDY, BINGAMAN, KERRY, MIKULSKI, and JOHNSTON.

Given the bipartisan support for the No Child Left Behind Act a year ago, I am disappointed that there are still no Republicans who have asked to cosponsor the funding that bill promised to all of our constituents.

A budget is a statement of our priorities. In an environment where we cannot fund everything, we have to make choices based on our values. Even when times are challenging, certainly as they are today, it is important that we continue to fund our children’s education and to invest in their future.

This budget that is before the Senate has a meager investment in funding for the No Child Left Behind Act, and it fails our children and fails their future. Itactually fails the very promise that Congress and this President made to students just a few years ago.

Leaving no child behind was a very important, noble goal, and it passed with bipartisan support. It was an education reform bill that was set out to say we will leave no child behind. But the Republican budget that is now before this Senate does not even come close to meeting the needs of our students or keeping the important promises of that legislation.

When we passed the No Child Left Behind Act, we passed it based on two commitments. The first was that we would provide those schools with the resources to meet those new requirements. We are certainly keeping one part of that bargain, but this budget suggests that my colleagues on the other side of the aisle do not intend to keep the second part of that promise.

We have to ask why this administration is willing to keep a commitment to come down very hard on low-performing schools, but it is unwilling to keep a commitment to provide the resources that our students need to succeed. Tougher accountability without adequate funding is not reform. Mr. President, that is politics.

I want to talk a few minutes about the ways this budget shortchanges America’s students. The budget before us could cut funds for afterschool programs for more than 500,000 latchkey children in this country. That is on top, by the way, of the more than 6 million latchkey children we already are not serving.

This budget leaves 6 million of our most disadvantaged students behind by not providing the title I funding they need.

It also falls short on funding for teacher quality, class-size reduction, English language acquisition, drug-free schools, and rural education. We have to ask why this administration is willing to cut funds for these programs for more than 500,000 latchkey children in this country. That is on top, by the way, of the more than 6 million latchkey children we already are not serving.

This budget leaves 6 million of our most disadvantaged students behind by not providing the title I funding they need.

It also falls short on funding for teacher quality, class-size reduction, English language acquisition, drug-free schools, and rural education.
Title I in this budget is underfunded by almost $8 million. This budget assumes the elimination of 46 education programs, including, by the way, rural education, support for small schools, and dropout provisions.

The budget also assumes a $400 million cut in afterschool programs despite the strong evidence that keeping children safe after school reduces juvenile violent crime and prevents children from engaging in risky behaviors. The budget freezes most of the other major No Child Left Behind programs, including funding for teacher quality, class-size reduction, bilingual education, and State test development. The President’s Government is not only requiring that States put assessments in place, we are requiring those students pass those assessments. That is where our obligation to provide the funding promised in No Child Left Behind. Students need more tests, they need afterschool programs, tutoring, quality teachers, and small classes to pass those tests.

Given the budget crisis that is occurring in many of our States—my State has a $2.5 billion shortfall with which they are dealing—I think it is unrealistic to expect the States are going to suddenly pick up increased education funding to meet the new Federal mandates that this body passed on to them just a short time ago.

Setting a high bar is obviously important. We all agree with that. But setting a high bar and failing to give our kids the resources to succeed is simply setting them up for failure. We know what the needs are out there. We know what works to help our children succeed, and I am really dismayed that the level of education funding in this budget is going to leave many of our children behind.

That is why later this afternoon I will be offering my amendment to fully fund the commitments we made, all of us made, in the No Child Left Behind Act. It will provide the resources that parents and students are asking for. It will fully fund Title I at the level that was agreed upon in the No Child Left Behind Act. It will continue to fund the effort to hire 100,000 fully qualified teachers so we can reduce the size of classes in early grades where our children are struggling to learn the basics, and when they are in a class of 35 or 40 students, they simply cannot get the attention they need to assure that when they move on in to the latter grades they have the basic skills they need to be successful.

My amendment will also put a high-quality teacher in every classroom. Every parent knows the most important question you ask when your child comes home from school on the first day is, Who is your teacher? Why is that? Because they want to make sure their child has the best teacher. We promised in the No Child Left Behind Act that we would put a high-quality teacher in every classroom.

This budget fails to fulfill that promise. My amendment will also allow communities to offer more afterschool programs to keep our children safe and in a place where they can learn those high standards that we, at the Federal level, are now requiring. It will give children with limited English proficiency more support to succeed, and it will fund initiatives such as rural education and dropout prevention that this President’s budget zeroes out.

We know the needs are there. We know what works to help our children succeed. We need the will of the Members of this body to make it happen. I am out in my State, like every other Senator, and everywhere I go, students, teachers, parents, principals, and community leaders come up to me and say: We want the No Child Left Behind Act to succeed. We want our students to be held to high standards. We want our principals, our teachers, and all of our administrators to be held to high standards. But we cannot do it when you rob us of the seriously needed funds to do it. A Federal mandate on us that is not followed through with the resources.

The amendment I am offering will fulfill the second half of that bill that so many Senators spoke so eloquently to a short time ago.

Two years ago, we started down a road of promising all children in this country a quality education. We did the first part by calling for schools to be more accountable for their progress, but now the President is balking on the second part, providing the funding so local schools can reach those goals that we set at the national level. I hope we are going to do the right thing. I hope we follow through on the promises that every single Senator in this body made to students several years ago, and I hope my colleagues will join me in supporting this amendment and doing the right thing for our children and our future.

We are at a very critical time in this country. We are facing a possible war in Iraq within hours. I think every American is feeling the anxiety and the angst that all of my constituents are as we move forward. Even at this time, we cannot ignore the anxiety that is happening in our children’s classrooms. We need those children to succeed so we can have a strong country in the future. My amendment will assure that we keep that part of the commitment that was such an important part of No Child Left Behind.

I look forward to being able to offer this amendment at some time later this afternoon, and I urge my colleagues to support it. I yield the remainder of my time to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator from Washington for her excellent presentation on this amendment and hope that we can proceed with more substantive amendments as soon as possible and that we can have a healthy debate and then vote on these matters so the body has a chance to indicate their priorities.

I know there are other Senators wishing to discuss matters. I notice the very able senior Senator from South Carolina is in the Chamber. How much time is the Senator seeking?

Mr. HOLLINGS. Is it controlled time?

Mr. CONRAD. Yes, it is controlled time.

Mr. HOLLINGS. Ten minutes.

Mr. CONRAD. I yield 10 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina on the Gra-
ham of South Carolina amendment.

Mr. HOLLINGS. Mr. President, I have a very high regard for my distin-
guished junior colleague, but anybody who puts up this particular sense-of-
the-Senate resolution relative to Social Security could not possibly be voting for the tax cuts.

I know a majority of our Republican-controlled Budget Committee has voted for the tax cuts. The President is for the tax cuts. Right to the point, we are about to pass a tax cut in this budget resolution.

I want to bring into focus the sham of the so-called resolution of the distinguished junior Senator from South Carolina because he worries about the year 2012 hours before we are going to war and totally disregards the law. I will propose an amendment to strike all after the enacting clause and inserting in lieu thereof the Budget Act, section 13301.

Section 13301 was a very deliberate and discussed matter that we had not only in the Budget Committee, but I had help on both sides of the aisle, and we voted on it 98 to 2. It was signed into law on November 5, 1990, by President George Herbert Walker Bush. It signed into law the Greenspan commission. With this particular Graham of South Carolina resolution, one would think there was no President Bush commission.

President Bush’s commission was chaired, I think, by one of our distinguished former Members, the Senator from New York, Mr. Moynihan, who is under the weather and we all pray for his speedy recovery, but we have that commission report on what to do.

This resolution says we really are concerned about Social Security at this particular point but, by passing this resolution, we want everybody to disregard the fact that this day, this week, this year, this budget, we will be spending Social Security trust funds in order to afford a tax cut. That is all it is. It is an absolute sham. They know it is. They know it.

Section 21 of the Greenspan commission said, put this money in a trust fund. If we had adhered to it, I think we would have about a $1.3 trillion trust fund. The distinguished chairman of the Budget Committee, Senator Nickles, said we have always taken from the general fund in order to pay for Social Security, but that is not
right. I have two pages of the 2003 annual report of the Social Security Commission, page 4 and page 5. I ask unanimous consent that those two pages be printed in the RECORD.

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

B. TRUST FUND FINANCIAL OPERATIONS IN 2002

The table below shows the income, expenditures, and assets for the OASI, the DI and the combined OASDI Trust Funds in calendar year 2002.

<table>
<thead>
<tr>
<th>TABLE II.B1.—SUMMARY OF 2002 TRUST FUND FINANCIAL OPERATIONS</th>
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<tbody>
<tr>
<td>Amounts (in billions)</td>
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<tr>
<td>OASI</td>
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<tr>
<td>Assets at the end of 2001</td>
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<tr>
<td>Total income in 2002</td>
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<tr>
<td>Net contributions</td>
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<td>Taxation of benefits</td>
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<tr>
<td>Interest</td>
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<tr>
<td>Transfer from General Fund of the Treasury</td>
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<tr>
<td>Total expenditures in 2002</td>
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<tr>
<td>Benefit payments</td>
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<tr>
<td>Railroad Retirement financial interchange</td>
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<tr>
<td>Administrative expenses</td>
</tr>
<tr>
<td>Net increase in assets in 2002</td>
</tr>
<tr>
<td>Assets at the end of 2002</td>
</tr>
</tbody>
</table>

Note: Totals do not necessarily equal the sums of rounded components.

In 2002, 85 percent of total trust fund income consisted of net contributions, comprising taxes paid by employees, employers and the self-employed on earnings covered by Social Security. These taxes were paid on covered earnings up to a specified maximum annual amount, which was $89,100 in 2002 and is increased each year automatically (to $97,000 in 2003) as the average wage increases. The tax rates scheduled under current law for 2002 and later are shown in table II.B2.

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<th>TABLE II.B2.—TAX RATES FOR 2002 AND LATER</th>
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<tr>
<td>OASI</td>
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<tr>
<td>Tax rate for employees and employers, each (in percent)</td>
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<tr>
<td>Tax rate for self-employed persons (in percent)</td>
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</table>

Two percent of OASDI Trust Fund income came from subiecting up to 50 percent of Social Security benefits above a certain level to Federal personal income taxation, and 13 percent of OASDI income came from interest earned on investment of OASDI Trust Fund reserves. Social Security’s assets are invested in interest-bearing securities of the U.S. Government. In 2002 the combined trust fund assets earned interest at an effective annual rate of 6.4 percent. More than 98 percent of expenditures from the combined OASDI Trust Funds in 2002 went to pay retirement, survivor, and disability benefits totaling $453.8 billion. The financial interchange with the Railroad Retirement program resulted in a payment of $3.6 billion from the combined OASDI Trust Funds, or about 0.8 percent of total expenditures. The administrative expenses of the Social Security program were $4.2 billion, or about 0.9 percent of total expenditures.

Assets of the trust funds provide a reserve to pay benefits whenever expenditures exceed income. Assets increased by $165.4 billion in 2002 because income to each fund exceeded expenditures—as shown in table II.B1. At the end of 2002, the combined assets of the OASI and the DI Trust Funds were 288 percent of estimated expenditures for 2003.

Mr. HOLLINGS. We can see from the table:

Assets of the trust funds provide a reserve to pay benefits whenever expenditures exceed income. Assets increased by $165.4 billion in 2002 because income to each fund exceeded expenditures—as shown in table II.B1. Unlike what Senator NICKLES says at the end of 2002, the combined assets of the OASI and the DI Trust Funds were 288 percent of estimated expenditures for 2003.

This resolution of Senator GRAHAM of South Carolina is not one to cover for the looting of the Social Security trust fund. As the distinguished Presiding Officer knows, all that is needed to secure the Social Security trust fund is quit spending it on any and every other thing other than Social Security. Is my time up?

Mr. CONRAD. Would the Senator like additional time?

Mr. HOLLINGS. Yes, I would like additional time, if I can have additional time.

Mr. CONRAD. I yield an additional 10 minutes to the Senator.

Mr. HOLLINGS. The reason I would like additional time is to amend this resolution, and insert section 13301. That is the budget law. How do I get into sharp focus that is the law? I have tried by putting different penalties in, but I cannot get the Senate to pass them. We have to quit worrying about the year 2042 and start worrying about today and getting by. Our soldiers in the front lines are ready to go into Iraq, and they are worried about being around this time tomorrow, not 2042.

It is a shame for the Senate to engage in this charade at this hour. We are looting the Social Security trust fund. We are running; this fiscal year, according to the President, $554 billion in the red. That is without the costs of the war, without a supplemental. We ran a deficit last year of $429 billion. That right there is $1 trillion of stimulus into this economy.

They should be ashamed to come here asking for tax reform under the cover of stimulus. No one believes the relief of taxes on dividends will stimulate the economy or the estate tax will stimulate the economy. Those with estates and those with dividends, Bill Gates and several other witnesses, have said that is the wrong course to take. They know it. I know it. You know it.

We have a very serious problem on our hands.

The result of this is a totally unsustainable plunge into deficits and debt. That is the fundamental problem.
with the budget resolution before the Senate; it is the fundamental problem with the President’s budget before the Senate.

The budget before the Senate takes out of the Social Security trust fund nearly all of the surpluses over the next 10 years. Social Security will run surpluses over the next 10 years of $2.718 trillion. The mark before us by the chairman takes $2.718 billion of those surpluses and uses it for other purposes, uses it to fund tax cuts, uses it to fund budget deficits.

The Senator from South Carolina said that is not an appropriate way to proceed. I agree. I hope he will consider opposing the budget resolution on that basis.

However, the Senator from South Carolina is also correct to say even if we do not do this, even if we do not raid the Social Security trust fund surplus, we still have a problem. This is a necessary step to stop this raid, but it is not sufficient. It is necessary because if instead of taking these funds and using it for other purposes we were to use that money to pay down debt or to prepay the liability, we would be in a less severe circumstance going forward.

The Senator from South Carolina, who offered the amendment, has referenced a $25 trillion shortfall in Social Security; that is, if you take each year and accumulate it over time. The net present value of these gaps between income and outgo for Social Security is not $25 trillion. The net present value is $3.5 trillion. Yet the President is proposing a tax cut with interest costs of $1.96 trillion, even though we are already in deficit.

Both Senators from South Carolina have revealed the flaw in this budget. We have record deficits now. The President proposes cutting taxes almost $2 trillion with the interest costs included. The result is we are taking virtually every penny—under the President’s budget, every penny of the Social Security surplus over the decade, on the eve of the retirement of the baby boom generation. I remind my colleagues, what earthly sense does this make? At the very time the cost of the Government explodes with the retirement of the baby boom generation, the costs of the President’s tax cuts explode, driving us deep, deep into deficit.

I hope this budget resolution falls on the basis that it puts us in a circumstance of ever mounting deficits and debt right at the time the baby boom generation retires.

If there has ever been an illogical, irrational, dangerous budget, this is it. To me, this is it. We are about to make fateful decisions we are going to be living with for a long time. Nobody should be under any illusion about where this is headed. This is headed right off the cliff.

We can either together find some way to restrain both our spending impulses and our tax-cutting impulses or we can wage what we have waged so far, which is a rush to deficits and debt. It will be a sad day when we wake up from this hangover and from this binge of tax cutting and spending that can only lead one place, and that is to shredding of Social Security and Medicare and the rest of Government as we know it.

We have worked with the Senator from South Carolina to try to reach an agreement. I don’t know if those modifications have been agreed to. If they have not been agreed to, I hope they have no intention to accept them. I think Senator Craig is perhaps waiting to speak on this matter so I withhold going further. Perhaps the Senator from South Carolina would like to speak further. I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM of South Carolina. Mr. President, I compliment the Senator. I thought that was a fairly eloquent rendition of where we are. But I would like to add to it and respond to my good friend, the senior Senator from South Carolina. If anyone has earned that title, Senator Hollings has. He is the senior Senator from South Carolina.

But the difference between what the Senator from North Dakota and the senior Senator from South Carolina were saying that I think is important.

The purpose in my offering this sense-or the Senate amendment is to take facts that have been reported by the Social Security Administration and make them part of this year’s roadmap when we decide what to do to get through the budget process this year and to remind the Senate and get the Senate to focus on the short- and long-term problems our Nation faces.

“Poppycock.” I don’t know what it means, but it is often used by my good friend from South Carolina, the senior Senator. It sounds as though everything he says is intriguing to me, just by his speaking style. But I do want to respond to the gist of what he was saying. The sham and the fraud which I think has been going on, which has been going on for years, is to suggest there is an easy solution. It is to suggest if you just left Social Security alone, didn’t use it for tax cuts or didn’t use it for spending, everything would be OK. My senior Senator and I don’t argue about 2042. It is not an issue. The reason I want to talk about 2018 and 2042 is I believe the reason I am here today is to pass on to the next generation a country very sound and very fit. If we do not address the problem of having two workers for every retiree, versus 16:1 when I was born, then we are going to fail and commit political malpractice.

I think it is political malpractice to suggest that if you just let Social Security alone, the problem will go away. Here is what the Social Security trustees said about that solution:

The implementation of a Social Security lockbox would not alter this commitment and thus would have no direct effect on the future solvency of Social Security.

As to the Senator from North Dakota, he is telling us, telling me, that now is not the time to cut taxes because of a variety of reasons, and one would be it will put pressure on the Social Security trust fund; that is, if you take each year and accumulate it over time. The net present value of those gaps between income and outgo for Social Security is $3.5 trillion. Yet the President is proposing a tax cut with interest costs of $1.96 trillion, even though we are already in deficit.

I think Senator Craig is perhaps waiting to speak on this matter so I withhold going further. Perhaps the Senator from South Carolina would like to speak further. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CRAIG of North Dakota. Mr. President, I compliment the Senator. I respectfully disagree. I believe a tax cut will help stimulate the economy, making the economy and payroll taxes stronger, not weaker. But I respect him and I respect him tremendously because he has bought into the big picture. We disagree about what to do today. We may disagree about spending plans tomorrow. But the Senator from North Dakota has bought into the big picture. He understands what faces our Nation.

As to the Senator from North Dakota and myself, do fix problems each year with the trust fund, I encourage him to work with me and others to come up with an overall solution that will hit the problem head on. This is a cancer that needs to be treated—and not with a Band-Aid. The problem we are facing as a Nation is we would not have enough money coming into the system, if it was all dedicated, to come close to paying benefits. In 2042— I will mention that date again—20 percent reduction in benefits; 2018, you pay more benefits in taxes. Every day we talk about it, it gets worse.

Having said that, I do believe the Senator from North Dakota and myself
will be able to work on a compromise that reflects accurately the facts facing the trust fund, the problem the Nation faces, and we will disagree about this year's budget and how to have a tax cut or not. But I do wish to work with him in the future because I believe he has got it, I believe he understands it.

With that, I will yield 10 minutes to my colleague, Senator Craig, from Idaho. The PRESIDING OFFICER. The Senator from Idaho is recognized for 10 minutes.

Mr. CRAIG. Mr. President, I am first asked unanimous consent I become a cosponsor of amendment No. 274. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRAIG. Mr. President, I am pleased to join with the senior Senator from South Carolina on a sense-of-the-Senate amendment expressing that Congress is well advised to act sooner rather than later in strengthening our Social Security Program for the long term, for the young men and women today who are beginning to invest in the system and who have grown increasingly to believe it will be unreliable and not there when they get to be of Social Security age.

Why? The statistics have been talked about this morning, but here we are again. Year after year, trustee report after trustee report has been played out, spoken to, shown on the floor of the Senate. Hearings after hearings, month after month in our committee rooms, have given us the same message. Whether it is the junior or senior Senator from South Carolina, they both agree on the outcome. They may disagree on the reasons, but the trustees are always reflecting the graph or the chart that is so effectively displayed here. This comes directly from the Social Security trustee report of 2002 that we are speaking to this morning.

Current retirees and those approaching retirement age are going to get their money. Why? Because Social Security in that sense is solvent. But what we are concerned about, and why we begin to express a degree of urgency about reform for Social Security, is that you do not reform Social Security today for tomorrow, you reform it today for 40 years down the road, or 50 years down the road. It is like an insurance account. We are the board of trustees responsible for establishing and sustaining its actuarial soundness so we do not have to dump large sums of general fund money into it at the last minute to keep it whole.

I think all of us agree with the general understanding and the oversight that the trustees and the studies have shown. Social Security is solid today for our seniors. I am chairman of the Special Committee on Aging. We have spent many hours looking at this issue. Some folks take umbrage when they hear that Social Security will be broke. I don't know of anything that would express it differently than this bright red ink that would suggest at about 2020 it breaks beyond the black ink, or the break-even, and it heads into deficit. That is exactly what the junior Senator from South Carolina is talking about and what I am talking about.

Last month, Alan Greenspan of the Federal Reserve was before our Subcommittee on Aging. He was not there to talk about interest rates. He was there to talk about aging. He testified that the country faced "abrupt and painful" adjustments down the road as related to Social Security if we do not address it sooner rather than later. He simply meant that baby boomers were going to get cut. In essence, this is what is going to happen: I am a baby boomer. I am afraid my grandkids are going to say to me: Grandpa, we can't afford you anymore. We can't afford a huge burden for your taxes just to pay for your well-being.

And I would not blame them, when we look at the kind of tax scale that will result if you stand here and say the charts are the same. And in the future to deal with this red ink, except leave the trust fund alone, and that in some magical, mythical way you can take it out of the general fund of the Treasury of the United States, and that you don't spend it, or at least you don't borrow it back to Government to spend on other programs until such time as it is necessary and on call and Government can afford to pay for it.

Those are the issues at hand. That is what this resolution is about, to push us forward and into action in the near future, to make the kinds of adjustments that will assure my grandparents that Social Security is going to be there for them. How do we do that? We don't break it to pay Government to step on other programs until such time as it is necessary and on call and Government can afford to pay for it.

The do-nothing plan is what the trustees laid before us on Monday. And the do-nothing plan is the plan represented right here, in all of the red ink that is either displayed by my chart or by the chart of the Senator from North Dakota. I think my chart is prettier, but the charts are the same. Democrat or Republican, the figures don't lie, and we can't lie about what we are about to do. I hope—but what is the right way to reform Social Security, to create the dynamics 30 or 40 years down the road, to assure that young people who are now beginning to invest in it with hard-earned dollars will not have to tighten their withheld dollars from their payrolls to assure that it will be there for them.

This week, the trustees have done their job, and they have done it well. They have talked about it, and they have determined a status quo or do-nothing plan versus a variety of others. The do-nothing plan is what the trustees laid before us on Monday. And the do-nothing plan is the plan represented right here, in all of the red ink that is either displayed by my chart or by the chart of the Senator from North Dakota. I think my chart is prettier, but the charts are the same. Democrat or Republican, the figures don't lie, and we can't lie about what we are about to do.

We both agree that herein lies the problem. A dynamic economy—people working softens it, and that is what this tax cut is about, getting people back to work, putting money in the economy and putting people back to work. We are going to have to quit spending at the rate we are spending while we are stimulating the economy and putting people back to work. That helps the bottom line and softens the deficit a little bit.

But most economists agree, if you do not give a tax cut, and you continue to spend at the rate you are spending, you are going to have deficits for a long time to come. You can't cut your way out of them. You have to grow the economy and put some money back in the Treasury, and in doing that, for the short term, you strengthen Social Security.

But this is what is true about the long term, and in the long term are people like me at 55, 50, 57 years of age. I am 57. And in a short time we are coming online—62, 65, 67 years of age, eligible for Social Security. Part of that baby boom generation, that tidal wave of people hitting the Social Security system.
The Senator from North Dakota talked about the doubling of the numbers of recipients. That is what this red ink is all about. We need to create dynamics in the system, and change it, and assure that the right kind of incentives are going to be there. The right kind of energy and multipliers are going to work there, to assure that not only is the system going to be there in the long term for me, but, most importantly, that the system is going to be there for the future. We need to be investing in it today. I am not alone in condemning the do-nothing plan.

The PRESIDING OFFICER. The Chair wants to inform the Senator he has used 10 minutes.

Mr. GRAHAM of South Carolina. If the Senator would like additional time?

Mr. CRAIG. If I could have an additional 2 minutes to wrap up?

The PRESIDING OFFICER. The Senator may continue.

Mr. CRAIG. Mr. President, I thank the Senator for yielding me the time.

Whether it is former Senator Bob Kerrey, Democrat from Nebraska, whether it is former Senator Pat Moynihan, Democrat from New York, whether it is Republican Larry Craig of Idaho, or Republican Lindsey Graham of South Carolina, the reality is, we all understand we must act now, sooner rather than later, to recreate, strengthen, and ensure the future for a Social Security system that is good for my grandkids to put their money in, that is a sound investment that will yield for them a reasonable supplemental income in their retirement years.

I am not alone in condemning the do-nothing plan. Our former colleague, Senator Bob Kerrey, from Nebraska wrote a letter to another former colleague, Senator Daniel Patrick Moynihan, from New York, on the eve of his assuming the cochairmanship of the Commission to Strengthen Social Security. He wrote:

Dear Pat, In that I have a great and abiding interest in your success on the 2001 Social Security Commission and that I am willing to provide free advice, I offer the following two suggestions:

1. Start talking about the details of the most popular plan in Washington to fix Social Security. . . . It is called the do-nothing plan. The do-nothing plan discloses no details. . . . Citizens who want to know the rest of the explanation are left to look to the Social Security Trustees who will tell them this: The do-nothing plan proposes to cut benefits 25 to 33 percent by 2043.

2. Wealth should have a goal. . . . Our goal yields time?

I thank the Senator from South Carolina for bringing forward this concurrent resolution, urging us forward now, to begin to act. Hopefully, by 2004, 2005, or 2006, we will have developed the political will to do the right thing for the Social Security system and its future.

Mr. President, I yield the floor. The PRESIDING OFFICER. Who yields time?

The Senator from South Carolina is recognized.

Mr. GRAHAM of South Carolina. Mr. President, if I may, to put a couple of things in perspective as we close out the discussion on the amendment, No. 1. I have been able to reach accommodation with the Senator from North Dakota and the trust fund of the Social Security system. I am willing to accept his changes. I think they are reasonable and helpful.

I encourage my colleagues, we can have disagreements about how to best protect the Social Security trust fund. We can have a debate that we should not cut taxes, that we should make sure that we do nothing in terms of spending or tax cuts that jeopardizes the dollars coming in. That is a legitimate, healthy debate. I believe the best way to protect the trust fund is to create additional jobs and grow the economy so we will have more payroll taxes coming in to shore up the trust fund.

The focus of the amendment is to clarify in this roadmap the status of Social Security, not based on what a Republican thinks or what a Democrat thinks. And here is the summary of what that status is.

Whatever happens to the current amount of money coming into the system, if it is all protected, or some of it is bled off, if every dollar were to be collected that is going to be paid, it is $25 trillion short to pay bills in the next 75 years. And in 2002 you would have to cut 25 percent of the benefit package or increase taxes by 50 percent. In 2018, you would pay more in benefits than you collect in taxes. Why is that? The amount of money to be dedicated to this system, if it is all left alone, is nowhere near the amount of money to pay the benefits. It is no one’s fault. It is not Senator Hollings’ fault, and it is not my fault. The problem is we went from 16.5 workers paying into the system in 1950 to 20 years from now having two. There are just not enough people paying taxes to take care of the baby boomers.

One thing I am trying to make crystal clear is, there is no easy fix. The demagoguery must stop now. Those who say a tax cut this year or a spending plan next year is the problem with Social Security are missing the boat and engaging in conduct that is going to prevent us from ever finding a solution that works.

My belief is that you grow the economy to help Social Security. The belief of the Senator from North Dakota is that you don’t do anything to jeopardize the trust fund this year through a tax cut. I respect that. I just disagree.

I hope if there is a vote in any fashion on this amendment, that my colleagues would allow the product that the Senator from North Dakota and I have come up with to be part of the record because it is important that the Senate incorporate information from the Social Security trustees that tells us exactly the future of Social Security and its status so that there will be something we can agree on and we can start working toward a solution sooner rather than later. If we can’t agree on the basis, if we can’t put into the budget resolution what the Social Security trustees are telling us about the status of the fund in 2018 and 2092 and the structural problems, if we can’t do that because somebody wants to make a point about the tax cuts for political advantage, how in the world are we ever going to solve this problem?

I hope the Senate will overcome the temptation to kind of punch and counterpunch on the debate about taxes or any other debate and put in the record the real facts about Social Security, a record that has been established between myself and the Senator from North Dakota. It would be a great day, a small step forward to finally come to grips with the problems that Social Security faces.
Mr. HOLLINGS. Mr. President, right to the point, when the distinguished Senator from Idaho was talking about growing out to it, I ask unanimous consent to print page 6 of the budget resolution before us in the RECORD at this particular point.

If there is no objection, the material is ordered to be printed in the RECORD, as follows:

Fiscal year 2012: $327,375,000,000.
Fiscal year 2013: $317,115,000,000.

(5) Pursuant to section 305 of the Budget Act of 1974, appropriate levels of the public debt are as follows:

Fiscal year 2003: $6,687,816,000,000.
Fiscal year 2004: $7,269,629,000,000.
Fiscal year 2005: $8,396,224,000,000.
Fiscal year 2006: $8,885,256,000,000.
Fiscal year 2007: $9,412,708,000,000.
Fiscal year 2008: $9,922,454,000,000.
Fiscal year 2009: $10,433,089,000,000.
Fiscal year 2010: $10,971,657,000,000.
Fiscal year 2011: $11,419,331,000,000.
Fiscal year 2012: $11,919,329,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of the debt held by the public are as follows:

Fiscal year 2003: $3,858,449,000,000.
Fiscal year 2004: $4,184,748,000,000.
Fiscal year 2005: $4,466,730,000,000.
Fiscal year 2006: $4,661,234,000,000.
Fiscal year 2007: $4,900,020,000,000.
Fiscal year 2008: $5,918,852,000,000.
Fiscal year 2009: $5,101,852,000,000.
Fiscal year 2010: $5,190,541,000,000.

Mr. HOLLINGS. On page 6 you will see that the appropriate levels of the public debt are as follows: Fiscal year 2003, $6,687,816,000,000, but for the fiscal year 2013, the public debt is $11,919,328,000,000. So it is an increase of $5.2 trillion. Good gosh, I said “trillion.” I was hoping to say “billion.” The debt goes up, up, and away. Well, we know what the interest cost is going to be on that. That is going to be in excess of $600 or $700 billion a year. We just can’t afford that.

Let me say to the distinguished colleague from South Carolina, again, I was here in the 1970s. I was here in the 1980s. We didn’t spend the Social Security trust fund, but we were beginning to drain it at the very end of the 1970s. And we appointed the Greenspan commission, and the Greenspan commission put on a graduated increase in taxes over the years to take care of the baby boomers in the next generation, exactly what my colleague from South Carolina is talking about. We foresaw that. It was supposed to build up these reserves and surpluses. That is exactly what has occurred.

I refer, since it is already in the record, to page 4 of the annual report of the Social Security trust fund that was issued on Monday.

It shows at the end of 2002, we had assets in the Social Security trust of $1.378 trillion. Of course, they have been spending the money on any and everything but Social Security. You can propose plan A, and plan B. You can talk about how it was in 2002 and all those wonderful little ideas until you are blue in the face. But unless and until you stop spending Social Security moneys on everything but Social Security, none of those plans is going to work—whether you privatize or not. That is why the Congress, under the leadership of President George Herbert Walker Bush, in November of 1990, wrote into law section 13301, which put Social Security into the amendment to make it crystal clear. I don’t mind some of the waareresses—and I understand the Senator from North Dakota wants to try to move things along and accommodate my colleague from South Carolina in taking a sense of the Senate. But there is no way in the world to make that a bill because there is no way to write it. You have to provide what the budget impact is, and everything else like that, and have it appraised. So it remains as a sense of the Senate at the desk. So that we can clear the air from this particular sham, I raise a point of order under section 305 of the Budget Act that sense-of-the-Senate resolutions are nongermane.

The PRESIDING OFFICER. A point of order is not in order at this time. It can only be made when the time of the amendment has been used or yielded back.

Mr. HOLLINGS. Very good. I yield the floor. I think I have made my point. I ask the Chair, is it still a sense-of-the-Senate resolution? What is the form?

The PRESIDING OFFICER. It is a sense-of-the-Senate amendment.

Mr. HOLLINGS. A sense-of-the-Senate amendment. Right, mine would be the sense of the Senate. So I don’t know—may I ask unanimous consent, then, to be recognized at the end, not to make a point of order?

I ask unanimous consent that when the time expires, I may be recognized to have considered the amendment, or voted on the amendment that I have at the desk.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM of South Carolina. Mr. President, respecting the right to object, I believe an effort is being made between my office and Senator HOLLINGS to work something out we can all live with. I ask him to take that into consideration. There are negotiations going on as we speak.

Mr. HOLLINGS. Do you object?

The PRESIDING OFFICER. Does the Senator object?

Mr. GRAHAM of South Carolina. No, I do not object.

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

The Senator from South Carolina is recognized.

Mr. GRAHAM of South Carolina. Mr. President, simply put, a couple things: My senior Senator seems to suggest we did something in the 1980s that has made Social Security sound. Social Security has surplus today, but every day that goes by, those surpluses are not enough to pay the bills that are due. We are not making Social Security Administration told us yesterday: There are 3.3 workers to every retiree in 2002. Twenty years
from now, it goes 2 to 1. They told us yesterday that without structural reform—I emphasize again, structural reform does not include leaving Social Security current dollars alone. If you leave every dollar owed to Social Security alone and do nothing else, it will run out within a generation in 2042. It is $25 trillion short in 2075. That is not the problem. People who say that are not being forthright about the problem.

Having said that, I join my colleagues from South Carolina and the Senator from North Dakota to try to make sure we preserve Social Security, keep it strong and healthy until we can find a structural reform. He has made an argument that cutting taxes reduces the family’s income. The point is that payroll taxes are the income for Social Security. We are in a depressed economy right now.

We are trying—at least I am trying—to take some dollars and invest them back into the families and businesses of America. He and other proposals to add additional jobs, to strengthen the revenue flow, and to protect the revenue flow of Social Security.

My friend from North Dakota doesn’t believe that. I totally respect him. But it is very difficult to be treated to by some of my friends on the other side of the aisle about needing to be good stewards with taxpayer dollars. I came to Congress in 1994. When I came here my friends on the other side of the aisle said I was wrong. We had not balanced the budget in 30 years. We were able to balance the budget and cut taxes twice. Now, because of war, recession, and other problems, we have a debt. The debt, compared to the gross domestic product, is very small as compared to years past. But it is still a debt, and it is a real problem, and we need to work together to solve that debt, and we will.

I am asking my colleagues today, whatever you think about the tax cut, or other proposals that my party may present today or tomorrow, please do not prevent us from having in the Record for the country to see the true state of affairs with Social Security. My amendment doesn’t fix the problem; it identifies it. I have been able to work with the Senator from North Dakota to put it into the Record. Today could be a good day—a day that the Senate agrees on the outlier problems of Social Security and begins to define it in a nonpartisan way or today could be the same old politics, where the political moment prevents us from talking honestly and openly about the looming problem of Social Security.

I am hoping this will be a different day because, if not, we have lost the opportunity to do something constructive to fix Social Security. I appreciate the Senator from North Dakota working with me. I hope I can reach an agreement with my senior Senator from South Carolina to define the problem in honest terms, without anybody putting their spin on it, because the wording comes from the Social Security Administration. If I fail, I deeply regret the fact that I was not able to achieve this small first step. I am hopeful that, working together, we can achieve this small first step. That is all I know to say.

This is a great exercise in what this country faces. I am trying to use the Social Security trustees’ report to define the problem. I don’t want the demagoguery of the moment to keep us from doing that, because the country loses in the debate of the moment. There is something constructive and define the problem in the terms given by the Social Security trustees.

I reserve the remainder of my time.

Mr. CONRAD. Mr. President, has the Senator from South Carolina now seen the modification suggested by the senior Senator from South Carolina? Is the Senator from South Carolina, at this point, willing to accept the modifications we previously discussed, as well as the modification of the senior Senator from South Carolina?

Mr. GRAHAM of South Carolina. After having reviewed those documents, I am willing to accept the modifications as offered by my senior Senator and the modification offered by the Senator from North Dakota. I am willing to do that. I think it is a good first step.

Mr. CONRAD. I appreciate that and I think that would be a good outcome. I will soon seek unanimous consent to accept the amendment as modified, and then we will be able to proceed. As you know, at 2 o’clock, we have to turn our attention back to the ANWR discussion.

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

Mr. CONRAD. Yes, without losing my right to the floor. We are up against the 2 o’clock time limit.

Mr. REID. I would like to get this amendment accepted.

Mr. CONRAD. Would the Senator from South Carolina, including his modification, accept that?

Mr. HOLLINGS. That would be acceptable.

Mr. CONRAD. Madam President, I ask unanimous consent that we accept the amendment of the Senator from South Carolina, including his modification, as modified.

The PRESIDING OFFICER (Mrs. DOLE). The Senator has a right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

On page 79, after line 22, add the following:

SEC. 208. SOCIAL SECURITY RESTRUCTURING.

(a) FINDINGS.—The Senate finds that—

(1) Social Security is the foundation of retirement income for most Americans;

(2) preserving and strengthening the long term viability of Social Security is a vital national priority and is essential for the retirement security of today’s working Americans, current and future retirees, and their families;

(3) Social Security faces significant fiscal and demographic pressures;

(4) the nonpartisan Office of the Chief Actuary at the Social Security Administration reports that—

(A) the number of workers paying taxes to support each Social Security beneficiary has dropped from 16.5 in 1960 to 3.3 in 2003;

(B) within a generation there will be only 2 workers to support each retiree, which will substantially increase the financial burden on American workers;

(C) without structural reform, the Social Security system, beginning in 2016, will pay out more in benefits than it will collect in taxes;

(D) without structural reform, the Social Security trust fund will be exhausted in 2042, and Social Security tax revenue in 2042 will only cover 73 percent of promised benefits, and will decrease to 65 percent by 2077;

(E) without structural reform, future Congresses may have to raise payroll taxes 50 percent over the next 75 years to pay full benefits on time, resulting in payroll tax rates of as much as 16.9 percent by 2042 and 18.9 percent by 2077;

(F) without structural reform, Social Security benefit levels will decrease every year, and the next 75 years is estimated to be more than $25,000,000,000,000 in constant 2003 dollars or $3,500,000,000 measured in present value terms;

(G) absent structural reforms, spending on Social Security will increase from 4.4 percent of gross domestic product in 2003 to 7.0 percent in 2077; and

(5) the Congressional Budget Office, the General Accounting Office, the Congressional Research Service, the Chairman of the Federal Reserve Board, and the President’s Commission to Strengthen Social Security have all warned that failure to enact fiscally responsible Social Security reform quickly will result in 1 or more of the following—

(A) Higher tax rates.

(B) Lower Social Security benefit levels.

(C) Increased Federal debt or less spending on other federal programs.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the President, the Congress and the American people including seniors, workers, women, minorities, and disabled persons should work together at the earliest opportunity to enact legislation to achieve a solvent and permanently sustainable Social Security system; and

(2) Social Security reform—

(A) must protect current and near retirees from any changes to Social Security benefits;

(B) must reduce the pressure on future taxpayers and on other budgetary priorities;

(C) must provide benefit levels that adequately reflect individual contributions to the Social Security system.

(D) must preserve and strengthen the safety net for vulnerable populations including the disabled and survivors.

(E) we should honor section 13801 of the Budget Enforcement Act of 1990.

The PRESIDING OFFICER. Will the Senators yield back their time on the amendment?

Mr. CONRAD. Yes. We are prepared to yield back.

The PRESIDING OFFICER. Time is yielded back. The question is on agreeing to amendment No. 274, as modified.

Without objection, the amendment, as modified, is agreed to.

The amendment (No. 274), as modified, is agreed to.
Mr. HOLLINGS. Madam President, the agreement we had that I be recognized now should be vitiated. It is not necessary.

The PRESIDING OFFICER. That is vitiating this action.

AMENDMENT NO. 72

Mr. CONRAD. Parliamentary inquiry: Are we now in the circumstance that we are back on the debate on ANWR for 1 hour preceding the vote at 3 o’clock?

The PRESIDING OFFICER. The Senator from Alaska.

Mr. CONRAD. Time is equally divided during that time?

The PRESIDING OFFICER. The Senator from Alaska.

Mr. CONRAD. Who yields time?

The PRESIDING OFFICER. Mr. CONRAD. I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Alaska.

Mr. STEVENS. Madam President, I believe we have an hour equally divided at this time.

The PRESIDING OFFICER. The Senator from Alaska.

Ms. MURkowski. Ten minutes.

The PRESIDING OFFICER. The Senator from Alaska.

Ms. MURkowski. I thank the Chair. Madam President, the discussion about ANWR is more than just pictures. It is more than just numbers, and barrels of oil that might be recoverable. ANWR is about real people, real jobs, and real opportunities, and that is what we need to be focusing on. We do not need to get caught up in the hype of the pretty pictures. I will be the first to tell you that my State is absolutely drop-dead gorgeous, and I want to keep it that way. I would not be supporting anything, and I would not be standing on the floor of the Senate suggesting that we should do anything to spoil that.

I want to talk briefly today about three points and what ANWR means to us in Alaska. It is jobs, it is protection of the environment, and it is also about economic security—three common-sense, basic issues.

Let me talk quickly about the environment because it is these attacks that I think first and foremost have kept ANWR from being developed for the past 20-some years, all the concerns of the development of oil and gas reserves on the North Slope, on the Coastal Plain. It was intended and identified as early as 1960 by President Eisenhower that this area had great potential for oil exploration and drilling and should be utilized as such.

We do care for the environment. We have shown that through construction of our 800-mile Trans-Alaska pipeline that carries the oil safely, bisecting the State from top to bottom. We have done a plan statistic, and the scientific studies and reports, including the National Academy of Sciences’ report that came out 2 weeks ago, demonstrate that. We do a good job. We care for our environment in Alaska.

The environment and development are not mutually exclusive terms. We have demonstrated time and again that they are not mutually exclusive. For those who think that in order to visit our oilfields up North, I think they will be amazed at the technology, the innovation we utilize when it comes to the extraction of our natural resources.

The good Senator from New Mexico stood in this Chamber earlier and talked about the directional drilling and the technique that is now available to develop our oil. I think he used the number 4 miles; that we can snake this oil well down across a 4-mile area of terrain. He used the analogy of a child with a straw and a milkshake and that straw could go 4 miles. That is a pretty vivid image. Actually, the good chairman of the Energy Committee is incorrect; we can actually go 6 miles. The technology has come so far in the past 30 years since we have been drilling on the North Slope.

We talk about the footprint. The footprint has been described in so many ways. You can fit six of the oil development areas in the size of Dulles International Airport could be the President's golf course. The visuals are there, but what we need to impress upon people, what we have to impress upon people is that the footprint is practically negligible in the context of the whole Coastal Plain and certainly in the context of the whole of ANWR and even more certainly in the context of the entire scope of our State.

What we are talking about, first of all, is very small. But even if it is small, we still need to do it responsibly, and we do that through the technology. The State of Alaska is the first to make sure the environmental standards are met and the permitting requirements are met. Nobody wants to rape, spoil, or ruin the land.

Madam President, I am third generation Alaskan. I am the first person serving in Congress for the State of Alaska who was actually born in the State. I was born in the territory. I am the last person to suggest we should do anything that would spoil our environment, my environment, the environment in which I choose to raise my family. My boys, my husband, and I live for fishing, hunting, camping, and backpacking. This is the part of Alaska that we want to preserve. So let us do it right. We know how to do it right.

I will talk a bit about the jobs. We have talked about jobs repeatedly on this floor. Last night, we demonstrated through the testimony and the charts that we are talking about some 575,000 jobs across the country. We need to remember that when I talk about jobs, I do not want people to think that Alaska is interested in opening up ANWR just because it means jobs and opportunity for my State. We are interested in the people in my State. It does. It means that, and it means more. It means roads, hospitals, schools, and facilities. It enables people in my State to live, but it also means jobs across America.

As I said, this means 575,000 jobs across the country. If we look at the numbers, they are all over the board: The State of New Jersey, 178,000 jobs; the State of Pennsylvania, the State of Ohio, 25,000; the State of Kentucky, 10,000; the State of Texas, 47,000; the State of California, 63,000 jobs. We are talking about real jobs for real Americans across the country.

I am considering the real economic stimulus package that the President has put forth. There is no better economic stimulus than jobs and job opportunity. We can provide that for America through ANWR, and they are good-paying jobs.

I made the point last night—and it is compelling—that the job opportunities right now for Alaska are approximately 11,000 jobs within the petroleum industry. If we were to accept this amendment, if we were to strip ANWR from the budget resolution, what these other States would be saying is that it is OK for us to have petroleum-based jobs in our States but, Alaska, we do not want you to have any more. We are cutting you off. In other words, Massa- chusetts could keep its 15,000 petroleum-based jobs, New Jersey could keep its 27,000 petroleum industry jobs, and New York could keep its 37,000 petroleum industry jobs, while Alaskans should look for alternatives.

Madam President, the impression I get as an Alaskan, looking from the inside out, is that the lower 48 would just as soon lock us up, not allow us to have good-paying jobs that will feed our families and allow us to live in the State we want to live.

But, no, the jobs we should have are jobs such as carrying the bags for the tourists who come to our State. Yes, we want tourism but we also want real jobs, and these petroleum-based jobs are jobs that are real for Alaskans.

It is one thing if the residents of the State of Alaska said we do not want this and Congress was trying to shove it down their throats, but Alaskans have said yes. We have said we will accept responsible oil development and production in our backyard. We will take it, and we will do it responsibly. We promise we will be responsible.

This gets to my last point, which is economic security and basically plain old common sense. There is kind of an 800-pound gorilla standing in the Chamber now. We are literally at the brink of war. We do not know what is going to happen in Iraq. We do not know if Saddam Hussein is going to torch the oil fields. We have no idea. What we do know is that in the past several months, we have increased our imported oil from Iraq. We have doubled our imports from Iraq in the past couple of months. We have sent billions of dollars to Iraq. I am not quite sure how the paper trail goes, but I do not think that if we send billions of dollars to Iraq to Sad- dam Hussein, who in turn sells us the oil that we place in our aircraft or our...
air carriers and we send our men and women over to defend no-fly zones, to put them in harm’s way, when we could be producing domestically. If that does not keep us awake at night, I do not know what will. It does not make much sense at this point in time.

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

Ms. MURKOWSKI. I ask for an additional minute.

Mr. STEVENS. One additional minute.

The PRESIDING OFFICER. The Senator may continue.

Ms. MURKOWSKI. I have placed on each Member’s desk a copy of Review & Outlook from the Wall Street Journal that ran this morning. I urge each Member to review that, because it does speak exactly to the issue I addressed.

I conclude by reminding members of some very pertinent facts. ANWR has more oil in it than the State of Texas. These are not made-up facts. This is Department of Interior. This is not significant quantities we are dealing with.

The PRESIDING OFFICER. The Senator has used her minute.

Ms. MURKOWSKI. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from California.

Ms. BOXER. I yield myself 5 minutes.

I ask the Senator from Alaska, is it OK upon my completion of 5 minutes that Senator FEINGOLD address the Senate for 5 minutes, and then we would turn it back to the time of the Senator from Alaska? Is that all right with the Senator?

Mr. STEVENS. Yes.

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

Mrs. BOXER. Madam President, let’s be clear. Ninety-five percent of Alaska’s North Slope is open for drilling. That is a fact. We are talking about the last 5 percent. The debate is whether that should be opened as well.

Clearly, this is going to be a very close vote. I have great respect for the Senators from Alaska, but I would welcome it if they wanted to help preserve the environment in my State.

As far as jobs are concerned, there was a report done by the Joint Economic Committee on March 14, 2002. They issued a report that said there would be 65,000 jobs nationwide by 2020, an employment gain of less than one-tenth of 1 percent of the U.S. workforce, and CRS—that is the Congressional Research Service—report No. R.S. 21030, October 1, 2001, said under the most likely scenario, full development in the Arctic would result in 60,000 jobs.

I am not one to say 60,000 jobs are no jobs—that is a lot of jobs—but the more than 2 million jobs we have seen go down the drain in the last 2 years, that is a bigger debate.

I also want to make the point that for those of us in California who defend and protect our coastline from oil companies every day of the week, we made a choice. Yes, we know there would be jobs developed there, but it would destroy that coastline and have the potential for horrific accidents and problems because we have experienced those.

So I say to my friends from Alaska, I hope they will understand the people in this country who support keeping this 5 percent of the North Slope in its pristine environment are doing so because we think it is good for the soul of this country and we believe there are more jobs to be created through other means.

The reason I have this photograph—

and it was challenged not by my colleagues from Alaska at all but by others—this is clearly in the development area—and also by Secretary Norton, who is quoted in the newspaper as saying the image of flat white nothingness is what one sees the majority of the year. This is the reason I felt compelled to order that photo from the Interior Department for all the seasons. Some of the most beautiful scenes are in the winter. I know my colleagues cannot see this, but it shows the birds and the snow and all the rest. It is quite beautiful.

I guess beauty is in the eye of the beholder. Maybe Secretary Norton looks at this and comes away with another point of view, and I respect that. I just do not happen to agree with it.

In April—I think it is April 10—there will be an exhibit opened at the Smithsonian on the Mall which will show these photographs, and more. So I hope people will take a chance to look at it, because it is quite breathtaking to see.

I want to reiterate that I printed in the Record today a letter from the Alaska Inter-Tribal Council. They have asked me to make a point of this letter they have written, in which they say:

We urge you to reject... any other proposals to authorize oil exploration and development of the coastal and offshore areas of the Porcupine Caribou Herd, the coastal plain and the Arctic National Wildlife Refuge.

They talk about they support the Gwich’ins to seek permanent protection of the Arctic National Wildlife Refuge, that many people are here. I also know there are other tribal people here as well, and I say that I have met with them many times and have been touched and moved with their testimony. They are very proud of the Alaska Inter-Tribal Council that represents 187 tribes is with them, and they asked me specifically to put this letter into the Record.

Let me finish by saying the U.S. Fish and Wildlife Service has a beautiful Web site and they say on it.

The Arctic refuge is among the most complete, pristine and undisturbed ecosystems on Earth... a combination of habitats, climate and geography unmatched by any other northern conservation area.

This is a quote from the U.S. Fish and Wildlife Service. This is very clearly the point of view of most people, and I hope that we would honor this God-given opportunity and not strip this language from the bill and take a stand in favor of keeping this area pristine.

I look forward to the remarks of Senator FEINGOLD.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Madam President, I rise today to support this amendment which is similar to one I offered in the Budget Committee. It would strike the reconciliation instruction to the Energy Committee contained in the budget resolution before us.

This instruction requires the Energy Committee to produce $2.15 billion by reporting out legislation by May 1, 2002, with the assurance that they will open the coastal plain of the Arctic National Wildlife Refuge to oil drilling.

Management of the Arctic Refuge Coastal Plain has been hotly debated for many years. Some Senators, like myself, believe that this area should be designated as a wilderness area. Other Senators believe that this area should be explored for its oil potential.

I support this amendment because I believe that the fate of the coastal plain of the Arctic refuge is a question of Federal National Wildlife Refuge management, not budgetary policy. If a Senator believes that oil reserves which may be located under the coastal plain are needed today, or 20 years from now, for reasons of enhancing this country’s energy security, then the fate of the refuge is a question of energy policy, not budgetary policy.

No matter where a Senator might consider himself or herself in the discussion over the fate of the refuge, and this issue was debated at length during the Senate’s consideration of the energy bill last year, no Senator has said that the primary reason to change the management of the refuge was because we just needed the revenue.

In fact, the chairman of the Senate Committee, Mr. Nickles, again stated, when I offered my amendment in committee, that these instructions are included in the budget resolution because they calculate the economy, create jobs, and produce oil, not for purposes of revenue.

I know there are strongly held views on this topic, and I do not intend here to go into all the reasons why I have concerns about the possibility of oil drilling in the refuge. Only senators who are joining in offering this amendment will be making that case and making it effectively.

I feel that the fate of the coastal plain of the Arctic refuge is too important to become a number in the budget process.

I also think that, for several reasons, Senators who support drilling in the
refuge should support this amendment and object to using the budget resolution and reconciliation to achieve that goal.

As Senators know, debate on a reconciliation bill and all amendments, debate on motions, and appeals related to it is limited to a total of 20 hours. After 20 hours, debate ends. Consideration of amendments then may continue without any debate.

I am concerned that using a fast track procedure like reconciliation to open the refuge exposes the Senate to criticism that we are using the refuge revenues in part for tax cuts, or to authorize new spending programs.

Particularly, the Senate may be accused of dispensing refuge revenues in unrelated accounts to gain political support for refuge drilling. Our constituents may also be concerned that we will have to spend a great deal to implement the operation of the Arctic refuge because much of the infrastructure needed to bring oil from the refuge to the rest of the country does not exist today.

As well, I am concerned that some Senators are supporting drilling in the refuge because they feel that it can be done in an “environmentally safe” way or they feel that it should be done jointly with energy efficiency, oil savings, and alternative energy programs to reduce our dependence upon foreign oil.

Reconciliation limits the way in which Senators who are concerned about these issues, and who do not serve on the Energy Committee, are able to address those issues on the floor. “It” cuts it off. You cannot have a real debate about what should be done. It is simply a budget number.

The Congressional Budget Act explicitly allows the offering of alternative amendments to a reconciliation bill. If a Senator felt that the Energy Committee's reconciliation bill opening the refuge did not go far enough to respond to environmental impacts associated with Arctic drilling, or to promote alternative energy in light of Arctic drilling, the Senator may not be able to offer amendments on the floor to improve the bill.

Such amendments, which might improve the bill from an environmental standpoint, might well be considered extraneous because they do not raise revenue.

I would caution all members of the Senate who have committed to support Arctic drilling only in certain cases, or only if certain other legislative or regulatory actions take place, to think seriously about whether reconciliation serves their interests and their constituents.

Finally, I oppose using reconciliation because I believe it is being used to limit consideration of a controversial issue. The American people have strongly held views on drilling in the refuge and they want to know that the Senate is working to pass legislation to manage the area appropriately in a forthright and open process.

That will not be achieved if reconciliation instruction on the Arctic refuge is included in the resolution before us. I urge support for my amendment.

Mr. STEVENS. I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Madam President, the Senator from California could not be more in error about the amount of land on our north arctic shoreline. It is not 95 percent open. There is the naval reserve No. 4. That is 52 percent of the coastline closed. She knows it is closed.

Beyond that, the Senator from California comes in with a letter from the Inter-Tribal Council of Alaska. That is a group of dissidents in Alaska, as far as I am concerned. The 100,000-member group of Alaskans known as the Alaska Federation of Natives—my colleague Senator Murkowski had printed in the Record last week—has absolutely supporting opening of this area to oil and gas drilling.

The main thing is, in 1985 it was drilled pursuant to a law passed in 1980 to drill a test well to see if the area could produce oil and gas. The exact result we have now known for many years, it does have the largest basin on the North American continent. If it is drilled, we expect it to produce enormous amounts of oil. One estimate I have before me is the total expected reserves for the entire area is 36.9 billion barrels. When they first told us about the discovery in the Arctic known as Prudhoe Bay, they said the estimate was about a billion barrels. Last year, we produced the 17 billionth barrel, and it is still producing. As a consequence, we face a process of discrimination. We are trying to be treated equally. In California, we have four refuges. Three of them produce oil and gas: Hopper Mountain, Seal Beach, and Sutter. The fourth has a producing well and did not produce until 2000.

The Senator from California says, protect the pristine wildlife refuges. This is an enormous area. Her area is less than 100,000 acres, and they are drilling it. It comes down to the question, How much are you influenced by the extreme environmental movement in the United States?

This comes down to a question of jobs. It is jobs. There are many Alaska Native people in the gallery now. They need jobs. This is their area. This is a chart showing how many of the wildlife refuges in the United States have oil and gas drilling. California has 4, 2 northern States have 4 each, Illinois has 4, and there are 17 in Louisiana. Louisiana has proved you can have oil and gas drilling and competitive protection of wildlife at the same time.

All we are asking is to be treated equally. We have a whole series of points that have been made in the last few days. And when I have this debate—there have been a lot of debates here since 1980. The commitment was finally made by two friends of mine who are now deceased, Senator Jackson and Senator Tsongas. After they made their pledge, I helped them to get the whole bill passed, over 100 million acres of the refuge.

There were newspaper ads: Ted Stevens, come home; you made a mistake. If we lose today, I probably did make a mistake because I trusted the Senate. I trusted the Senate to follow the law. I have been the time comes when people face the same proposition and they can rest assured.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. The Senator from California.

Mrs. BOXER. Madam President, I am finding the source for the comment I made that Senator Stevens took issue with that the 5 percent of the North Slope was available for drilling. That comment was made by the Interior Secretary to the Appropriations Committee. That statement was made in 1995. I am putting my hands on the exact words.

I yield 5 minutes to the Senator from Connecticut who has been a real leader in this fight, Senator Joe Lieberman.

Mr. LIEBERMAN. Madam President, I thank my friend from California for the steadfast and spirited advocacy she has made of this amendment.

It has come in this hour and a half to another recommital for oil in another refuge in the Arctic Refuge known as the American Serengeti and inhabited by so many magnificent species of wildlife, for a very small amount of oil.

This question, this moment of truth also raises the question about whether we will accept a contention of the Bush administration that somehow, by doing this, we are solving America's energy problem. With all respect, there could not be a more ridiculous contention.

The facts are clear. If drilling occurs by the year 2020, our dependence on foreign oil, as a result of the oil from the Arctic Refuge, will be reduced from 62 percent to 60 percent. That is not the road to energy independence.

Those of us on both sides of the aisle, Republicans and Democrats, who oppose drilling in the Arctic Refuge support new domestic energy production, including new fossil fuel energy production. In fact, it is worth pointing out that the previous administration leased more land for energy development than either of the preceding two. But it opposed drilling for oil in the Arctic Refuge. Those decisions need not be hazardous to our environment. They need not destroy precious places. Each must be evaluated in light of the
specific environmental consequences of the exploration, and our most important shared environmental treasures must be placed off limits.

The Arctic Refuge, in my opinion, is one such place. We simply would not gain much back for the great sacrifice we would make, and that would be the great legacy we pass on to the whole, including the unborn generation. I quote, finally, the words of Theodore Roosevelt, who may be considered in his time to be an extreme environmentalist. In 1916 TR said:

The greatest good for the greatest number applied to life in the womb of time, compared to which those now alive form but an insignificant fraction. Our duty to the unborn generation, valuing some natural treasures that do not change, that we have to protect, particularly at this moment. This is a place from which we gain strength, from which we gain purpose, from which we gain tranquility. Let us not, in the pressures of the moment, let it be destroyed forever.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut from whom the floor has been yielded.

MR. CHAFEE. Madam President, I ask the Senator, what is your preference? Senator CHAFEE would like to speak, but if you would like to take some time?

MR. STEVENS. Madam President, I yield 5 minutes for Senator DOMENICI. I think Senator CHAFEE was waiting for Senator DOMENICI to go since he just spoke.

MR. STEVENS. We will wait.

MR. BOXER. I yield 5 minutes for Senator CHAFEE. I yield 5 minutes for him to be a leader on this issue, and he is one of six Republicans who signed a letter saying don’t deal with this issue in the context of a budget resolution. I look forward to hearing his 5 minutes.

The PRESIDING OFFICER. The Senator from Connecticut.

MR. CHAFEE. Madam President, I accepted an offer last August to go to ANWR, to the Arctic National Wildlife Refuge. Since I have been here for 3 years, I have heard a lot of debate about it, and I assumed I heard a lot of exaggeration also. I wanted to go myself and so I accepted the invitation.

I took a bush plane from Fairbanks over the Brooks Range, as you see there. The Brooks Range is very desolate, almost devoid of any sign of life, any sign of vegetation. It is quite a trip over the Brooks Range. As we cleared that mountainous terrain, stretching out before the Arctic Ocean, the beauty and serenity were the most gorgeous grasslands, the last thing I expected to see that far north.

We banked around with our bush plane and you can see here where we landed. As we banked in for a landing, scurrying through the brush was a big, brown, cinnamon-colored beast, a grizzly bear.

We got out of our plane and immediately were covered with tremendous amounts of mosquitoes. It was quite an experience. We pulled those nets over our heads and set up our tents, which we can see here. We had some chow and then that night it snowed. We came on the Brooks Range earlier, and they had no snow on them, but this snow came that night. Thank you, it snowed. We never saw another mosquito, so we had the great experience of having mosquitoes but then had 2 days—3 days in order to hike around the area. Every day we would hike for as much as 4 or 5 hours, then come in for lunch, and go out and hike for the afternoon another 4 or 5 hours.

In August, it is just as light at 3 in the afternoon as at 3 in the morning, so it is quite an experience that far up.

I will have to say, Senator STEVENS, this is the most beautiful place. I have been in 49 out of 50 States. The only one I have not been in is Hawaii. This is the most beautiful place I have ever been.

Mr. STEVENS. The oilwells are just 25 miles away; does he know that?

Mr. CHAFEE. Yes, I will conclude in that direction. Not only did we see the grizzly bears and one caribou—the caribou migration has gone through, but we did see one caribou—but we saw all kinds of life: Ground squirrels, prairie chickens—I think they call them ptarmigan. We also saw all sorts of birds and saw also the signs of life—musk ox droppings. We didn’t see musk ox, but we saw the droppings all over the place. So obviously they had been there. All kinds of caribou droppings were everywhere you went.

What a surprise it was to go this far north and see such beautiful country. It is like the plains of Wyoming or Montana. And it was a great surprise to me.

So all the environmentalists who talk about it being the Serengeti of America, they are right. This is unique. It is special. I urge my colleagues to support the amendment for that reason.

On the trip, we then had an opportunity to go to Prudhoe Bay. And what an opportunity! It is a hill just 1002 area, which is where we were camping, to Prudhoe Bay. Before we leave the 1002 area, here we are, as shown on this picture. There I am, my wife Stephanie, the small band of us up there, braving the elements, experiencing the 1002 area.

When we went to Prudhoe Bay, it was a change in the topography. It gets much more poecmarkt with water. It is a lot different from what we saw here in ANWR. And it is what President Jackson’s vision for man’s incursion and for drilling as you get closer to Prudhoe Bay.

We landed in Prudhoe Bay. We went to the hotel, which was a collection,
really, of trailers put together. And the proprietor of the hotel at Prudhoe Bay said: Be careful. There is a grizzly bear in town. His name is Toby. When you walk around, just be careful. You never know. You don’t want to surprise him and have him attack you. So just keep your wits about you.

We had a great tour of Prudhoe Bay. And after we left and came back to the States, about 2 months later, I saw, in the New York Times, a little filler article, that Toby was getting into the inn where we were staying and they had to put him down. So it made the New York Times, Toby getting into the inn and having to be put down.

But the point is, there should be places for the Tobys of the world. And then there are other places where we should drill. And, obviously, they are incompatible. No one wanted to harm Toby, but it just came to that.

The PRESIDING OFFICER. The Senator has used 5 minutes. Mrs. BOXER. Madam President, I yield the Senator from New Mexico 5 minutes.

Mr. STEVENS. Madam President, I yield the Senator from New Mexico 5 minutes.

Mr. DOMENICI. Madam President, I thank the Senator from Alaska.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, fellow Senators, I come from New Mexico. New Mexico is right next to Mexico. Mexico has got the oil underground. God made. Do you know what they call it? They call it their patrimony. It is so important that they claim it is theirs and it is their future—not locked up, nor is it. It is their patrimony. In fact, in Spanish, they say: “El patrimonio del pais es el petroleo.” That is how important it is.

Now, for all of those who have been here giving speeches about making sure we protect the ANWR wilderness, look at this picture. Look at this picture! Is this big or little? I am going to go around the edges for you. Isn’t that big?

Senator, do you want to take a look? That is drawn to scale. That is ANWR. Unless you have very good glasses, you can’t see, from your seat, where ANWR’s drilling sites will be, because it will be that big. Senator, you can see that little spot?

Mr. CHAFEE. Yes, I can.

Mr. DOMENICI. That is how big the development of oil for America will be out of this wilderness.

Now, anybody who blesses this floor piously about preservation is ignoring the reality. America cannot live without oil. I wish we could.

Mr. DOMENICI. I ask the Senator, was that the spot?

Mr. CHAFEE. That is how big the development of oil for America will be out of this wilderness.

Well, Madam President, as I crossed America, looking to find comparisons, as soon as I got to Texas, I asked, how much oil is there? They told me, it is almost the equivalent of billions of barrels of reserve as is in this tiny piece of property as big as the properties at Dulles here in Virginia.

So if this is irrelevant to America, I assume we should not have drilled in Texas. How much oil might it produce? About the same amount as California per year. I ask Senator Nickles, is one to say California’s production is not needed? We are so rich and arrogant about our wealth that we can throw away this huge amount of oil? We don’t need it for Alaska.

I believe to turn this down is not an insult to Alaska; it is not reneging on something to Ted Stevens; it is an ab-solute denial to the American people of the increased prospect of reasonably priced oil for the future.

If you are worried about the future high prices of oil and you want to blame someone, I say, blame the vote this afternoon. If this is defeated, you can blame it right now with any other country that you assume is out to raise prices on the American consumer. Because that vote, denying the right of Americans to produce this oil, will just as assuredly result in the prospect of increased costs of oil to Americans.

I wish we could stand on the floor and say: Americans, we have a plan. We are going to dramatically reduce the number of automobiles.

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

Mr. DOMENICI. I ask the Senator, could I have 1 additional minute?

He said yes.

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

Mr. DOMENICI. Let me just say, I wish we had a plan that said: In the future, we do not need all this; we do not need all these cars; we can get by with far less. But, frankly, I believe, under the Senator, for the next 25 to 30 years, our children, our way of life, our standard of living, demand that we do right and that we use that tiny piece of real estate without doing damage to this gigantic wilderness to produce energy for our great country.

I thank Senator STEVENS for yielding.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Madam President, parliamentary inquiry: How much time remains on each side, please?

The PRESIDING OFFICER. The Senator from California has 6 minutes 13 seconds; the Senator from Alaska has 7 minutes 25 seconds.

Mrs. BOXER. I would like to retain my time to close debate, if it is all right with the Senator from Alaska.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I yield my colleague 2 minutes, Madam President.

The PRESIDING OFFICER. The Senator from Alaska.

Ms. MURKOWSKI. Madam President, it has been suggested in the past few minutes and last evening that instead of opening ANWR, we need to look to conservation; we need to discuss CAPE standards; we need to look to alternative fuels.

We need to keep ANWR in context. This is not an either-or debate. These concepts are not mutually exclusive. We have to have increased conservation efforts, of course. That is reasonable. But as the Senator from New Mexico has stated, we will never be entirely free in our reliance on oil, on petroleum products.

When you look at what we get from petroleum products, it is not just the gasoline that goes in our vehicles. That is not the only issue. We use it in our
Mr. LAUTENBERG. Exxon is earning $90,000 an hour, about $2 million a day, or nearly $800 million a year, on the same $5 billion as long as the case drags on. And the money stays in its coffers. They are not even paying for it. In fact, what they are doing is making money, interest on that money which belongs to the citizens of the country and for the protection of our environment.

It is an outrage. We cannot trust these people to take care of this environment of ours for our children and our grandchildren. I hope the Boxer amendment passes.

The PRESIDING OFFICER. The Senator has used 1 minute.

Mrs. BOXER. I yield 1 minute to the Senator from California.

Mr. STEVENS. I ask the Chair to let me know when I have 1 minute left.

The PRESIDING OFFICER. The Chair will notify the Senator.

Mr. NICKLES. Madam President, momentarily we will be voting on the Boxer amendment. I urge my colleagues to vote no. I compliment my colleagues, Senators STEVENS and MURKOWSKI. I listened to the debate last night and today. If people are interested in the facts, they happen to know the facts. They live there. They have been there. A lot of people are pointing out pristine pictures of wildlife.

That is not the 1002 area that would be drilled. I have seen that. We can do drilling in that area in a very environmentally sensitive and sound way. We can do it very effectively and need to meet that million barrels per day of domestic oil that can be produced. We need it. If not, we will be buying it from Iraq. We will be buying it from the Middle East. We will be buying it from areas that are a lot more vulnerable than Alaska. This way we can keep the jobs in the United States. This way we can keep production and our dollars in the United States.

We have a tradition in the Senate that we listen to home State Senators in areas that concern their State.

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

Mr. NICKLES. I yield myself an additional minute.

The PRESIDING OFFICER. Does the Senator from Alaska yield?

Mr. STEVENS. Certainly.

Mr. NICKLES. For people who live outside the State and have never been in this area to try to dictate that we should never drill there, without living there, without seeing the area, and superimpose their will over the two home State Senators, I find to be almost incredible. It is denying Alaska a chance to grow. It is denying our country a chance to grow.

I urge my colleagues to listen to Senator STEVENS, to listen to Senator MURKOWSKI, and let's allow some environmentally safe and sound production that our country needs and who is funding the Senate.

I thank my colleagues from Alaska.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I ask the Chair to let me know when I have 1 minute left.

The PRESIDING OFFICER. The Chair will notify the Senator.

Mr. STEVENS. Madam President, this is a diagram of the 1002 area. I pointed out previously that in 1958 there was a well drilled just east of Kaktovik. It is still classified as the result of overwhelming interest by the oil industry after that to conduct seismic in this area. This is the Marsh Creek anticline. East of that area is where this enormous reservoir is. To the west going over to the river, where this enormous area, this has been there since before the ice age, this has all been very prolific. There was a well drilled off shore in Camden Bay. There has been a series of wells drilled offshore. The only well that has been drilled onshore was in 1985.

This is the Prudhoe Bay area, as I said, a million and a half acres that in 1980 was kept open for oil and gas exploration by the Tosnags-Jackson amendment. The balance of this area is wilderness. This has never been wilderness. We heard repeatedly about wilderness.

I have now been here 35 years. I have trusted the Senate quite often. The one time I really trusted Senators was when I decided to work with Senators Tosnags and Jackson to get this bill passed, get it done. We thought we had a substantial concession in the fact that the Arctic Slope would continue to be open for oil and gas exploration as it was intended by President Eisenhower, as it was intended entirely up until 1980.

Through the period of the discussion of this matter, since 1980, I have had a series of Senators tell me, I will be with you if you need me. They know who they are. This is the day that I need them. This vote is going to be very close. It represents a vote that culminates some substantial period of my life because I started working on this area in 1956.

The PRESIDING OFFICER. The Senator has 4 minutes 5 seconds.

Mr. LAUTENBERG. Exxon is paying $4 billion. That is something that happened since 1989. And who is paying the tariff here? Well, the Anchorage Daily News on August 4, 1998, reported “Apparently Delay Pays.”

The PRESIDING OFFICER. The Senator has used 4 minutes 5 seconds.

Mrs. BOXER. I yield 1 minute to the Senator from California.

Mr. NICKLES. Madam President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mrs. BOXER. I yield 1 minute to the Senator from New Jersey.

Mr. LAUTENBERG. I thank the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Senator from California. In a short statement I would like to identify what has happened since 1989 when the Exxon Valdez ran aground since the period of time when the court said that ExxonMobil should pay $9 billion in punitive damages for the havoc it created in Prince William Sound. Lest we be fooled that these environmental stews- ards are going to take good care of our assets, of our natural resources, let's look at what happened.

The fine is now down $4 billion. This is something that happened since 1989. And who is paying the tariff here? Well, the Anchorage Daily News on August 4, 1998, reported “Apparently Delay Pays.”

The PRESIDING OFFICER. The Senator has used 1 minute.

Mrs. BOXER. I yield an additional minute.

Mr. NICKLES. Madam President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mrs. BOXER. I would like to be told when I have a minute left.

We are reaching the end of a tough debate. It is a very close vote, no doubt about it. The Vice President, I understand, is on his way over in case it is a tie vote. I want to pick up on something Senator NICKLES said when he kind of cast aspersions on those who live outside of the State of Alaska and are speaking up in favor of this Arctic Wildlife Refuge.

Let me be clear. I come from a State that has millions of acres of wilderness, thousands and thousands of acres of beautiful Federal land. We are very proud of it. We have forests, desert, wetlands, and the rest, including Yosemite National Park. Let me be clear. I welcome the support of my colleagues. I don't shun it. I welcome them to help us preserve those acres for the people of California and the people of the country and, indeed, the people of the world. In our State, we consider these treasures not only to be God-given resources, but we look at them as God-given resources then, we, the people of this planet, have to protect.

I am interested in Senator DOMENICI's presentation. It was well done. He has a big chart and he has a dot on the chart. Look at this, it is a dot on this chart. Well, if you go up into space and you look at the Earth, it looks like a little marble. Does that
mean we should not care about what happens on God’s Earth?

So I think we are getting to the point at which we have to make a choice. Do we want to change the policy and go into this beautiful refuge or do we want to look at other ways to get more energy—I underscore, much more energy?

Look, if we just close the loopholes on SUVs—by the way, I represent a lot of soccer moms and let me tell you, they love their SUVs, and they want to get better fuel economy from them. I live in a community where almost every other car is big because I live in suburbia. They want to have the option to drive those cars and not have to spend $100 every time they fill up the tank. If we were just to close that SUV loophole, we would save, by 2030, 10 billion barrels of oil. This is what we are talking about. That is far more than you would get out of the Arctic. If you moved up the fuel economy just to 35 miles per gallon—listen to this: We would be 43 percent less dependent upon foreign oil. With ANWR, it is 2 percent.

Vote for the Boxer amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

The Senator from Alaska has 1 minute 2 seconds.

Mr. STEVENS. Madam President, again, I think this is the most important vote in the history of my service in the Senate. I worked on this with President Eisenhower. Our people were about ready to go to war. He said in World War II that our ships, our planes, and our tanks must have oil. That will continue on into the future. Opening this area will not give our people oil now but will assure that we have a greater reserve in the future.

My last comment is this. In the time I have served here, many people have made commitments to me, and I have never broken a commitment in my life. I make this commitment: People who vote against this today are voting against me, and I will not forget it.

Mrs. BOXER. Madam President, this is a country of laws, not men. This is a country that treasures its God-given gifts—from the mountains, to the prairies, to the oceans white with foam. God bless America, my home sweet home.

This isn’t about us being here for 2 years, or 6 years, or 10 years, or 20, or even 50. We will be gone. But we need to think about the future. We can do more for our troops were we just to increase fuel economy. We will save far more doing that than by drilling in a pristine area that has wildlife that looks like this picture.

Mr. STEVENS. Regular order.

Mrs. BOXER. Madam President, I hope we will stand with the environment and vote for the Boxer amendment.

I yield the floor.

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

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

Mr. NICKLES. Madam President, I ask for the yeas and nays on the Boxer amendment.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 48, as follows:

Baucus
Bayh
Biden
Boxman
Boxer
Byrd
Canwell
Carper
Chafee
Clint
Comman
Corzine
Cochrane
Chambliss
Burns
Bunning
Breaux
Allen
Alexander
Akaka
Dodd
Daschle
Clinton
Chafee
Carper
Boxer
Bingaman
Baucus

The amendment (No. 272) was agreed to.

Mrs. BOXER. I move to reconsider the vote.

Mr. DURBIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

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

Mr. REID. Madam President, I have been authorized by the manager of the bill to yield 20 minutes to the Senator from West Virginia, Senator BYRD.
Madam President, I ask unanimous consent to use time under unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. The legislative clerk proceeded to read the amendment.

Mrs. MURRAY. Mr. President, I send the comments of the distinguished Senator from West Virginia concerning the events which are about to transpire within the next hour or so, or days. I did not really look forward to coming to the floor and debating the issue. It has been debated. It has been discussed in the media. It has been discussed at the United Nations in America. But I felt it would be important for me to respond to allegations concerning the United States of America, its status in the world, and, in particular, what happens after this conflict is over. We have paid enough attention to, perhaps understandably, because our first and foremost consideration is the welfare of the young men and women we are sending in harm’s way.

But to allege that somehow the United States of America has demeaned itself or tarnished its reputation by being involved in liberating the people of Iraq, to me, simply is neither factual nor fair.

The United States of America has involved itself in the effort to disarm Saddam Hussein, and now freedom for the Iraqi people, with the same principles that motivated the United States of America in most of the conflicts with OPEC oil producers, most notably, recently Kosovo and Bosnia, and in which, in both of those cases, the United States national security was not at risk, but what was at risk was our advocacy and willingness to serve and sacrifice on behalf of people who are the victims of oppression and genocide.

We did not go into Bosnia because Mr. Milosevic had weapons of mass destruction. We did not go into Kosovo because ethnic Albanians or others were somehow a threat to the security of the United States. We entered into those conflicts because we could not stand by and watch innocent men, women, and children being slaughtered, raped, tortured, and cleansed.” We found a new phrase for our lexicon: “ethnic cleansing.” Ethnic cleansing is a phrase which has incredible implications.

The mission our military is about to embark on is fraught with danger, and it means the loss of brave young American lives. But I also believe it offers the opportunity for a new day for the Iraqi people.

Madam President, there is one thing I am sure of, that we will find the Iraqi people have been the victims of an incredible level of brutalization, terror, murder, and every other kind of disgraceful and distasteful oppression on the part of Saddam Hussein’s regime. And contrary to the assertion of the Senator from West Virginia, when the people of Iraq are liberated, we will again have written another chapter in the glorious history of the United States of America, that we will fight for the freedom of other citizens of the world who are otherwise never might enjoy those freedoms.

So perhaps the Senator from West Virginia is right. I do not think so. Events will prove one of us correct in the next few years. But I rely on history to guide me to the future, and history shows us, unequivocally, that this Nation has stood for freedom and democracy, even at the risk and loss of American lives, so that all might enjoy the same privileges as we do in this noble experiment called the United States of America.

May God continues to bless the United States of America in the troubled days ahead, and may we somehow recapture the vision which for the present eludes us.

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

The PRESIDING OFFICER. The clerk will call the roll.

Expressions of approval or disapproval are not permitted.

The legislative clerk proceeded to call the roll.

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

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

Mr. MCCAIN. Madam President, I ask unanimous consent to use time under the resolution.

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

Mr. MCCAIN. Madam President, I observed the comments of the distinguished Senator from West Virginia concerning the events which are about to transpire within the next hour or so, or days. I did not really look forward to coming to the floor and debating the issue. It has been debated. It has been discussed in the media. It has been discussed at the United Nations in America. But I felt it would be important for me to respond to allegations concerning the United States of America, its status in the world, and, in particular, what happens after this conflict is over. We have paid enough attention to, perhaps understandably, because our first and foremost consideration is the welfare of the young men and women we are sending in harm’s way.

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So perhaps the Senator from West Virginia is right. I do not think so. Events will prove one of us correct in the next few years. But I rely on history to guide me to the future, and history shows us, unequivocally, that this Nation has stood for freedom and democracy, even at the risk and loss of American lives, so that all might enjoy the same privileges as we do in this noble experiment called the United States of America.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Washington.

AMENDMENT NO. 284

(Purpose: To fully fund the No Child Left Behind Act in 2004 and reduce debt by reducing tax breaks for the wealthiest taxpayers.)

MRS. MURRAY. Mr. President, I send an amendment to the desk on behalf of myself. Senators KENNEDY, HARKIN, BINGAMAN, KERRY, MIKULSKI, JOHNSON, SARBRANES, EDWARDS, and CLINTON.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Washington.

would have a high-quality teacher.

was necessary to help our children

teachers, and principals accountable to

countability rules for the public edu-

uctive adults.

itself in, but also so they can be pro-

ture conflict the country may find

help get our economy back on track

with the skills they need so they can

in our classrooms, because now more

important today, as we face the uncertain

our young children. It is especially im-

mum cuts to the education of

will make sure that we fund the rural

and drug free schools and, importantly,

rural education.

and pass the tests we are requiring

that we will assure that children have

afterschool programs so they can get

the extra skills they need to catch up

and pass the tests we are requiring

them to take. It means we will fully

fund title I funding so that 6 million of

our most disadvantaged students will

not be left behind. It provides funds for

English language acquisition and safe

and drug free schools and, importantly,

rural education.

The Presiding Officer knows, as I do,

that in many of our rural school dis-

tricts we have a difficult time attract-

ing qualified teachers. They often leave

to go to urban or suburban schools

where it is easier to teach. We want to

make sure that even if there are only

40 kids in a school building, that they

get the real help and instruction and

qualified teachers so they can learn the

skills they need to pass the tests we

have required of them. My amendment

will make sure that we fund the rural

education programs.

If we don’t do this, we are passing an

unfunded mandate on to States at a

time that they cannot afford to take it.

My State legislature is facing a $2.5 bil-

lion budget deficit right now. They are

struggling to come to some difficult
decisions. It is extremely unfair of us
to tell these adults to do what we will not do that. I will work hard every day to

make sure we fund the important edu-
cation structure and give our kids the

children pass tests; otherwise, their

schools are failing and not providing

the funds to make sure that happens.

Our State legislators do not have the

funds to fund a Federal mandate. If we

will not follow through with the fund-

ing, then we cannot keep the promise of

No Child Left Behind that says that

schools have to be held accountable. I
don’t want to lower the standards. I
don’t want to take that accountability

away. But I also do not want to pass on

an unfunded mandate to States today

when they are struggling with fewer re-

sources because our own State legisla-
tures are having difficulty in these
tough economic times giving them the

tools they need. I hope we don’t fail at

No Child Left Behind by not providing

funding but providing the mandates.

It will be imperative for this Con-

gress to come back and revisit this if we

don’t provide the funds because I as-

sure you, he would be wall-to-wall about

— and I was a school board member at

one time—will be back here screaming

about unfunded mandates. We will end

up having to take steps backward in

accountability in order to accommo-

date them. I don’t think that is where

any Member here wants to go.

The amendment I sent to the desk

will help us reach that goal by fully

funding the No Child Left Behind Act

so we can keep both sides of the prom-

ise that we made to the children and to

the parents and to the school employ-

ees and to the districts across the

country that when we said No Child

Left Behind, we said accountability,

and not to forget them in this time of

Our hearts are heavy with

this country in terms of education if

children, and for them to be a success.

people need in order to be able to learn,

provide the resources that our young

State legislators do not have the

funds to make sure that happens.

It is a difficult day for all of us to be

in the Senate debating these critical

issues. All of us know that what is over

us is a war that could possibly begin at

time. Our hearts are heavy with

what could occur in the next few weeks

and months. But it is also a time that

we cannot abandon our young children.

The counting is not done. We are not
to make the right decisions for them

and not to forget them in this time of

crisis. If we don’t pass this amendment

and fully fund No Child Left Behind, it

will send a message to every child that

we have forgotten them. I will not do

that. I will work hard every day to

make sure we fund the important edu-
cation structure and give our kids the
opportunity to learn and succeed. That is a commitment every one of us should take as a tremendous responsibility.

I know there are other Senators who wish to speak on the amendment. I will yield the floor in a few minutes.

I want to make a few more comments before I do that. I see Senator Gregg is to speak on the amendment. I will yield the floor in a few minutes.

I think the outlines of our Next Left Behind are fairly clear in what our commitment is to young people. If we don’t fully fund IDEA, that is an issue this Senator Kennedy is on the floor as well. He has been a staunch proponent of fully funding education for our young children and is even concerned about the Pell grants and their funding level. We have many students in college who are struggling to pay their tuition and are finding themselves taking out loans of tremendous size just to get through school, and they are graduating with thousands of dollars in loans. I think it is really important that we don’t leave a generation with huge debt, trying to pay them off, if we want our economy to get back on track.

Senator Kennedy will talk later on the importance of increasing the Pell grant funding so that we leave fewer students with tremendous loans in the future. I know Senator Dodd will be out here also to talk about Head Start and day care and other issues affecting young people.

Let me conclude by saying that there are thousands of young children in this country who are waiting anxiously to see if the U.S. Senate can live up to the obligations of the Next Left Behind Act that was passed not long ago. Today, we will have an opportunity with the amendments that I have to let the young kids know that we in this country are ready to stand by them. I thank this Chair and yield the floor.

Mr. President, I am reserving the right to table the amendment, and no amendment prior to that vote. We still will have the option for a motion to table, and if a motion to table wasn’t successful, to offer a substitute amendment.

Mr. President, I am happy to yield to my colleague from Massachusetts. I want to clarify that the vote that will occur at 5 o’clock will be on the amendment that I have offered; is that correct?

Mr. President, I am happy to yield to the Senator from Massachusetts.

Mr. President, I am reserving the right to table the amendment, and no amendment prior to that vote. We still will have the option for a motion to table, and if a motion to table wasn’t successful, to offer a substitute amendment.

Mr. President, I yield to the Senator from Massachusetts.

Mr. President, the amendment that is before us at this present time is one basic and fundamental issue, and that is the issue of whether, the issue of choices, how we are going to allocate scarce resources in this country.

The fact is that the Republican budget has said we will add $1.6 trillion in additional tax breaks, most of which is going to the very wealthy individuals in this country.

The Senator from the State of Washington says, no, let’s just take $8.9 billion of that and designate that for the No Child Left Behind Act, and then let’s take another $8.9 billion towards reducing the deficit that we are additionally creating with the $1.6 trillion in additional tax reductions.
The question is very simple: Do we want to educate the children of this country, or do we want more tax breaks for the very wealthy? That is the issue before the Senate.

It is going to be clouded up with a lot of other rhetoric, but it is a choice. Do you want to educate the children, or do you want more tax breaks? That is the issue. That is the issue.

Mr. President, I will use figures from the Department of Education. The Department of Education—this is their document—for the year 2003, the total figure for education is $53 billion. And now the President’s request is $53 billion. There it is. That is the Republican President’s request on No Child Left Behind—effectively flat funding. Flat funding.

Now, we know the President of the United States worked with the Congress—Republicans and Democrats—to enact No Child Left Behind. That added important reforms and accountability for the children to perform, accountability of the schools to teach, accountability for the teachers to learn and to be well-qualified, accountability for the parents who are involved, accountability on the local communities to have responsibilities. It also had accountability for the Congress of the United States to fund that program, and this administration has abandoned that accountability. It has abandoned accountability on the local communities to have responsibilities. The documents from the administration’s Department of Education show that.

At this hour, the Senator from Washington is saying: We do not want to abdicate our responsibility. Maybe the administration does, but we do not, and the Senate will have an opportunity at 5 o’clock to indicate whether they prefer to give additional hundreds of millions of dollars to the wealthiest individuals, or to meet our fundamental commitment to children and parents, 55 million children across this country, and make sure they have a well-qualified teacher in their classrooms, make sure there are going to be after-school programs to assist these children, make sure they have a sound curriculum, make sure that the tests are going to test those children on that curriculum, and that if a child falls behind, they are going to get the supplementary services they need. This is at a time when the States are in deficit of $90 billion. A third of that money is education; 75 percent of that is for K-12 education; 75 percent of that is for public schools.

Unless we accept the amendment of the Senator from Washington and un-wring the money from the glide path towards funding No Child Left Behind, we are going to leave millions of children in this country behind. Which is it, Senate of the United States: billions more for tax breaks for wealthy individuals or investing in the children who are out there tonight, today, this evening, studying hard, trying to make a go of it and finding out that instead of having maybe 15, 18, 20 pupils in a class, this year there are going to be 25 or 30 in a class. The Senator can go down the list. Every Senator knows that.

It is a question of priorities, and the Murray amendment is as clear as can be. I hope when the time comes, the amendment will be accepted.

I reserve the remainder of our time.

Mr. NICKLES. I yield 15 minutes.

Mr. GREGG. Mr. President, what is the status of the time?

Mr. President, what is the status of the time?

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, is what is the status of the time?

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, first, I always enjoy hearing the Senator from Massachusetts and the Senator from Washington discuss education, especially the Senator from Massachusetts. I appreciate the fact we put microphones in the Chamber because that certainly helps me hear him as we go forward.

I wish to start, however, with the question of the budget. I thought I would bring along the budget on education that we passed last year when the Democratic membership controlled the Senate. So I did, and here it is.

You may be asking, Where is it? It did not pass. The budget on education was not adopted last year. It is the floor last year. An epiphany has occurred. Suddenly, they are concerned about education. Suddenly, they are interested in education enough to debate it in this budget. But where were they last year? Where were they? They were not on the floor of the Senate promoting a budget to promote education. This is their budget last year on education. A blank page.

We have to go back in history to find out what the position of the membership of the other party is relative to the issue of funding education in comparison with what this President has done.

This President has dramatically increased funding for education, and if we compare his commitment to education to the prior administration’s commitment to education in the years when the prior administration proposed education funding, we will see that in the last year of the Clinton administration, there was $42 billion being spent on education. This year, a proposed $66.5 billion is being spent on education by this President.

Flat funding. The commitment to education has been the second largest factor of increase in the Federal budget over the last 3 years. It has meant real dollars going to the issue of education. Now let’s turn to the question of title I, which is the purpose of this amendment, which is the No Child Left Behind issue. Let’s look at all the issues for a moment. Let’s compare what the Democratic leadership did when they controlled the Senate versus what we have done under Republican control over the last few years.

From the period 2001 to 2004, when we had Republican leadership in the Senate, the red bars reflect increases in education funding for title I, for IDEA, Pell grants, and total discretionary education. Increases from the Democratic side of the aisle during this same period were minuscule; in fact, one was even a negative in the Pell grant area during that same period. There are dramatic increases coming from this President.

Let’s look at title I because this is the most stark, dramatic, and I think precise chart we have to reflect what is really being done.

Since the Republicans took control of the Senate and the Congress, we see these huge increases in funding for title I: $1 billion a year since President Bush has been in office. Every year, $1 billion, $1 billion, $1 billion on top of the $1 billion a year from 1993 through 1995. In fact, if we went back further, it would be worse coming in from the prior administration. So the commitment has been there.

If we look at the history of title I increases, which is what this amendment is about, and compare what President Clinton did when the Democrats were in control to what President Bush has done since he has been in charge, during the 1994 to 2001 period, over the 8-year period, President Clinton proposed $2.4 billion, whereas President Bush has proposed $3.9 billion in increases in funding.
It is very easy to come to the floor in a difficult fiscal time when we are facing a war, when there are a lot of pressures on us because of a deficit, and say you have no responsibility because you do not produce budgets that you are willing to increase spending ad infinitum. That is, essentially, it does. It is a little more difficult, however, in a time of deficits, when we are at war, to come forward and actually increase spending, which is exactly what President Bush did.

If in this period, 1994 to 2001, we were running surpluses. The opportunity was there to increase spending without a great deal of choice in the area of priorities. Today it is a much tougher situation, and the choices on priorities have been made, and President Bush is committed to that funding.

Now I will go to one other chart, which I find absolutely startling because I think this shows some of these ameliorations we are going to be getting from the other side, especially on the issue of education, are taking advantage of the fact that the other side does not have to produce a budget.

Let’s look back when they did, theoretically, produce a budget. Of course, they did not. We could go back to their budget, which was a blank page, but they did produce an appropriations bill, which they never passed. In fact, they never even called it to the floor of the Senate. It took the Republican Congress 2 weeks to pass it. The other side had a whole year. They were not able to do it, but we were able to do it. I will get into the numbers there, but the fact is when they produced their budget, or their appropriations bill, what did they have in their numbers for funding? They had $11.8 billion. What was the authorization level? It was $16 billion. So by their own terms, the last time they had control, the last time they had an opportunity to do the job of governing, they underfunded the title I account by $4 billion—by their terminology, not by mine.

How many children did they silence, to use the term of Senator KENNEDY? How many are added up in that $4 billion figure? I do not know. Personally, I do not think that is a proper way to address it, but if those are the terminologies one is going to use, then what is good for the goose is good for the gander. The fact is they were $4 billion under their own goal. So a lot of what we are hearing today is titling with straw dogs when it comes to the issue of how much is being spent and who is spending what.

Let’s look a little bit, though, at what the Bush administration has done—a 145 percent increase in education funding, as compared with health, as compared with defense, a huge increase.

The argument is being made that title I has not been fully funded because the authorization levels have not been met. That, of course, goes to this chart. If we were to fully fund every bill that has been authorized by this Congress—well, just by our committee—we would be talking trillions of dollars. We all recognize that authorization level is not the level at which we end up. We end up at an appropriated level. And the question becomes: How do different accounts compete with each other? Who is being successful, who is not? Where are the priorities? Where are the choices being made?

The point this chart unalterably makes is that as far as this administration is concerned, the priority is education—a billion dollars of new funding for title I every year since this administration has been in office—infact, $1.5 billion one year, I think, and, $1 billion for special education funding every year since this administration has been in office, which compares rather starkly, as I mentioned, with the Clinton years in the area of title I, where essentially there were very little funding increases. Over 7 years, it was $2.4 billion as compared with $2.9 billion for the Bush administration.

The issue of whether or not this is an unfunded mandate is a total misrepresentation relative to No Child Left Behind. The fact is the funding that is flowing to support No Child Left Behind is flowing in before the States and the communities have an obligation to do things under No Child Left Behind. We are actually pre funding many, if not all, of the obligations which the States are assuming under No Child Left Behind to the extent we ask them to do things.

For example, testing regime. In the State of New Hampshire it costs about $300,000 to produce a test. Under No Child Left Behind, we have asked that instead of testing three grades, they are going to have to test three more grades, a number of more grades, actually, but they do not have to have those tests up and running for awhile. How do you want them to spend the money today to design the tests. Not only are we giving them money, but on the average we are giving New Hampshire at least $500,000 to develop new tests. It only costs them $300,000 to do the test. They are making $200,000 per test that they develop, and that is true across the country.

It is also true of the basic funding regime relative to issues, for example, like teachers. We heard a little talk about the testing regime and their commitment for funding for teachers is up 35 percent over what the prior administration did, a $726 million increase coming into this year.

More importantly, under No Child Left Behind, we no longer put strings behind those dollars. We say to the local school districts, instead of having to use this new money, the 35 percent increase in funding for education for teachers and for teacher support, instead of having to use that money to hire a testing service, for example, can make the decision to use that money to hire more teachers, if that is what you need, to pay your best teachers more, if that is what you think is going to get you good teachers to stay there, to give your teachers better education by sending them out to schools and getting supplemental education for them, by giving them technology support. You have the school district, are going to get this extra money. Plus, you are going to get it without strings. You are going to have flexibility as to how to use it so you can make that dollar go further.

So I represent that the teacher side of the No Child Left Behind bill has not only been underfunded but is not being adequately managed is just inaccurate. The fact is, it has been funded, it has been increased, and it is a dramatically more liberal use of the dollars at the discretion of the local school district. I know they are going to get more for the dollars spent.

Now I guess we are going to have time later on—I ask the Chair how much time I have remaining?

The PRESIDING OFFICER. Two minutes.

Mr. GREGG. The record on special education is even more dramatic. Where the Clinton administration essentially flat linied special education for 8 years, this administration has increased it, by historic levels, over a billion dollars a year every year—a dramatically increases for special education.

We will get into that. We will get into the issue of the Pell grants, where the numbers are equally stark, where this administration has made huge commitments in comparison to the time when the responsibilities for funding education actually fell into the hands of our colleagues across the aisle. But what we have today, unfortunately, is an attempt to use the lack of responsibility to have to produce a budget to throw out numbers which are irresponsible and claim that they are responsible.

The last budget the Democrats produced on the issue of education was a blank. That is what they brought to the floor on the issue of education last year, whereas the President of the United States stepped up to the plate and increased title I money by $3.9 billion in 3 years. That is real commitment to the kids of America.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent that Senator DODD be listed as a cosponsor on my amendment.

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

Mrs. MURRAY. I yield 2 minutes to the Senator from Massachusetts and then 4 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I ask unanimous consent that the Department of Education’s fiscal year 2004 President’s budget be printed in the Record.

There being no objection, the material was ordered to be printed in the RECORD, as follows:
Mr. KENNEDY. What it shows is the appropriations for 2002, $19 billion; the President's request is $50 billion. They added $400 million. Then the appropriations went up $3 billion because of the activity on the floor of the Senate. The next year the administration asked for $36 million—an increase of 5100th of one percent. Let us look at the point my good friend, Senator Gregg, left behind. The point he has not disputed is we have 6.2 million children who are left behind. Let's forget what happened to the Republicans, let's forget what happened to the Democrats, and say let's accept the Murray amendment that will include 3 million more children. Let's not argue about the past. Let's argue about the future.

This amendment will increase by 3 million the number of children who will be covered. We have a chance to do that tonight. We have a chance to do that at 5 o'clock. That is what we are asking the Senate to do, instead of having additional tax breaks for the wealthiest individuals in this country.

Put the children first. That is what the Murray amendment would do.

I hope my good friend from New Hampshire will join us hand in hand to support the Murray amendment, and we will cut in half the number of children being left behind.

Mr. GREGG. Will the Senator from Oklahoma yield a couple of minutes to respond?

Mr. NICKLES. I yield 4 minutes to my colleague from Massachusetts.

Mr. GREGG. The Senator from Massachusetts argued it might have credibility and might have legs were it not for the fact there is presently—because of the huge amount of money the President of the United States, George Bush, has put into this account, that is presently unspent title I dollars representing billions.

Mr. KENNEDY. Will the Senator yield?

Mr. GREGG. Is this a question?

Mr. KENNEDY. Yes. The Senator is not surprised on that because they always commit that money in July of the next year. You can use all the charts you want; it is committed and it is expended in July. Everyone understands that.

Mr. GREGG. I appreciate the Senator's question, and I am sure it was a question, although I never really actually heard the question.

But make the point this is 2001 money, 2 years ago; August has already come and gone for 2001; and 2002 is fast approaching.

The fact is, we are putting so much money in the pipeline so fast because we are prefunding this issue, as we should be, that we are not creating an unfunded mandate. We are actually creating a situation where many States are, for at least the moment, not making money but seeing a significant surplus in the amount of money coming in relationship to the amount of money they are having to spend to reach the goals of No Child Left Behind, which, as we all know, is to give low-income kids a better shot at the American dream by educating them properly.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me speak for the 4 minutes I was allocated by the Senator from Washington to support the amendment Senator MURRAY and Senator KENNEDY have put forward. I compliment them on the leadership they provide on education issues and this amendment in particular.

I heard my colleague from New Hampshire talk about how we cannot just increase funding ad infinitum, that what this amendment would do is throw out numbers that are irresponsible. That was one of his phrases.

As I understand the amendment, and the reason I am cosponsoring the amendment, this amendment proposes to fully fund the No Child Left Behind Act. All it is saying is we made an agreement on a bipartisan basis. The President participated in that agreement. We told the people of our States and our school districts that we were going to provide a certain level of support to help them implement the No Child Left Behind Act. The budget before the Senate does not do that.

The suggestion is made that the reason it has not done that is because there is surplus money that has come into the State and we prefunded things too much. As I have not been able to spend the money in the pipeline. This is news to the school districts in my State and to the people involved with trying to educate the children in my State. In fact, when I go home, what I hear from people in my State is that we have these new requirements, we need assistance, we need resources. If you want us to train teachers' aides, which we want to do, if you want us to raise the level of qualifications of our teachers, which we want to do, please help. Please come through with the resources that were committed in the No Child Left Behind Act. That is exactly what this amendment tries to do.

The other comment I heard was we cannot fully fund every bill that is authorized in this Congress. That is not what the Senator from Washington and the Senator from Massachusetts are proposing. They are saying, let's just fully fund this bill. Let's take education and recognize that it needs to be a priority.

In this budget resolution, we have over $1.3 trillion in tax cuts. Now, is it too much to say that $8.9 billion of additional funds should go into education? I don't think that is an unreasonable request. The priorities of the American people would be with us, and they would agree, let's fully fund the No Child Left Behind Act before we start cutting taxes.

We all know we have enormous other expenses that are coming at us as a result of the war that is imminent in Iraq. I certainly intend to support those expenditures, but to suggest that we do not have enough money left to pursue our education funding, to keep the promise we made to the American people at the time the No Child Left Behind Act was signed into law, is very unfortunate.
I participated with the Secretary of Education when he came to my State and had something of a rally in Albuquerque to talk about No Child Left Behind and what a wonderful thing it was for the State. I supported that legislation. I supported it all the way through. I worked with my colleagues to try to be sure it made good sense and fit the circumstances of our State. But I did so always on the assumption that we would then come along and provide supplemental support to the States for local school districts to implement those improvements.

I think it is essential we do that. I think it is essential we adopt the Murray-Kennedy amendment. I hope our colleagues will support this amendment and keep faith with the young people of our country.

Everyone in this body gives speeches talking about how the future lies with the children of the country. We need to do no less and add to this amendment and make education a priority in this budget.

The pending budget simply sets the wrong priorities by providing over $1.3 trillion in tax breaks to the wealthiest while cutting education funding.

This budget abandons the promise to leave no child behind by cutting funding for the No Child Left Behind Act—legislation repeatedly embraced by the Administration and passed by a strong bipartisan vote just last Congress—by $700 million.

Under this budget, Title I—the program targeted on districts and schools with large numbers of disadvantaged students—would be approximately $5.8 billion short compared to the levels agreed to on a bipartisan basis in the No Child Left Behind Act. As a result, over 6 million poor children will be left behind.

In addition, over 500,000 children will lose access to after school services under these funding levels.

The budget before us also contemplates eliminating funding for the dropout prevention program, at a time when the pressure is greater than ever to push at risk students out so they do not negatively impact school performance.

The budget also contemplates cutting extracurricular programs that provide research-based strategies for schools to improve academic achievement and reduce dropout rates. For example, the smaller communities program provides funds to schools seeking to create personalized learning environments that research proves will increase student academic achievement, reduce dropout rates, and increase school safety. It is exactly the type of reform effort that we endorsed and indeed required in the No Child Left Behind Act. It is the type of program that we should expand, rather than eliminate.

If we truly intend to leave no child behind, education funding—particular

Kently to increase funds for the No Child Left Behind Act by $8.9 billion, fully funding this critical legislation. The amendment also includes $8.9 billion for deficit reduction. Both the education and deficit reduction provisions come from the tax cut. It is imperative that Congress sends a strong message in support of education that is accompanied by equally strong funding.

The budget resolution we consider today fails to provide sufficient funding for education programs at all levels. Despite the Administration rhetoric that places great importance on improving educational opportunities for all Americans, President Bush’s budget underfunds a variety of programs—early childhood education, elementary education, vocational education, and higher education—that are especially important to families given the weak economy.

And schools struggling with budget shortfalls, rising student enrollment, and an increasing number of students with limited English proficiency. At the same time, States are working to meet the new requirements of the No Child Left Behind Act. I supported the No Child Left Behind Act because I agreed with its principles—all public school children should be able to achieve and all schools should be held accountable when their students fall to do so. I believed the President when he said education would be a priority. But now we face a budget that does not make education a priority. Instead, we are asked to support a budget that somehow finds the money to provide a tax cut for the wealthiest individuals, but cannot do so for the education of our Nation’s children.

This budget provides only a 2 percent overall increase for education programs, and some increases such as those for both Title I and IDEA, are largely paid for with cuts to other valuable education programs. Funding for the No Child Left Behind Act is cut by $700 million below fiscal year 2003 levels. It shortchanges Title I funding by $5.8 billion below the authorized level. Title I could reach only 40 percent of eligible low-income children at this level. This budget also cuts funding for teacher quality programs, after school programs, and eliminates 46 education initiatives.

The No Child Left Behind Act places a variety of new requirements on States and local school districts, including annual standardized testing and increased teacher certification. While we can expect our educators to do all within their power to improve our schools, we cannot expect this landmark legislation to be effective if they are not given the resources to implement these programs. If this amendment passes, over 2 million additional needy children will be served by Title I, providing school options are extended to an additional 1.3 million latchkey kids, and 50,000 new teachers could become fully qualified.

Mr. SARBANES. Mr. President, I express my strong support for the amendment offered by Senators Murray and Kennedy to increase funds for the No Child Left Behind Act by $8.9 billion, fully funding this critical legislation. The amendment also includes $8.9 billion for deficit reduction. Both the education and deficit reduction provisions come from the tax cut. It is imperative that Congress sends a strong message in support of education that is accompanied by equally strong funding.

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I find it unconscionable that we can consider a tax cut aimed at the wealthiest Americans while purporting to be unable to adequately fund education programs. Now is the time to move beyond the rhetoric and show teachers, parents and students that we are serious in our efforts to help them. I urge my colleagues to vote in favor of the Murray-Kennedy amendment.

Mr. KERRY. Mr. President, I am pleased to be a co-sponsor of Senator Murray’s amendment to the budget resolution that will fully fund the No Child Left Behind Act. I regret that I will not be present for the vote, but if I were present I would vote for the Murray amendment to increase education funding by $8.9 billion.

Unfortunately, both the budget resolution that we are debating and President Bush’s proposed fiscal year 2004 budget do not fulfill the funding commitment that Congress made when we passed the No Child Left Behind Act into law. The budget resolution contains a $700 million cut in funding for the No Child Left Behind Act compared to the fiscal year 2003 levels.

The budget resolution’s title I funding leaves more than 6 million disadvantaged children behind. There is no increase for teacher quality funds, even though nearly 40 percent of title I children are taught by teachers without a college degree in their primary instructional field and our schools will need in the next decade. While 6 million latchkey children currently go without funding, this budget cuts after school programs, which can reduce juvenile crime and prevent children from engaging in risky behaviors. The President’s budget for fiscal year 2004 slashes Federal funding for after school programs by 40 percent. This unprecedented cut would result in over 81,000 children in California and almost 600,000 children nationally being pushed out of after school. Furthermore, by not fully funding after school programs at the level that we promised in the No Child Left Behind Act, we will be leaving over a million more children not just behind, but home alone.

We cannot afford to neglect our commitment to our Nation’s children. The time for rhetoric has passed and now it is time to act. It is time to fully fund after school programs and the entire No Child Left Behind Act.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. How much time remains?

The PRESIDING OFFICER. The Senator from Oklahoma has 10 minutes and the Senator from Washington has 4 minutes.

Mr. NICKLES. I yield 4 minutes to the Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I congratulate the Senator from New Hampshire and other Senators who have been working hard on the Leave No Child Behind legislation.

I am a new Senator and was not here when it was done. I watched it from a distance as former Education Secretary, to see how the Federal Government, which contributes about $650 or so out of the $7,000 or so we spend per student in this country on K-12 education, could make a difference.

The principles of flexibility and accountability and the addition of more options for parents and significant additional funding have been a very good bipartisan start. The funding, which is the area at issue today, has been generous.

When I look at my own State of Tennessee, for example, we can always use a little more of the Federal dollars to help do what needs to be done, but the amount that has come in has been very helpful. For example, in fiscal year 2000—and this follows to a great extent what the Senator from New Hampshire said—and then in fiscal year 2001, President Clinton asked for $8 billion and appropriated $8.3 billion. In fiscal year 2000, the Congress appropriated roughly what the President requested, and in fiscal year 2001, it appropriated $8.7 billion. Tennessee got $137 million in fiscal year 2000 and $141 million in fiscal year 2001 for title I funding, the largest federal program that helps low-income children. This is the money that focuses on leaving no child behind.

When President Bush came in, he asked for $8 billion and the Congress provided $8.6 billion and the share of title I funding for Tennessee went up to $152 million. In the budget we just finished in January, the President asked for $11 billion, and Congress provided $10.8 billion and Tennessee’s share went up to $172 million.

With the newest recommendation from the President, an increase of $1 billion, Tennessee is up to $174 million. These increases in title I funding are moving more rapidly than other parts of the Federal budget.

Could it be more? Maybe I will suggest over time we spend more. But we need to recognize these are significant increases in spending to fund the new programs from the Federal Government, while staying within a reasonable budget.

In Nashville last week, I picked up an article about teachers, which you do not see that often, that talked about how much they appreciated the additional federal funding for ESL, English as a second language, and how it was helping and how the new money for this year, which we just finished appropriating a few weeks ago, is making its way into the schools. Half of the teachers said this was the first year for major funding and it should really improve services.

So I stand here today to say that I congratulate President Bush for this Senate, and this Congress, for what they have accomplished in the last 2 years—significant increases in funding for title I and the IDEA program over what was being spent when President Bush took office, even in a time when I have a budget under stress and are considering a war. Education funding is growing at a more rapid rate, as it should, I believe, than virtually any other part of the budget. I am glad to see that.

I ask unanimous consent that the article from the Tennessean be printed in the Record, and I yield the floor.

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

[Federal Register, Vol. 68, No. 52, Tuesday, March 18, 2003]

FEDERAL FUNDING HELPS DEFRAY LOCAL COST OF ESL PROGRAMS

(By Claudette Riley)

Students with limited English skills who enter Tennessee schools will now find classrooms that are better equipped than ever to meet their needs.
This year, the state received more than $2.24 million in federal funding to help public schools meet the needs of students served in English as a Second Language, or ESL, programs.

In recent years, local districts have shouldered the cost of providing the required services, with limited help from state funding or grants.

"This is the first year for major funding. It should really improve services," said Carol Irwin, ESL coordinator for the state Department of Education. "It should put more professional development in place, pay for materials and technology, and hire more tutors and translators."

Tennessee and other states with a steady influx of families from other countries are benefiting from a shift in the way federal ESL funds are allocated. National education officials used census data to determine how much each state would receive for this school year.

"It's made a tremendous difference. We went from a teacher and a half to a teacher with two full-time educational assistants," said Sayra Hughes, coordinator of ESL for Dickson County schools. "We meet with the children on a daily basis now, and they are given tutoring."

Of the $2.4 billion in federal funds allocated to Tennessee this year, nearly $1.8 million went directly to school districts, $122,000 was pulled out for administrative costs and another $122,000—was awarded as grants to the school systems with the highest need.

"It's just encouraging for districts to know they'll have some financial help," Irwin said. "The districts have been struggling to get this done."

Based on existing numbers, the state will get $2.65 million in federal funding for ESL during the 2003—04 school year and nearly $3 million the next year, officials said.

"The numbers are rising, and so we're getting more money," Irwin said.

The extra money is welcome news for the state's 138 school districts, many of which have reached deep into their own pockets to put the ESL programs in place.

The federal funding is helping us," said Sayra Hughes, coordinator of ESL for Metro schools, which received nearly $600,000 from the new funding. "It's just an added bonus. It has assisted—the local funding is still there.

The federal funding isn't expected to replace local contributions, but school officials said it would help them provide more staff and better materials.

Tennessee has 15,007 students in ESL programs, and 23.8% of them—4,283—are in Metro schools. The district received the largest chunk of the new federal funds.

"We've been able to purchase a lot of additional materials," Hughes said. "We were able to increase the services provided by the tutor translators."

Jan Lanier, chairwoman of the ESL department at Metro's Glencliff High School, said all 28 districts had eventually put in a language laboratory and provide students struggling to learn English with better research materials and bilingual dictionaries.

"We have some, but we don't have enough for every class to have a full set."

While district officials say the extra federal money is welcome, some note that it won't cover the cost of operating ESL programs.

"We did have more money this year, but it didn't come close to covering what we spend on staff," said Andy Brummert, director of Lebanon Special School District. "The majority of the money we spend to serve these children is local."

The PRESIDING OFFICER. Who yields time?

The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent to add Senator REED of Rhode Island as a cosponsor, and I yield him 2 minutes of my time.

The PRESIDING OFFICER. Without objection, the amendment is added to the bill, and the Senator from Rhode Island is recognized for 2 minutes.

Mr. REED. Mr. President, the choice before us is very clear: Are we going to devote $8.9 billion to tax cuts, most of them favoring the very rich, or are we going to devote $8.9 billion to the children and the schools of America? The choice is much more clear since the No Child Left Behind Act was passed because we made significant commitments to improve the quality of education in the United States while imposing significant responsibilities on the schools. The schools are expecting this money. The suggestion that there is a lot of money in the pipeline is interesting, but I would be shocked because that suggests the Department of Education is inept in getting money that is there in the schools that desperately need it.

There are 10,000 identified falling schools in this country. There are scores of children being taught by teachers without a college degree in their primary classroom instruction. All of that needs remediation, help, and resources, but instead the budget before us provides billions in tax cuts when our schools desperately need that money.

It is not a question of what we did last year, it is a question of what we will do this year. It is a question of whether we will meet the needs of the American students and whether we will keep the promises of the No Child Left Behind Act. We are not keeping those promises in the budget that is presented to us by the Budget Committee. We should keep those promises, and by doing so, we will do something I believe every American wants more than tax cuts for the wealthy Americans. We want to see every child in this country have a decent education, succeed, contribute, and be part of this great country. That is what the Murray amendment does.

The choice before us is clear, compelling, emphatic: Put the money with the schools and the children, and our economy will be better, and our schools and students will be better. We can afford it because if we do not commit the funding to the children, it will go to tax cuts primarily to upper income Americans.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NICKLES. How much time remains on both sides?

The PRESIDING OFFICER. Six minutes for the Senator from Oklahoma, 2 minutes for the Senator from Washington.

Mr. NICKLES. I yield myself 3 minutes.

Mr. President, when we marked up our budget, we put in a couple of billion dollars actually over the President's request. I mentioned to my colleagues then: No matter what we put in, there are going to be amendments on the floor to increase education.

I might show our colleagues—Senator GREGG did this far better than I—education funding under this President is compared to previous Presidents, has exploded. It has gone up dramatically. Title I, which addresses the issue we have before us on No Child Left Behind—if you look at the rate of growth we have in title I grants, it is a dramatic increase.

The Senator from Washington has an amendment. This might even show it better. It shows that the spending level basically in the last few years, under this President compared to the previous President, has had a dramatic increase. As a percentage, I might mention, it went up in title I percentages of 10.3, 18.1, 12.9, 8.6—big increases.

The Senator from Washington has an amendment that says let's do No Child Left Behind and let's go from $23 billion—let's add another $8.9 billion, which would be a 38.7 percent increase for 1 year. It says $8.9 billion. It doesn't sound like much. Most of the figures we are dealing with are in trillions. This is 1 year. We only increased non-defense discretionary spending by $10 billion. This is $9 billion for education, and not all education, just part of education. I understand there will be amendments later to deal with IDEA, and we put in an additional $1 billion for IDEA, we put in an additional $1 billion for title I at the request of the chairman of the HELP Committee, who was a strong leader and made an excellent presentation.

No matter what we do, no matter how high the percentage increases we have, even if they are double digits, there are amendments that will say let's do more. This amendment says let's add 38.7 percent. I think it is irresponsible, and I will urge my colleagues at an appropriate time to support a motion to table the amendment.

The PRESIDING OFFICER. Who yields time?

The Senator from Washington.

Mrs. MURRAY. Mr. President, we are about to vote on a very important amendment. Not very long ago, the Members of this body voted to pass a bill called No Child Left Behind. The budget that is put forward to us today will leave thousands of children behind if we do not fulfill the commitment we have made.

I listened to the arguments on the other side. I have seen the charts and graphs. If there is one thing I have learned here in the Senate, it is that you can have a chart or graph to show whatever you want it to show. But what the numbers shown on the chart behind us, 3 million more children in this country, 3 million more children need more funding if they want to meet the obligations of No Child Left Behind, $50,000 was the number of qualified teachers need to be hired; we need to provide training for 200,000 teachers. The numbers are really clear.
If you look at the Republican budget itself, their document shows 46 programs that have been eliminated in their budget: Adult education, community technology, dropout prevention, elementary and secondary school counseling, foreign language, physical education, postsecondary education, vocational education. These are programs listed in their budget that they cut.

We can put up charts and graphs, but I can tell you one thing: The children in our schools, the parents who take their children there, the teachers who teach there, the community members who work in our schools all know when we pass a bill and say we are going to test our kids at the Federal level and we do not provide the resources to make sure those children can learn, we pass on an unfunded mandate that is irresponsible to our States that are struggling today.

The amendment we are about to vote on fully funds title I. It continues the effort to hire 100,000 qualified teachers. It helps to put high-quality teachers in the classrooms and continues to make sure we fulfill our obligations.

Tougher accountability without adequate reform is not reform, it is politics. Children need books, they need teachers, they need the programs, and they need the Federal Government to live up to its responsibility. That is what this amendment does.

The PRESIDING OFFICER. The time of the question has expired.

Mr. NICKLES. I yield the remainder of our time to the Senator from New Hampshire.

Mr. GREGG. There have been a lot of representations here, but we need to go back to the fact that on our side of the aisle we had to produce a budget—and we did, something that didn’t happen last year from the other side of the aisle relative to bringing it to the floor.

When the other side of the aisle was talking dollars, they were willing to give up on $4 billion relative to children in title I. That was their gap last year in their appropriating bill. For them to come forward this year and say suddenly that gap is an unacceptable event and inappropriate and inconsistent with everything that is right about taking care of our children in this country is truly a bit of an inconsistency that has expired.

The issue of balancing this against a tax cut I find difficult. Tax cut for the rich? Sixty percent of the people who get the dividends cut, should we actually put it in place, are going to be senior citizens. It is their money. It is their money.

The issue is, how do you prioritize spending? The President of the United States has prioritized spending. He has put education right at the top of his priorities, at a much higher level than President Clinton put it—indeed, at a level so much higher than President Clinton put it that it represents a factor of two or three times what President Clinton did during his time in office.

He has done it at the same time as he has limited overall spending of the Federal Government. The spending on education in this bill significantly exceeds the overall spending of the Federal Government in all accounts except possibly defense, because we are at war. That is a hard commitment, and it translates into real dollars, $1 billion of additional money every year since he has been President for title I, for IDEA, over $3 billion of new money—$3.9 billion—for title I. Those are hard dollars, real dollars, done in a responsible budgeting way.

Mr. President, is my time up?

The PRESIDING OFFICER. Yes. All time has expired.

The question is on agreeing to the motion to table amendment No. 284. The assistant legislative clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. The motion to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

Mr. NICKLES. Madam President, I suggest the absence of a quorum.

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

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

Mr. NICKLES. For the information of our colleagues, this is Wednesday night. I ask the Parliamentarian, how many hours are left on both sides?

The PRESIDING OFFICER. On the majority side, there are 10 hours 17 minutes remaining. On the minority side, there are 11 hours 42 minutes remaining.

Mr. NICKLES. For the information of our colleagues, this is Wednesday. We are working very aggressively to finish this bill. I have tried to see if we could not advance a lot of the major amendments, including the 350 amendment. I have been trying to get that up all day. I have not been successful, but I understand we will have that up tomorrow.

Several people I have been talking about this amendment. This is the amendment that would reduce the growth package from $725 billion to $350 billion. I suspect we will have votes on that tomorrow. It is my expectation tonight, for the information of my colleagues, as long as the majority leader is willing, we will stay in until midnight tonight. Several people said they did not want to have votes tonight, that they have other things to do.

I have consulted with my friend and colleague from North Dakota who has been a pleasure to work with on this resolution, and both we know how we have a lot of amendments with which we need to deal. I urge my colleagues to work with us and not surprise us with their amendments, show us their amendments, and we will see if we can agree to them or work out a time agreement on them and see if we can finish this resolution in a timely, orderly fashion, in a way we would be proud to function. Sometimes the Senate does not do that when we handle budgets.

It would be my expectation that we would stay in at least until midnight tonight and consider several amendments. I believe we now have three amendments in order. Senator KYL has an amendment dealing with the death tax; Senator GRAHAM of Florida has an amendment dealing with anti-money drugs; and Senators COLLINS and ROCKEFELLER have an amendment dealing with assistance to States.
We are willing to consider all those amendments and additional amendments tonight. I will yield the floor. It is our expectation there will not be any additional rollick call votes tonight, but that does not mean the Senate will not be considering amendments.

If we have amendments, if they have amendments, please work with Senator Conrad and myself to have those amendments timely considered.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, let me rivet a point that the chairman of the budget committee is making. We have three additional amendments lined up, but we should do more amendments tonight. If we are serious about avoiding a vote-arama at the end, where we do not have a chance to describe amendments, we just have to vote on amendments after amendment, the way to do that is not to do our work now.

It is to some colleagues who have said they have to make a change in amendments, it is not convenient for them to come tonight, if we are going to get this done, they have to put aside convenience and get over here and offer their amendments. There is a limited amount of time remaining to debate and discuss amendments, and people are going to lose their opportunity—let me make that very clear on our side—to have time to debate their amendment and a vote made because the rules allow that, but they are going to lose their chance to debate and discuss it. So this is the time, if they want to debate an amendment, to get over here and offer the amendment.

Mr. DORGAN. If my colleague will yield for a question?

Mr. CONRAD. Be happy to yield.

Mr. DORGAN. I ask my colleague, and perhaps Senator Nickles and the majority leader as well, I fully agree with the notion we need to move along, to address these amendments, try to get through this budget resolution, but I also understand, as do most of my colleagues, that the potential of military action is imminent—perhaps hours, perhaps a day, perhaps two days, I do not know, but my expectation would be when military action is commenced and our sons and daughters of America are ordered to military action and in the field, almost every Senator will want to address that issue.

My hope and expectation would be at that moment, when we see what is the most serious decision faced by our country, that is, sending our young men and women to combat, that we would want to leave the budget and have an amendment a vote because the rules allow that, but they are going to lose their chance to debate and discuss it. So this is the time, if they want to debate an amendment, to get over here and offer the amendment.

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begin considering amendments. Right now we have three amendments in the queue. I believe Senator Kyl’s amendment will not be debated too long tonight, maybe 30 minutes.

Mr. KYL. At most.

Mr. NICKLES. Thirty minutes for his. I believe Senator Graham of Florida is going to discuss the prescription drug amendment. That is a pretty big amendment, a couple hundred billion dollars and so that may take a little longer discussion. Then I believe there is also a resolution to be offered by Senator Rockefeller and Senator Collins. That may take maybe an hour, maybe less than an hour. We will hold for consideration of additional amendments. We may set aside a lot of amendments tonight and stack those amendments that require a rollcall vote. Maybe most of these will not require a rollcall vote, but we are willing to stack some of these for votes for the convenience of all Members.

Mr. SARBANES. Will the chairman yield on that very point?

Mr. NICKLES. Be happy to.

Mr. SARBANES. When does the chairman intend to vote on the amendments that are going to be offered and considered this evening?

Mr. NICKLES. I would expect that will be tomorrow afternoon. I will make that decision after consulting both the majority leader and the ranking member of the Budget Committee.

Mr. SARBANES. Presumably, then, if it is tomorrow afternoon, there would be a list of amendments that will be offered tomorrow morning, is that the procedure?

Mr. NICKLES. That is correct. I say to my colleagues, for their information, I did consult with Senator Breaux and Senator Snowe, and I believe they are planning on offering the 350 amendment in the morning. That is a very significant amendment. Just so people will know that will also be in the queue tomorrow morning.

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

Mr. NICKLES. Be happy to yield.

Mr. DURBIN. I ask the Senator from Oklahoma, has anyone suggested a time limit on the debate on each of these amendments of no more than half an hour so more amendments can be debated? We know where we are headed. We are going to run out of time and some of the amendments will not even have a minute of debate if we are not careful.

Is it possible we could have a unanimous consent request to limit the debate to no more than half an hour on each amendment?

Mr. NICKLES. Responding to my colleague, it depends on the amendment. I don’t know if we can agree to a half an hour agreement on an amendment that would increase spending on prescription drugs by $200 billion. That does not fit for a 30-minute discussion. Possibly other amendments might. So we will have to do an amendment-by-amendment basis.

The resolution says each amendment would have up to 2 hours. I am happy to shorten that when appropriate.

The PRESIDING OFFICER. Senator from North Dakota.

Mr. CONRAD. I wonder if, on the next three amendments, we might arrive at a time agreement for the convenience of our colleagues. The Senator from Arizona has been very generous. He has said we can have 30 minutes equally divided, something like that. Would that be appropriate?

Mr. NICKLES. We are not prepared to enter into that on that amendment yet, nor on the Graham amendment. Possibly on the Rockefeller-Collins and possibly after Senator Collins’ amendment we might agree to some of these. But I don’t think we are ready just yet, Madam President, I yield to the Senator from Arizona for the purpose of introduction of an amendment.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Madam President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The amendment is as follows:

(Purpose: To provide financial security to family farm and small business owners by ending the unfair practice of taxing someone at death)

On page 3, line 23, decrease the amount by $347,000,000.
On page 3, line 22, decrease the amount by $336,000,000.
On page 3, line 11, decrease the amount by $31,100,000,000.
On page 3, line 10, decrease the amount by $30,324,000,000.
On page 3, line 9, decrease the amount by $30,324,000,000.
On page 3, line 8, decrease the amount by $30,324,000,000.
On page 3, line 7, decrease the amount by $30,324,000,000.
On page 3, line 6, decrease the amount by $30,324,000,000.
On page 3, line 5, decrease the amount by $30,324,000,000.
On page 3, line 4, decrease the amount by $30,324,000,000.
On page 3, line 3, decrease the amount by $30,324,000,000.
On page 3, line 2, decrease the amount by $30,324,000,000.
On page 3, line 1, decrease the amount by $30,324,000,000.
On page 3, line 24, decrease the amount by $347,000,000.
On page 3, line 23, decrease the amount by $336,000,000.
On page 3, line 22, decrease the amount by $31,100,000,000.
On page 3, line 21, decrease the amount by $30,324,000,000.
On page 3, line 20, decrease the amount by $30,324,000,000.
On page 3, line 19, decrease the amount by $30,324,000,000.
On page 3, line 18, decrease the amount by $30,324,000,000.
On page 3, line 17, decrease the amount by $30,324,000,000.
On page 3, line 16, decrease the amount by $30,324,000,000.
On page 3, line 15, decrease the amount by $30,324,000,000.
On page 3, line 14, decrease the amount by $30,324,000,000.
On page 3, line 13, decrease the amount by $30,324,000,000.
On page 3, line 12, decrease the amount by $30,324,000,000.
On page 3, line 11, decrease the amount by $30,324,000,000.
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On page 3, line 5, decrease the amount by $30,324,000,000.
On page 3, line 4, decrease the amount by $30,324,000,000.
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On page 3, line 2, decrease the amount by $30,324,000,000.
On page 3, line 1, decrease the amount by $30,324,000,000.

On page 4, line 7, decrease the amount by $31,100,000,000.
On page 4, line 6, decrease the amount by $31,100,000,000.
On page 4, line 5, decrease the amount by $31,100,000,000.
On page 4, line 4, decrease the amount by $31,100,000,000.
On page 4, line 3, decrease the amount by $31,100,000,000.
On page 4, line 2, decrease the amount by $31,100,000,000.
On page 4, line 1, decrease the amount by $31,100,000,000.

On page 4, line 10, decrease the amount by $63,900,000,000.
On page 4, line 9, decrease the amount by $58,100,000,000.
On page 4, line 8, decrease the amount by $53,700,000,000.
On page 4, line 7, decrease the amount by $48,900,000,000.
On page 4, line 6, decrease the amount by $48,900,000,000.
On page 4, line 5, decrease the amount by $48,900,000,000.
On page 4, line 4, decrease the amount by $48,900,000,000.
On page 4, line 3, decrease the amount by $48,900,000,000.
On page 4, line 2, decrease the amount by $48,900,000,000.
On page 4, line 1, decrease the amount by $48,900,000,000.

Mr. KYL. I ask unanimous consent.

The PRESIDING OFFICER. The request is granted.

Mr. KYL. Madam President, I yield to the Senator from Arizona.

Mr. KYL. Madam President, I yield to the Senator from Arizona.
don’t think we need to repeat all of those tonight. The majority of this body supports repeal of the estate tax. We have passed repeal of the estate tax. There were good reasons for doing so, primarily because it is an unfair tax.

In addition to that, it hurts small business. If you have a business of, say, 25 employees and you have to sell your assets, your equipment, in order to pay your estate taxes, not only have you had to disband your business but you have lost all the people who worked to keep it afloat.

At this time in our economy where we are concerned about joblessness, where we want to create more jobs, not see more jobs disappear, knowing the estate tax is going to be permanently repealed even sooner than we anticipated will help businesses stay alive to provide the jobs and the economic growth we need.

We know by far and away the vast majority of the jobs in this country are created by small businesses.

There were a number of sponsors of our original repeal. I anticipate we will have a number of sponsors of this amendment.

I ask unanimous consent Senator Sasser be added as an original co-sponsor of my amendment.

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

Mr. KYL. Rather than restating all the arguments for repeal, since we have already voted to do that, I will bring my colleagues up to date on some current research about what the American people believe about the estate tax.

A poll was conducted early this year between January 16 and 21. It was a poll of about three times as many people as are ordinarily interviewed. Over 2,500 registered voters were interviewed for this survey by a research company. Its findings ought to be of significant interest to my colleagues.

The question is with respect to the estate tax. The conclusion of the poll is that the American people simply oppose, on principle, the concept of anyone being taxed on the death of their parents or their spouse.

I thought I would share just four specific results from this survey. When it comes to stimulating the economy, the poll confirmed that Americans overwhelmingly believe tax relief is more effective than increases in Government spending. This is to the general proposition that is being debated between those who believe we should spend more to help our economy and those who believe we should provide tax relief.

The question was, Which is better for the Federal Government to stimulate the economy, increase economic growth, and create new jobs? And they were given two choices. One was the tax cut option, and the other was the spending option. Fully 68 percent picked the tax cut option whereas only 20 percent said increased Government spending was the best for economic growth and the creation of new jobs.

Two of the subgroups are particularly fascinating. Among Democrats surveyed, the ratio in favor of tax cuts over increased spending is a healthy 2 to 1, 57 percent to 28 percent. I do not have it broken down by State, but among Democrats, if it is 2 to 1, I dare say any Republican it is even more than that.

Among those with incomes below $30,000, 65 percent back the tax cut approach to improving the economy, while only 19 percent prefer increased Government spending. This is a significant finding in the survey.

If there is going to be a tax cut, the question is, Should everyone get something back or should we wait until we have a budget surplus? In other words, what of this argument that will be contributing to the deficit?

When given a choice of three options, even with the debate about the ballooning deficit, just one in four Americans, 24 percent, believe there should be a tax cut and the rest will wait for a budget surplus. Let me restate that.

Only 24 percent of Americans believe it is improper to cut taxes while we have a deficit.

For those who believe the majority of Americans do not want to cut taxes until we are in a surplus situation, this survey demonstrates that is incorrect. Only 24 percent of Americans believe that.

To the third point, tax fairness. This is where we get into the death tax repeal specifically, but it relates to other taxes, too. As a general proposition, one expects people tend to favor taxes on someone else and to oppose taxes that affect them directly. And that is, as a general proposition, true. But what this survey of over 2,500 Americans just a couple of months ago confirms is that there is a very strong consensus that there are a couple of taxes that are absolutely unfair and it does not affect even in the what demographic category you are in. Whether you are rich or poor, the overwhelming majority believes there are two taxes that are absolutely unfair, and there is an overwhelming consensus they should be repealed.

What are those two taxes? These are the two at the top of the list to the question, What tax do you think is completely unfair or completely fair? The two taxes people would repeal with the biggest majority are the Social Security benefit tax and the death tax.

Remember the tax that was imposed in the early Clinton years to actually tax Social Security benefits? That is very unpopular. Five percent of the people think it is completely fair; 62 percent think it is completely unfair.

With the death tax, 7 percent think it is completely fair and 62 percent also think that tax is completely unfair. Sixty-two percent of all Americans think it is completely unfair to have a death tax, and only 7 percent think it is completely fair.

All other taxes—marriage penalty tax, long distance phone tax, savings account tax, all the way down to stock dividends, payroll income tax, property tax, gas tax, sales tax, right down the list, and they get increasingly popular. The marriage penalty, 60 percent of Americans think that is completely unfair. We are doing away with that in the tax cut package.

Same thing with death tax, 59 percent of the people think that is unfair. Capital gains tax, 23 percent think it is unfair. Stock dividend, more think it is completely unfair than completely fair. 23 to 21. Death tax, 57 to 8.

You finally get down to an alcohol and beer tax. That is pretty unpopular. Only 8 percent think that is a bad deal; 57 percent think it is fine. It is pretty much the same number for the cigarette tax.

The bottom line is in this very recent extraordinarily large survey what we find is the two taxes the American people would repeal first and foremost are the tax on Social Security benefits and the death tax. Fully 65 percent of the American people believe the death tax to be completely unfair.

With regard to the death tax in particular, you would think that this would be a tax that rich people would really like to get rid of and people would like to keep. After all, by its very nature, if you have a business or family farm or have some wealth to pass on to your heirs, repealing this tax would benefit you more than some other tax that has absolutely nothing.

What does the survey show?

Fully 65 percent of those with incomes below $30,000 believe the death tax is completely unfair. By comparison, a very interesting statistic, only 59 percent of individuals with incomes above $60,000 label the death tax unfair.

Ironically, more people at the lower end of the economic spectrum view this tax as completely unfair than when you get to be higher in the economic strata. The fact is, another poll, a Gallup poll, demonstrated the same phenomenon. Even though most people understood that repeal of the death tax would not benefit them personally, an overwhelming majority still favored repeal of the death tax. Why? Because they understand it is unfair.

One of the great things about this country and the American people is they have an innate sense of fairness. Even if something doesn’t benefit them directly, they understand if it is wrong they are willing to support its repeal.

There are some other interesting survey results in terms of arguments against the death tax. I thought some of these were fun, and then I will close this out. If you ask certain questions about the death tax, for example, if you remind people that the highest rate of taxation for the death tax is 50 percent, then 79 percent of the people agree that is unfair and the tax should be repealed.

When you remind people that the inheritance tax represents double and triple taxation, again 79 percent believe it should be repealed.
With some of the arguments that are actual statements of fact with respect to the inheritance or estate tax, when reminded of that, the American people are even more strongly in support of its repeal than if they are not reminded of that. Also when you remind people that the tax is unfair, because it singles out those who save and invest, for no reason other than the fact that they became successful and then died—of course, the exact thing we try to teach people, save your money, invest it, try to pass it along to your kids, is the American dream to make the next generation better off than your generation; if you live the American dream, you get punished. If you are broke, you don’t get punished. Of course the American people, when reminded of that, are even stronger in favor of repeal.

The bottom line is every subgroup and fully 58 percent of the electorate as a whole, including, as I said, a majority of everybody who would vote for a candidate who advocates repeal of the death tax. Only 32 percent would vote for the candidate who supported maintaining the death tax.

The bottom line of all this research is it is quite unlikely we would not vote for a candidate who advocates repeal of the death tax. That would be no surprise; a family would have $6 million completely sheltered. With planning, most would say no. I would say to borrow faith with the American people unless we are willing to move forward the date that the death tax is repealed.

In the interim period of time, we are reducing the rate and we are also increasing the amount of income that is exempted from the inheritance tax. Both are good. But it seems to me, given this fact, that it is not too much to ask my colleagues to accelerate by 1 year the date that the tax is actually repealed. There will be some who say we cannot afford an immediate repeal today. To that I say, if that is your view, fine. That is not what we are doing here. I would prefer to do that.

I think we can compromise and agree that moving the repeal date forward 1 year that that is affordable and something that should be done.

This amendment is very straightforward. That is the long and short of it. I think I pointed out the American people would support this. I hope since the Senate has already gone on record by repealing the estate tax in the year 2010, that we would not be bashful about moving that forward by 1 year to 2009.

I ask my question to the body when we finally bring this to a vote is. Did you mean it when you said we should repeal the estate tax? If so, let’s move that repeal date forward by 1 year.

Mr. CONRAD. Mr. President, might I ask the author of this amendment what the cost is?

Mr. KYL. Mr. President, I will try to get the exact number here in just a moment. I am informed that the estimated cost is $46 billion.

Mr. CONRAD. It is $46 billion?

Mr. KYL. Correct.

Mr. CONRAD. Mr. President, I say to my colleague—

Mr. KYL. Might I add one more thing. That, in our amendment, is accounted for within the budget because the money is taken from another account so it is not added on to the expense of the budget.

Mr. CONRAD. That was going to be my next question, if I could, to the Senator. What is the way the Senator pays for this $46 billion?

Mr. KYL. Mr. President, I tell my colleague the function in the budget is No. 920. I have a variance of the funding for this amendment.

Mr. CONRAD. Could the Senator tell us what constitutes 920?

Mr. KYL. That is a general fund for Finance Committee action at some specific date in the future.

Mr. CONRAD. I would say to my colleagues and the Senator from Arizona, it strikes me as ill-timed to come before the body and ask for another $46 billion when we are already deep in debt. We are not going to be facing deficits this year of $500 billion; the deficits as defined by law of over $300 billion every year for the next 10 years. We are going to be taking virtually every penny of the Social Security surplus under the chairman’s leadership. No, that Senator offers $46 billion, which he funds by reducing function 920. Function 920, of course, is a general governmental function, which is a popular place to reduce around here.

I say to my colleagues, it seems to me that a wiser course than full repeal, which costs, combined with this amendment, $207 billion over the period of this budget, when we are already running deficits under the chairman’s mark of $1.7 trillion, that a wiser course would be, instead of waiting until 2009 to have an elimination of the estate tax, to have people waiting all of that time between now and then and then having an exemption of $1 million current dollar value, instead of that, we could go to a $3 million exemption per person, $6 million per couple, have it take effect now, and only cost $33 billion for the whole thing, a fraction of the cost of complete repeal. We would continue to have a functioning estate tax but fundamentally reform it: Change it, don’t end it. Change it to say an individual would have $3 million completely sheltered; a family would have $6 million completely sheltered. With planning, they could do substantially more than that and have that effective now, have that effective in the first part of the budget year that we are discussing. That would have a cost of $33 billion instead of the cost of permanent repeal of $207 billion, especially given the fact we are already in deep deficit.

At some point I hope colleagues will begin to consider alternatives, to reform the estate tax, to change it, to make it more fair, and to fundamentally buttress the economic security of the country by not compounding these record deficits we already have.

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

Mr. CONRAD. I am happy to yield to my colleague for a question. The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from North Dakota.

Mr. DORGAN. I say to my colleague, Senator CONRAD, I am unfamiliar with this notion of a tax on death. My colleague from Arizona spoke at length about the death tax.

I am wondering, would it not be true that should a Member of the Senate, perhaps a married Member of the Senate, die, God forbid, in the coming week or so, that the spouse of that Member of the Senate would inherit, would have all of their property immediately with the spousal exemption, so that death would incur no tax, there would be no tax?

So if there is a death in which there is no tax—which is the case with respect to the spouses, a 100-percent exemption—and all the property goes to the spouse, with no tax consequence, then exactly what is the death tax the Senator from Arizona is referring to? Is it, in fact, the tax on inherited wealth that exists in our law?

And if it is on inherited wealth, of course, that is a different discussion. But if it is the death tax—which is a term that was created by pollsters to evoke a certain response—is it not the case that there is not a tax on death, that many deaths in this country means the estate is probated and all of the assets of that estate go immediately to the spouse, with no tax under any circumstances? Is that not the case?

Mr. CONRAD. That is the case. In fact, there is no death tax in America. That is a good rhetorical line, but there is no tax at death in America. Only 2 percent of estates currently are taxed, and they are taxed because they have amounts of value in the estate of over $1 million.

Now, under current law, in 2009, only three-tenths of 1 percent of estates will be subject to tax. That would mean 99.7 percent of estates would not be taxed. I might say, under the proposal I am suggesting tonight, we could go to that level next year. Why wait to have estate tax reform? Why not go to a $3 million exemption per person, $6 million per couple, and not wait until 2009?

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

Mr. CONRAD. I want to complete my thought and complete my exchange with my colleague. Then I will be happy to yield.

The thing that strikes me is we have gotten off on a debate here that really is detached from reality. It is detached from reality because the cost of full repeal in the next 10 years is $207 billion. How is that going to be financed? It is going to be financed by borrowing the money. It is going to be financed by taking it out of the Social Security trust fund surplus. That is how it is going to be financed.

Now, does that make any sense? I would say no. I would say to borrow
the money to give a big tax cut to the wealthiest Americans really does not make a whole lot of sense.

Does that mean the current estate tax ought to be retained? No, it should not. It ought to be reformed, not repealed. It ought to be altered, as largest, so that a couple could exempt $6 million dollars. That costs a fraction of repeal and would give immediate relief.

I am happy to yield to my colleague. Mr. REID. I want to confirm that the Senator from North Dakota has listened to Warren Buffett, Bill Gates, Sr., and George Soros. I have heard those three people state that they think it is ridiculous, senseless to have them pay no estate tax. Have you heard these three very wealthy men say this?

Mr. CONRAD. I have. In fact, I have heard all three of those gentleman and other wealthy individuals—George Soros, of course, who is a multibillionaire; Mr. Buffett, a multibillionaire; Mr. Gates, Sr., I don't think he himself is a multibillionaire, although he is obviously a very wealthy individual—say they believe it is un-American not to have an estate tax. The estate tax was put in place first of all to raise revenue during a war, interesting enough. That is how we initially got the estate tax, was to help pay for a war.

Here we are on the brink of another war, and instead of figuring out how to pay for it, we are trying to figure out how to have trillions of dollars of additional tax cuts going primarily to the wealthiest among us. It really is kind of baffling. We are asking young men and women to be prepared to sacrifice everything, and we are prepared to sacrifice nothing, apparently.

There are many wealthy individuals who believe the estate tax ought to be modified. I would strongly support that. I don't think a million-dollar exemption anymore is realistic or very fair. We would still have wealthy individuals, which is of necessity going to force others—middle-class people, lower-middle-class people—to pay more in order to foot the bill, is not fair. It is not equitable.

It would really make more sense to fundamentally change the estate tax, to give a much larger exemption than we currently have. Currently, it is $1 million. Instead, we should raise that to $3 million for an individual, $6 million for a couple, and do it immediately. It costs a fraction of repealing it all. We would still have wealthy individuals in this country who would have an opportunity to contribute and not shift that tax burden onto middle-income taxpayers.

Mr. NICKLES. Will the Senator yield?

Mr. CONRAD. I am happy to yield to my colleague.

Mr. NICKLES. I thank my friend and colleague.

I heard your proposal that would increase the exemption. I did not hear you address rates. Would you leave the rates at the present 50-percent rate for estates that would be taxed?

Mr. CONRAD. What I just described, I say to the Senator, I don't know if you had a chance to hear.

Mr. NICKLES. I will be happy to look at it.

Mr. CONRAD. It is to have a reform of estate tax. Instead of the $1 million exemption currently, to go to $3 million for an individual, $6 million for a couple. In this calculation, it costs $33 billion, I don't know.

Mr. NICKLES. What is the tax rate?

Mr. CONRAD. I was going to get to that.

I think this is at the 50-percent rate. I would certainly be open to an adjustment of the tax rate well in order to try to arrive at a conclusion that was equitable and that is not as costly as full repeal.

Mr. NICKLES. I thank the Senator.

Mr. REID. Will the Senator from North Dakota yield for another question?

Mr. CONRAD. I am happy to yield.

Mr. REID. I have been sitting here listening to this debate. Under the proposal offered by the distinguished Senator from Arizona, it is my understanding that Mr. Buffett, who is worth $38 billion, I was told Mr. CONRAD. How much?

Mr. REID. Worth $38 billion.

Mr. CONRAD. That is real money.

Mr. NICKLES. If passed away, under this amendment offered by my friend from Arizona, he would pay no estate taxes.

Mr. REID. That is correct. He would pay no estate tax.

Mr. REID. What would happen to his accumulated wealth?

Mr. CONRAD. Well, it would go as directed under his will. I am not privy to his donation contributions he has determined to make.

Mr. REID. Will the Senator from North Dakota yield for another question?

Mr. CONRAD. I am happy to yield.

Mr. REID. What is the final argument, final debate, final question, do we want to repeal and would give immediate relief.

Mr. CONRAD. The most Byzantine, preposterous argument from Arizona, it is my understanding that Mr. Buffett, who is worth $38 billion, I was told Mr. CONRAD. How much?

Mr. REID. Worth $38 billion.

Mr. CONRAD. That is real money.

Mr. NICKLES. If passed away, under this amendment offered by my friend from Arizona, he would pay no estate taxes.
role in society, then eliminate the estate tax, because in very short order you will have enormous wealth and power accumulate in the hands of a few.

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

Mr. CONRAD. I am happy to yield.

Mr. REID. In my previous question to the Senator from North Dakota, I talked about three very successful men, all of whom are senior citizens. I want to relate to the Senator from North Dakota that about 2 months ago I had dinner in Las Vegas with a man I had never met before. His name is Pierre Omidyar. Pierre is the founder of eBay. As a young man, he had this idea and on his computer developed eBay which is now a fantastically significant part of our economy. It is his. He, in spite of the stock market dropping, is worth $3 or $4 billion. He is 34 years old.

The whole purpose of his dinner with me, just the two of us, was to explain to me how he hoped I would work as hard as I could to make sure the estate tax is not repealed. Here is a man who is happily married, has two little children, and is one of the wealthiest men in America. He is not an old man; he is a very young man. And he believes, as does the Senator from North Dakota, that acquired wealth in large amounts is not good for America.

I don’t think I have given this story to the Senator from North Dakota, have I?

Mr. CONRAD. No.

Mr. REID. But if we have these very successful people talking about why they believe it is bad—I have been present when Mr. Gates, Mr. Buffett, and Mr. Soros all talked about their belief that by a roll of the dice, a roulette wheel, they were born in America. They said they could have their entrepreneur genius—those are words I am using their words—and if they were born anywhere but in the United States, it wouldn’t amount to much. They believe as a result of their having been born in America, they owe that to America.

The Senator has heard those statements, has he not?

Mr. CONRAD. I have.

Mr. REID. Would the Senator agree that those three older men and the young man have a concept of what the Senator from North Dakota is saying: Change the estate tax, raise it if it is appropriate. I believe it is appropriate. Would the Senator agree that we have tried to do that? We have asked unanimous consent. We have offered amendments that have been defeated. I want the Senator from North Dakota to see if he agrees with me. I think people want the political issue more than they want to change the estate tax. Would the Senator agree with that?

Mr. CONRAD. I hope that is not the case. The opportunity now to resolve the estate tax for a long time. If we would reform it without repealing it, we would do something that is important and valuable. At $1 million, the estate tax is biting at much too low a level. Most of us in this Chamber would certainly degree with that statement. The economy has changed. The world has changed. We have not made a significant advance in the estate tax. We have not modernized the estate tax in a way that makes any sense.

One million, it has been raised to that, but that has not kept pace with what has happened in the real world. As a result, it is putting too much pressure on small farmers and small business people. We could do something right now. We could raise that exemption to $3 million for an individual and $6 million for a couple. With planning, it could be substantially more than that. That would shield the vast majority of small businesses, the vast majority of individuals. At the same time, we would not have the extraordinary cost associated with it.

We have to have current events inform our decisions. The hard reality is, we are in record deficit. We have deficits as far as the eye can see. And the situation is going to get worse when the baby boomers retire. From where is the money going to come? If you repeal the estate tax, that burden is going to have to shift somewhere. It is going to raise taxes on middle-income people. That is where most of the taxes are paid. I don’t think that is the appropriate outcome.

I do think we ought to reform it. We ought to raise this. I would even be open to what the chairman of the committee has advocated as the tax rate itself, which at 50 percent seems unreasonably high as well. Perhaps in the time remaining here we might get together and come up with something that would really be a contribution to the country.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, as I understand it, the Senator from Arizona had offered an amendment. We had discussed, prior to his offering the amendment, that Senator GRAHAM, I, and Senator STABENOW would offer an amendment on prescription drugs. I would ask the manager about the circumstances. Do we need to set aside the amendment that is now pending in order to offer the amendment on prescription drugs for Senator GRAHAM, myself, and Senator STABENOW?

Mr. NICKLES. Mr. President is correct. We need to set it aside. I think a couple of us want to speak on the amendment that is pending before we set it aside.

I think the debate has been on the one side for the last 25 minutes.

Mr. DORGAN. I understand. We were told that the presentation of that was going to be 5 minutes, and we were going to move to that amendment. That has not quite happened. I wonder when we might expect to move to this amendment.

Mr. NICKLES. Mr. President, I encourage my colleagues to go through the Chair for parliamentary procedure. I didn’t make that point, but I think it is important.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. If the Senator is finished with his amendment, I yield to the Senator from Alabama for 10 minutes. Would that be sufficient?

Mr. SESSIONS. That would be sufficient.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I send a modification to the desk on behalf of Senator KYL, which he failed to file earlier.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. CONRAD. Mr. President, is the Senator proceeding on a modified amendment?

Mr. SESSIONS. My understanding is that it has been agreed to previously.

The PRESIDING OFFICER. There has been no request to modify the amendment.

Mr. SESSIONS. I withdraw that request at this time.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. SESSIONS. Mr. President, I send a modification now; is that correct?

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. SESSIONS. Mr. President, I send a modification now; is that correct?
so that Senator Kyl’s actual intention is embodied in the amendment. We are happy to allow that modification to be made.

The PRESIDING OFFICER. The amendment will be so modified. The amendment, as modified, is as follows:

On page 3, line 9, increase the amount by $115,000,000.
On page 3, line 10, increase the amount by $50,000,000.
On page 3, line 11, increase the amount by $50,000,000.
On page 3, line 12, increase the amount by $7,000,000.
On page 3, line 13, increase the amount by $1,076,000,000.
On page 3, line 14, decrease the amount by $3,909,000,000.
On page 3, line 15, decrease the amount by $12,218,000,000.

On page 5, line 10, decrease the amount by $28,750,000,000.
On page 5, line 11, decrease the amount by $2,515,000,000.
On page 5, line 12, decrease the amount by $3,909,000,000.
On page 5, line 13, decrease the amount by $3,909,000,000.
On page 5, line 14, decrease the amount by $3,909,000,000.
On page 5, line 15, decrease the amount by $115,000,000.
On page 5, line 16, decrease the amount by $2,515,000,000.
On page 5, line 17, decrease the amount by $2,515,000,000.
On page 5, line 18, decrease the amount by $3,909,000,000.
On page 5, line 19, decrease the amount by $3,909,000,000.
On page 5, line 20, decrease the amount by $5,000,000,000.
On page 5, line 21, decrease the amount by $3,909,000,000.
On page 5, line 22, decrease the amount by $2,515,000,000.
On page 5, line 23, decrease the amount by $2,515,000,000.

On page 5, line 24, decrease the amount by $2,515,000,000.

Mr. SESSIONS. Mr. President, this is a big deal in real life. We are talking about taking half of somebody’s accumulated estate. That is a lot. It does happen when people die, and there are professionals out there who do this business, and they try to manipulate and avoid and delay, and sometimes they are successful, sometimes they are not. I want to talk about it in a little bit different vein tonight.

I want to talk about what I think is a major problem in America. I know Senator Conrad is concerned about it. It is a collapse of smaller businesses and a trend toward larger and larger consolidation of business.

I know an individual in Alabama—I met him at a town hall meeting. He and his father spoke to me. They told me they are paying $5,000 a month for life insurance on their father’s life. They own three motels. They would like to expand motels. That $5,000 a month would probably help them buy a fourth motel. But they have to pay it for no other reason than if something happens to their father, they would have to pay an estate tax, and it would come out of their small business and they would lose it.

Remember, this little chain of three motels is competing against Ramada, Holiday Inn, Marriott, and they are getting savaged every generation by a 50-percent tax on what the value of that family’s estate is. That tax is not paid by the broadly held corporations, the international corporations. They never pay this tax. Think about it. It is a tax that falls on small businesses and individuals. It does not fall on big businesses.

I know an individual who owns several thousand acres of land. He is very fortunate and very generous with ball fields and schools and charities and organizations and is a wonderful person. Some might say he is wealthy. But the big paper companies own millions of acres of land. They don’t ever pay a death tax. He is competing, really, with them.

I know International Paper owns 2 million acres of land. They are never impacted by the death tax.

Ask yourself, why is it that banks in towns all over America are closing? In Mobile, AL, we had four local banks. They are all gone today. One or two came back, but all of them were sold out to the big ones. Why? Because the people who owned them got up in years and they were facing a confiscatory tax on what they had accumulated. They didn’t have the cash to pay it. Everything they owned was in the bank, the business they built up. They had to get out and get liquid and create a situation in which they could avoid some tax. Perhaps, and have the cash to pay the tax because if they had to sell off the business all at once to pay the tax, it would collapse.

I am saying, with absolute confidence, this death tax is a driving force behind the collapse of small businesses. Think about funeral homes. I know the occupant of the chair, who is from Tennessee, knows that the people running those funeral homes are usually good business people. As the population shrinks and they shrink, and people come to the end of their life, they have done well in their business, but they are then facing the death tax. Maybe they have stock or bought some property, and they may have a home that has appreciated in value. All of a sudden they are looking at a big hit.

Now funeral homes are being brought up by chains—broadly held corporations now have these funeral homes. They will never pay the death tax. It will never impact them.

A vision I have is that you go out in the woods and there is a little pine tree trying to grow and compete with the taller trees. But just as it breaks in and gets sunlight, somebody comes in and chops the top off and takes half of it. It will never be able to compete. We are putting them at a disadvantage. It cannot be overcome. I believe
it is unhealthy. If we care about small business, about encouraging innovation and competition and growth in America, we need to think about this. So I think there are a lot of reasons we ought to consider the elimination of this tax. It is certainly an unfair tax. People have already paid their taxes, and then at the time of their death, they are taxed again in a way that savages the ability of a business to remain competitive.

I note that the taxes are only a percent of the income to this Government. It is not critical to our revenue.

The PRESIDING OFFICER. The Senator has used his 10 minutes.

Mr. SESSIONS. We voted to eliminate the death tax once before. It is time to complete the job. I support the amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICHOLS. Mr. President, I know there are colleagues who want to offer the prescription drug amendment. I will make a few comments on elimination of the death tax.

A couple of people said there is no tax on death. I disagree. I can say that from personal experience. My father died, and there was a significant death tax. His death was a taxable event. If he had not died, there would not have been a taxable event. To say there is no death tax—maybe it is something the pollsters came up with—is something about which I totally disagree.

Under current law, if you die, if your estate is above a certain amount, your survivors will have to pay a tax. I call that a death tax. It can be called an inheritance tax, an estate tax, whatever one wants to call it. We did pass an exemption in 1981 that exempted surviving spouses from the death tax. I was one of the principal sponsors of that legislation in 1981. I worked on the big bill. That was one of the big tax bills. I was a freshman Senator and I really wanted to put that in the bill because I learned the hard way.

My father passed away. My mother struggled for years over what to do. My mother agonized. I say we, I was a child. My mother struggled for years over what to do. Eventually, something titled to—were they entitled to half of it, or were they entitled to one third of it. Eventually, something happened. The Government came in and took half? Why is that? Why in the world if some people pass away should the Government take half? If someone builds a business and lets say they build up the business, and maybe they are employing thousands of people, should the Government come in and take half? Whoever inherited the business has to sell it and pay taxes. The Government wins and the employees lose—they lose their hard work.

What about George Soros? He is a billionaire. Or Mr. Buffett? My guess is—I do not know—my guess is they have foundations, they have great tax accountants, and they were able to set up foundations that do not pay tax, period. They do not pay tax on their earnings. They are tax exempt, and they do not pay death taxes. They built up these enormous foundations. Great, I am proud of them.

There are a whole lot of people who own family farms and businesses that they are trying to grow and expand, and they are not big enough to hire attorneys and have foundations, and they are liable for a death tax. That hangs as a heavy cloud over a lot of businesses that decide not to grow because they know if they grow, the Government is going to get half.

We did work in 2001 to bring that down. We gradually brought it down to, I think, 45 percent. It goes to zero in the year 2010, and then presumably if we do not pass a bill to change it, by 2011, it will pop back up to 55, maybe even as much as 60 percent.

Senator Kyl says let’s expand that zero bracket. The resolution before us presumes—presumes—that Congress will extend the provisions in the 2001 tax bill, so it would extend the repeal of the death tax for the year not only 2010, but also 2011 and 2012. Senator Kyl says the maximum should be for the year 2009. That will be 4 years with a zero tax on the taxable event of death.

What tax rate is right? Fifty percent? I appreciate the fact that my colleague from North Dakota said the rate is too high. It is too high. Why would we tax estates, a death tax, in excess of the personal tax rate? The maximum personal tax rate hopefully will soon be 35 percent. But if the 2001 law expires—if we go back before we made the changes in 2001, then the maximum tax rate returns to 55 percent, and on a taxable estate between $10 million and $17 million, there is an additional 5 percent surcharge. It will go back to 60 percent.

I hear some colleagues say: We should exempt not just $1 million, but maybe $2 million or $3 million, maybe twice that amount for spouses. But that is a huge difference, a rate of 50 percent. That is way too high. Why is that? Why in the world if somebody passes away should the Government take half? If someone builds a business and lets say they build up the business, and maybe they are employing thousands of people, should the Government come in and take half? Whoever inherited the business has to sell it and pay taxes. The Government wins and the employees lose—they lose their hard work.

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If somebody says they pay no tax, they do not understand Senator Kyl’s amendment. They do not understand the law we passed. Senator Kyl’s amendment and the present law says a taxable event is moved from death to the sale of the property. What does the sale of something mean? It means capital gains. What is the tax rate on capital gains? It is 20 percent.

And in that provision we passed in 2001, it says we eliminate or stop the step-up in basis over a certain amount. What does that mean? If George Soros has a net worth of $38 billion and he passed away, if he has not paid capital gains on that net worth and there is no step-up in basis and the initial investment was much less than that, then he would be taxed at 20 percent on that incremental value.

Maybe if he had initial investment of, let’s say, $18 billion—I doubt it would be that much; maybe a lot less—he would pay 20 percent on the incremental difference between the carry-over basis and what it was at the time of sale. If somebody in his company did not sell the business, there would not be a tax.

I like to think of this more in the particular of a small business. If a small business wants to pass it on to their kids and the kids do not sell the business, they do not pay a tax. But when and if they do sell, they pay a tax. There would be capital gains on a carry-over basis.

It is interesting, the people who have scored some of these amendments, Joint Tax, sort of forgot to account the offsetting additional income that would be generated from the sale of operations, the capital gains that would be measured.

The law we passed in 2001 says: Let’s change the taxable event from death to when the property is sold. If someone receives property as a result of someone’s death, then they pay capital gains. If they do not sell it, then there is no capital gains. The taxable event would no longer be death; it would be when the property is sold. It makes eminent good sense.

There are other ways of doing this, but the present law in taxing estates and taxing inherited property or taxing a business or a farm or a ranch just makes no sense whatsoever. The big boys are able to figure out ways to get around the estate tax and foundations, and they do not pay the tax. A lot of middle-income people and smaller businesses pay a lot of tax. It really does inhibit their growth.

I compliment my colleague from Arizona for his amendment. I am intrigued by the interest of my colleagues from North Dakota and Nevada in maybe trying to do something. I think we can do something, and we have the opportunity to do it. It will not be done in this bill. We did not put in a reconciliation provision, but it is something we can deal with and this Congress ought to deal with. There is some money on the table
to make that available. We should have a tax rate on a taxable estate or inherited property in the neighborhood of 20 percent. You might generate some money.

Right now this tax is counterproductive in so many ways. I will give one example. Our business did not grow because we were thinking at that time that the Government would take so much, so why would anybody expand if the Government is going to come in and take it? And how could you pass property on from one generation to another generation to another generation if the Government wanted to come in and take half every time? It just does not work. It is very difficult for privately held business, if they want to pass it on from the second and third generation, to do so if the Government is going to take half. That business may be more than $3 million. That business may be $20 million. It may be $100 million. Think of some great companies that might be privately held. If the owners pass away, should the Government take half? I do not think so. I would hope not.

I am intrigued by the ideas that different colleagues have.

I encourage an open dialogue. I think my colleague from Arizona is to be complimented for his work in this field. I am intrigued and encouraged by some of the debate I am hearing. I would love to see us come up with a bipartisan, permanent resolution on how to address the estate tax. The present law is not satisfactory. It needs to be amended. It needs to be addressed, and I would love to see this Congress this year pass something we could all be proud of that would be a significant and positive reform for businesses and individuals all across the country.

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

Mr. NICKLES. I would be happy to yield.

Mr. REID. Would the Senator, the manager of the bill for the majority, on the next amendment which will be offered, which will be prescription drugs, allow a time of 40 minutes on each side?

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. NICKLES. I cannot agree to a 40 minute time limit.

Mr. REID. I withdraw the request.

Mr. NICKLES. On an amendment that deals with $200 billion. That would be so many billion dollars per minute. That might be a little expensive. I will be happy to work with my colleagues.

If no other Senators wish to speak on the underlying amendment, I ask unanimous consent to set aside the pending amendment so an amendment offered by the Senator from North Dakota and the Senator from Florida can be offered at this point.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from North Dakota.

AMENDMENT NO. 394

Mr. DORGAN. Mr. President, I send an amendment to the desk on behalf of myself, Senator GRAHAM of Florida, and Senator STABENOW, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. GRAHAM of Florida, and Ms. STABENOW, proposes an amendment numbered 294.

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

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

The amendment is as follows:

(Purpose: To provide a meaningful prescription drug benefit in Medicare that is available to all beneficiaries)

On page 3, line 9, increase the amount by $7,580,000,000.

On page 3, line 10, increase the amount by $23,343,000,000.

On page 3, line 11, increase the amount by $26,169,000,000.

On page 3, line 12, increase the amount by $32,406,000,000.

On page 3, line 14, increase the amount by $35,710,000,000.

On page 3, line 15, increase the amount by $39,465,000,000.

On page 3, line 16, increase the amount by $43,506,000,000.

On page 3, line 17, increase the amount by $47,687,000,000.

On page 3, line 18, increase the amount by $52,440,000,000.

On page 3, line 19, increase the amount by $58,514,000,000.

On page 3, line 23, increase the amount by $7,589,000,000,000.

On page 4, line 1, increase the amount by $23,341,000,000.

On page 4, line 2, increase the amount by $26,169,000,000.

On page 4, line 3, increase the amount by $29,003,000,000.

On page 4, line 4, increase the amount by $32,406,000,000.

On page 4, line 5, increase the amount by $35,710,000,000.

On page 4, line 6, increase the amount by $39,465,000,000.

On page 4, line 7, increase the amount by $43,506,000,000.

On page 4, line 8, increase the amount by $47,687,000,000.

On page 4, line 9, increase the amount by $52,440,000,000.

On page 4, line 10, increase the amount by $53,514,000,000.

On page 4, line 14, decrease the amount by $5,060,000,000.

On page 4, line 15, decrease the amount by $6,750,000,000.

On page 4, line 16, decrease the amount by $12,607,000,000.

On page 4, line 17, decrease the amount by $28,020,000,000.

On page 4, line 21, increase the amount by $39,338,000,000.

On page 4, line 22, increase the amount by $212,599,000,000.

On page 4, line 25, increase the amount by $35,710,000,000.

On page 4, line 26, increase the amount by $39,465,000,000.

On page 4, line 27, increase the amount by $43,506,000,000.

On page 4, line 28, increase the amount by $47,687,000,000.

On page 4, line 29, increase the amount by $52,440,000,000.

On page 4, line 30, increase the amount by $53,514,000,000.

On page 4, line 31, decrease the amount by $5,060,000,000.

On page 4, line 32, decrease the amount by $6,750,000,000.

On page 4, line 33, decrease the amount by $12,607,000,000.

On page 4, line 34, decrease the amount by $28,020,000,000.

On page 4, line 35, decrease the amount by $39,338,000,000.
On page 29, line 6, decrease the amount by $6,000,000,000.
On page 29, line 7, decrease the amount by $6,000,000,000.
On page 29, line 10, decrease the amount by $10,000,000,000.
On page 29, line 11, decrease the amount by $10,000,000,000.
On page 29, line 14, increase the amount by $2,498,000,000.
On page 29, line 15, increase the amount by $2,498,000,000.
On page 29, line 18, increase the amount by $17,195,000,000.
On page 29, line 19, increase the amount by $17,195,000,000.
On page 29, line 22, increase the amount by $23,630,000,000.
On page 29, line 23, increase the amount by $23,630,000,000.
On page 30, line 2, increase the amount by $26,482,000,000.
On page 30, line 3, increase the amount by $26,482,000,000.
On page 30, line 6, increase the amount by $32,751,000,000.
On page 30, line 7, increase the amount by $32,751,000,000.
On page 30, line 10, increase the amount by $38,641,000,000.
On page 30, line 11, increase the amount by $38,641,000,000.
On page 30, line 14, increase the amount by $44,787,000,000.
On page 30, line 15, increase the amount by $44,787,000,000.
On page 30, line 18, increase the amount by $52,013,000,000.
On page 30, line 19, increase the amount by $52,013,000,000.
On page 40, line 2, decrease the amount by $56,000,000.
On page 40, line 3, decrease the amount by $56,000,000.
On page 40, line 6, decrease the amount by $750,000,000.
On page 40, line 7, decrease the amount by $750,000,000.
On page 40, line 10, decrease the amount by $2,607,000,000.
On page 40, line 11, decrease the amount by $2,607,000,000.
On page 40, line 14, decrease the amount by $4,587,000,000.
On page 40, line 15, decrease the amount by $4,587,000,000.
On page 40, line 18, decrease the amount by $6,061,000,000.
On page 40, line 19, decrease the amount by $6,061,000,000.
On page 40, line 22, decrease the amount by $7,242,000,000.
On page 40, line 23, decrease the amount by $7,242,000,000.
On page 41, line 2, decrease the amount by $8,431,000,000.
On page 41, line 3, decrease the amount by $8,431,000,000.
On page 41, line 6, decrease the amount by $9,562,000,000.
On page 41, line 7, decrease the amount by $9,562,000,000.
On page 41, line 10, decrease the amount by $10,624,000,000.
On page 41, line 11, decrease the amount by $10,624,000,000.
On page 41, line 14, decrease the amount by $11,652,000,000.
On page 41, line 15, decrease the amount by $11,652,000,000.
On page 41, line 18, decrease the amount by $12,675,000,000.
On page 41, line 19, decrease the amount by $12,675,000,000.
On page 61, line 12, insert “on an equal basis with respect to benefit level regardless of whether such beneficiaries remain in the traditional medicare fee-for-service program under parts A and B of such title or enroll in a private plan under the medicare program” after “prescription drugs”.
On page 61, line 19, strike $400,000,000,000 and insert $619,000,000,000.

Mr. DORGAN. Mr. President, I will describe the general direction of this amendment. I will be followed by my colleague, Senator GRAHAM of Florida, who will talk in greater specifics about the particular approach dealing with a prescription drug benefit in Medicare. Following that, my colleague from Michigan will also speak.

This amendment would increase the amount of money available to put a prescription drug benefit in the Medicare Program. I think we are long past the point where the question is whether we should put a prescription drug benefit in the Medicare Program. The question is no longer whether. I think almost all Members of the Congress agree we ought to do that. The question is how. How do we do it? What kind of a prescription drug benefit do we put in the Medicare Program?

Senior citizens are 12 percent of the population in our country, yet they consumes one-third of all prescription drugs. This is important to understand. As people grow older, they have more health challenges. They are able to access these miracle drugs, the new miracle drugs that extend life in so many areas, but miracle drugs produce no miracles if one cannot afford them.

At an age in life when people reach retirement and have diminished income, they discover that they cannot afford to buy the miracle drugs that they need, the drugs their doctor prescribes, for someone who may have heart disease, diabetes, and several other maladies. We hear senior citizens say over and over again that they go to the grocery store with a pharmacy in the back, and they have to go to the pharmacy first to find out how much they are going to have left for food because they cannot afford all of their medicine and food.

If we had created Medicare last year, there is no question that we would have included in that Medicare Program a prescription drug benefit. In stead, Congress created it in the 1960s. This amendment would increase the amount of money available to put a prescription drug benefit in Medicare. The President has proposed something that says we will provide a prescription drug benefit but we will do it only if someone leaves their fee-for-service type of care and goes to an HMO. That is not fair. That is not the right thing to do. Senior citizens ought to be able to go to the doctor of their choice and get the health care they need from the doctor they have always been seeing for their problems. Yet there will not be the case under the President’s proposal.

So we say let’s increase the amount of money so we can have a reasonable and a good prescription drug benefit in the Medicare Program. Let’s do that at the same time we reduce the Federal budget deficit with the other money that we save from this tax change, and let’s also establish the principle, as we do in this amendment, that all Medicare beneficiaries ought to have the availability of this prescription drug benefit, even if they choose to stay in a fee-for-service program. That is a very important issue.

Let me make one final point. As is always the case when we debate the budget in the Senate, we are confronted with a series of choices, difficult choices sometimes but nonetheless choices. We can make a decision about that. We can decide that it is far more important, as some have done in the Senate, to exempt dividends from taxation than it is to have a good prescription drug benefit in the Medicare

need to take this prescription drug in order to reduce the chances of recurrence of this breast cancer. She said: What will it cost? He told her the cost of the drugs. She said: Doctor, I cannot possibly buy that prescription drug. I have no money. I will just take my chances.

We do not have to do that. Our amendment is very simple. The underlying budget proposed $400 billion for a Medicare prescription drug plan. We propose that the portion of the tax cut in this budget amendment dealing with the tax cut for dividends be used instead of cutting taxes for dividends in the following manner: That $219 billion will be provided in this amendment. In order to increase above the $400 billion, so we would have then $619 billion for a prescription drug plan in the Medicare Program. The additional $251 billion in savings generated by this amendment would not be used to reduce the Federal budget deficit.

We are doing two things: Making more money available so a decent prescription drug benefit can be offered, and making congruent from Florida will more adequately describe exactly what kind of a program can be offered for that, and then in addition, reducing the Federal budget deficit.

I will make a couple of additional points. Our amendment does establish a very important principle for a Medicare prescription drug benefit. Medicare beneficiaries who choose to remain in traditional fee-for-service Medicare should receive the same level of prescription drug benefits as do others. The President has proposed something that says we will provide a prescription drug benefit but we will do it only if someone leaves their fee-for-service type of care and goes to an HMO. That is not fair. That is not the right thing to do. Senior citizens ought to be able to go to the doctor of their choice and get the health care they need from the doctor they have always been seeing for their problems. Yet there will not be the case under the President’s proposal.

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Program. I do not happen to share that choice. I think that is a terrible choice. That is a horrible choice to make in terms of priorities. So with this amendment we make a different choice. We believe that this is one of those circumstances that demands and certainly warrants the attention of the Senate. I think every Senator is on record as saying we ought to do something about this issue of prescription drugs in Medicare, but we have had difficulty trying to find the right approach.

We have all kinds of different plans. What we propose with this amendment is to have sufficient money, $619 billion, to put together a plan of which we can be proud, to put together a plan that works, one that really helps senior citizens and one that does not force them all into managed care or HMO organizations as a price for them to be able to access prescription drugs that they need to continue to lead a good life. With this amendment, this is about. It is a simple choice. It is a lot of money, but it is a simple choice. Let’s choose the right thing. Let’s choose to do what all of us have said we want to do, and that is to put a good prescription drug plan in the Medicare Program.

My colleague, Senator Graham from Florida, is going to describe in more detail exactly what that program could look like and how that program would work for senior citizens and how pleasingly it would work with him, as well as the Senator from Michigan, on this amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. Coleman). Who yields time?

Mr. GRAHAM of Florida. I yield myself such time as I may consume.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Florida.

Mr. GRAHAM of Florida. Mr. President, I offer this amendment with my colleagues from North Dakota and Michigan so that when we come to debate the specifics of a prescription drug benefit for Medicare, we will be able to provide a real benefit, a real benefit with no gimmicks, no gaps, no hidden ‘gotchas.’

Last year, 52 Senators voted for a plan that provides all Medicare beneficiaries with an affordable, comprehensive, and universal drug benefit delivered through Medicare. The proposal offered last year received 52 votes and was very direct. It provided that seniors would pay a $25 per month voluntary premium. This program is not mandatory; seniors will decide for themselves whether they want to participate. There would be no deductible. Seniors would pay no more than a $10 copayment for generic medications and $40 for medically necessary brand-name medications. After $4,000 was paid by the prescription drug benefit, the beneficiary would pay the remaining expenses under a catastrophic position. Special consideration was provided for the lowest income non-Medicaid elderly by picking up all, or a portion of, their monthly premiums and copayments.

The plan we offered last year that received 52 votes, with the inflation and with the change in the demographics of the Medicare program, would still cost, over the next 10 years, $619 billion. The budget resolution which is before the Senate today would limit the expenditure for a prescription drug benefit to no more than $400 billion. Removed from the $400 billion would be the cost of any other changes to the Medicare system.

Our colleagues on the Budget Committee have adopted the $400 billion from the President’s framework for adding a prescription drug benefit to Medicare. It is unclear precisely what we would be buying with $400 billion, but let’s talk about what we know of some of the principles of the President’s prescription drug plan.

He would provide, for those Medicare beneficiaries in the traditional fee-for-service program, that there would be coverage of prescription drugs for the lowest income—the question mark as to what that demarcation would be. They would receive up to $600 a year for their prescription benefits. I point out to the Presiding Officer and my colleagues, the average Medicare beneficiary last year paid $2,100 for their prescription drugs.

Other than the lowest income, there would be no drug benefit and there would be a catastrophic benefit at a yet to be specified level. That is what 89 percent of the Medicare beneficiaries—those who have elected to stay in the traditional fee-for-service Medicare—would have available.

Mr. President, 11 percent of the 40 million Medicare beneficiaries are in some form of managed care. Under the President’s plan, they would receive a prescription drug benefit, maybe one averaged across 52 Senators we voted for last year. We do not have the details to have a clear understanding of what that 11 percent would receive.

The only way you can fit an affordable, comprehensive, universal prescription drug benefit is by not making it universal, not covering seniors who are in the traditional Medicare Program unless they either have very low incomes or very high drug costs. For instance, if the catastrophic level were to be set at $5,000, less than 3 percent of the Medicare beneficiaries would spend that much and therefore be eligible to participate in the catastrophic provisions of the President’s plan.

The President’s proposal buys a drug benefit for $400 billion by providing a benefit—even that is undefined—only for those seniors who will enroll in some form of managed care. This has been referred to as a plan to herd seniors into managed care because their needs and their prescription drug benefit are so desperate. No one can argue a benefit like the one proposed by President Bush meets the goals of an affordable, universal, comprehensive drug benefit which is what America’s seniors need.

The most fundamental reform we can make in the Medicare Program is to offer to all Medicare beneficiaries, including the 69 percent who have elected to stay in the traditional fee-for-service Medicare, all beneficiaries—those as well as the 11 percent who have currently elected to participate in a managed care program—a universal, comprehensive, affordable prescription drug benefit. Why is this so important?

First, the President’s plan is important because it is the fundamental reform which Medicare must make.

Medicare is a program of the 1960s. It is appropriately described as a sickness program. If you are ill enough to require a physician’s attention or, even more, require hospitalization, Medicare will pay a substantial proportion of your costs. What Medicare will not pay is the cost to keep you out of the doctor’s office and out of the hospital. Why? Because almost every preventive care program has a segment of its key elements the use of prescription drugs. These are the modern miracles of medicine. They are almost always required if we are to be able to manage a condition before it becomes critical.

Thus, to have a Medicare Program which makes that fundamental reform from a sickness system to a system that promotes the highest level of health, it must have a prescription drug benefit. Certainly some seniors under the President’s proposal will have no choice but to move from their current preference for traditional fee-for-service, where they have the maximum number of choices, into a managed care system, where their choices can be severely restricted.

In my colleagues from North Dakota has already said, this debate is about priorities. Is the statement the Senate wants to make that we give greater importance to an oversized tax cut than we do to a real, affordable, comprehensive, and universal drug benefit for all seniors? I think the answer is clear.

In addition to providing adequate funding for a prescription drug benefit, this amendment will also provide $177 billion over the next 10 years for deficit reduction, which would, in fact, become $231 billion for deficit reduction by including the interest cost which we will have to pay for $177 billion over the next 10 years. This is a needed remedy for the rapidly increasing deficits that we have experienced, almost as urgent as the needed benefit of prescription drugs for older Americans.

We are suggesting these two elements, a $219 billion addition to the Medicare account in order to be able to fund an affordable, comprehensive, and universal prescription drug benefit, and $177 billion for deficit reductions—what we view as a way of reducing the interest cost in the provision for tax reductions of $396 billion. That number was not just chosen by accident. That is the amount
the President has proposed for his dividend tax cut, making dividends no longer taxable.

I believe the dividend tax cut should be reduced, first because it will do very little to stimulate our sluggish economy, and secondly because it will do very little to benefit America’s seniors. I heard earlier today the argument made in support of the elimination of taxation of dividends, that it was a critical matter for America’s seniors. Most American seniors will not benefit at all from the dividend tax cut I will vote for America’s seniors, by eliminating the taxation on dividends, is estimated to be $118 per year.

Contrast that minimal savings for seniors with the savings that seniors will secure through a comprehensive, universal, and affordable prescription drug benefit.

I urge my colleagues to support this amendment. This amendment will not only affect our seniors and our ability to purchase a reasonable prescription drug benefit, it will also provide Congress the direction required to assure responsible spending of the taxpayers’ money. This is a goal, not just for seniors, it is a goal which all Americans can support.

Mr. REID. Mr. President, on behalf of Senator CONRAD, I yield one-half hour to the Senator from Michigan, Ms. STABENOW.

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

The Senator from Michigan.

Ms. STABENOW. Mr. President, I first commend my friend and colleague from Florida for his ongoing leadership on the issue of Medicare prescription drug coverage. I am very hopeful we will be able to put into place the bill he has described so eloquently that would be able to put into place the bill he will vote for. The administration wants to privatize Medicare and require seniors, if they are going to get real health care coverage that includes prescription drugs, to go into HMOs or other insurance systems; to go into an HMO or another kind of system.

The administration has indicated, if they stay in traditional Medicare where the overwhelming majority of people are, they will offer a discount card that the GAO tells us would be about $3.31 savings on a prescription. That is not very much if you are someone who is paying $100 or $150 or $200 for a simple 30-day prescription.

Then they have said: If you accumulate thousands of dollars—we don’t know exactly what the number would be, but have catastrophic needs—you would be able to get some kind of help. What we have seen is that when they would designate that, but if you want to get real help with prescription drugs, if you want to be covered for prescription drugs, then you would have to go to the private sector to be covered.

That is absolutely unacceptable. Seniors of this country have already chosen between Medicare and going into the private sector. We have that now. We have traditional Medicare and we have something called Medicare+Choice that is a private sector HMO approach. It is your choice as a senior.

In fact, my mother chose to go into an HMO herself in Michigan, and had a good experience, but the Medicare beneficiaries were dropped from that HMO because they decided not to cover them anymore. And that has happened to over 41,000 people just in Michigan.

We have learned that many seniors are being given a choice between traditional Medicare and the HMO system, they have already chosen: They have chosen Medicare, traditional Medicare. But for the small percent who choose to go into the HMO, they found it was not dependable. For my own mother, who chose to do that, she found she could not count on it. It was not ultimately available to her. And now, in Michigan, only 2 percent of people who are on Medicare can even qualify, can even find a private insurer that will cover them, and they all are in the eastern part of our State. So if you live in Lansing or Flint or Saginaw or Grand Rapids or on up in Traverse City or on up in the upper peninsula, you don’t even have that choice because there is nothing available.

So what we have said in this amendment is that seniors need to know that prescription drug coverage that everybody is talking about should not just be available if you choose a private insurance policy, private insurance model through Medicare; you should have the right to have a choice of traditional Medicare and have the very same prescription drug coverage.

That is what this amendment says. If we want to offer seniors choice, then
we need to make sure we offer them a real choice: the choice of Medicare as they know it, Medicare as they have been able to depend upon, as well as the other private sector models that have been proposed by the President and our colleagues.

This amendment, I believe, is exactly what the senators of America are asking us to do: simply update Medicare, strengthen the system they count on, and make sure they have affordable prescription drugs. I strongly support this amendment. I am proud to be cosponsoring this amendment with my colleagues. The dual goal of having Medicare prescription drug coverage and a major payment on the debt is very important.

When we look at who the beneficiaries of Medicare are—our seniors—the majority of them are women. So I speak as one of the women of the Senate to say that the women of this country are counting on Medicare as well as Social Security. This is very real for the older women of our country. They are counting on us to fulfill the real promise of Medicare.

Mr. President, our seniors, as well as everyone who is involved with prescription drugs, from the people who are counting on our system to the pharmaceutical companies that make those drugs, this is very real for them as well as for the people who make those drugs. I wish to speak to that for a moment. It relates to another amendment I will be offering later on in this debate that needs to be coupled with this amendment, and that is the question of lowering the price of prescription drugs.

We need to update Medicare to cover prescriptions. But at the same time, we need to lower the price through more competition, so that we can afford that coverage and be able to make it available to as many people as possible.

Along with my colleagues, Senator DORGAN and Senator SCHUMER, I am going to be offering an amendment the purpose of which is to reduce prescription drug prices for everyone, with the passage of legislation similar to S. 812, which passed overwhelmingly by the Senate last summer, a bill that contained provisions relating to generic drug reform, reimportation of prescription drugs from Canada—in other words, opening the border to Canada for our citizens—and State authority with respect to Medicaid drug rebate agreements. What that means is supporting our States that are being creative in finding ways to use their authority to lower the prices of prescription drugs for their citizens.

This amendment would take the approximately $7.4 billion minimal of savings through the generic drug reform we passed last summer coupled with any savings—and as yet they have not been able to calculate the savings—that we know would be there from opening the border to Canada, and dropping prices in half. But we would take those savings and put it into a fund that is already in the budget resolution—a $50 billion fund for the uninsured—and we would add those budget savings to that fund for programs that help individuals and small businesses obtain health insurance.

We know the majority of those without insurance—in fact, we are told that 75 percent of the people who do not have health insurance are working, and they are working for small businesses. So this issue of lowering prices is very important for all businesses, but I would say particularly small businesses, that have seen their premiums—at least in Michigan, we know, based on prescripton drugs and as we support this amendment. I am proud to be cosponsoring this amendment with my colleagues. The dual goal of having Medicare prescription drug coverage and a major payment on the debt is very important.

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this time, that we will make it clear, through this budget, that Medicare prescription drug coverage, that health care for small businesses and their employees, that lowering the prices of prescription drugs will be a top American priority. We can say, we will wait until next year, until Grandma or grandpa need a nursing home or their children get sick.

Health care for American families is an urgent matter. It is an urgent matter for everyone. It needs to be an urgent matter for all of us here in the Senate.

I urge my colleagues to support the amendment on Medicare prescription drug coverage, and I urge my colleagues as well to join with us in the amendment to reduce the price of prescription drugs and support our small businesses that are struggling to provide health care for their employees.

I yield back.

The PRESIDING OFFICER. Who yields time?

The Senator from Utah.

Mr. BENNETT. Mr. President, acting as the leader, I yield myself 7 minutes, with the understanding that following me, the Senator from Iowa will be recognized.

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

Mr. BENNETT. Mr. President, I have listened to the debate and wanted to make a few observations. I understand the Senator from Iowa is prepared to perhaps be a little more erudite than I. But I have heard personal references, and I must come share a few personal references, not specifically on this amendment but on the subject of Medicare.

The statement has been made that Medicare is a great success story. Medicare is a disaster. Everybody who deals with it understands that except the Congress. We have to understand that Medicare, in order to work properly, is going to have to be overhauled from top to bottom as quickly as possible. Taking the assumption that the present Medicare system is working well and all we need to do is add a little here and add a little there will further compound the disaster.

Let me give two examples that I hope will help illustrate this. The first is a town meeting where a woman came to me and said: Can you do something to fix Medicare?

I said: Well, tell me what the problem is. She said: I am a professional woman. I am a college graduate. I think I am fairly intelligent. I handle my mother's affairs. My mother is in her eighties. I have extended the life of that particular patient. She called me back sometime later and said: Dad, do you know who called me after about 4 days on the job? Very enthusiastic young lady. She said: Medicare is a disaster. Let me tell you my experience.

And she began describing some of the problems she had in giving proper care to the people in this nursing home and always being told, no, you can't do that until you check to see whether or not Medicare will cover it.

She said: I thought that would be a fairly simple thing to find out. So I go down the hall and say: Will Medicare cover this procedure? It takes days to get an answer to that question.

Then she said: Dad, do you know who the highest paid person in this facility is—with a salary higher than the administrator, higher salary than the doctors, higher salary than the nurses, higher salary than any of the health professionals? It is the woman who understands Medicare. She gets paid more than anybody here because that skill is in greater demand and shorter supply than professional medical skills.

She called me back sometime later and said: I have had patients die while we waited to get an answer as to whether or not Medicare would cover it. Their family said, “Don't touch my grandmother; don't do anything until we find out whether or not Medicare would cover it.”

It was so arcane and difficult to work through all of the paperwork and come up with the answer—well, maybe they would have died anyway; they were old and in a nursing home. People die in nursing homes. But that was a very traumatic experience for my daughter, who was convinced that the kind of therapy she was trained to provide, she was prepared to provide, which could have extended the life of that particular patient.

So as we get carried away with the rhetoric around here about what we have to protect and not protect about Medicare, let us begin to understand the truth about Medicare. Medicare is the best Blue Cross/Blue Shield fee-for-service indemnity plan of the 1960s—frozen in time. We don't practice medicine the way medicine was practiced in the 1960s when Medicare was created. We don't even come close anymore.

Yes, we need a prescription drug benefit because prescription drugs do things now that they had nothing to do with in the 1960s. But instead of pasting it on to the existing circumstance and creating a new set of forms and eligibility and more demand for that highest paid person in the nursing home, let us as a Congress face the fact that we need to start from a clean sheet of paper, all over again, with all of the money that we are putting into it—which is sizable—and say let's create a whole new system. This budget doesn't do that, but this amendment that is being offered will make things worse in that regard.

I only hope that somewhere along the line we can begin to face the fact that Medicare is 40 years old and the practice of medicine is changing so constantly that we could say: It is only 40 months old. Let's start with a clean sheet of paper. Let's not try this Band-Aid approach. Let's not just put this here, and put that there, and tell our constituents we are giving them something when, in fact, we are perpetuating an existing problem and ultimately making it worse.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume. For the benefit of the people who are waiting to speak, I don't think I will take long on this subject.

I rise because I want to urge my colleagues to vote against the Dorgan amendment when the vote comes up tomorrow. I don't see anything wrong with the issue of Medicare being discussed because it is one of two or three of the most important issues this Congress will deal with. So it is very appropriate to have Medicare very much at the top of the agenda. It is very appropriate to have prescription drugs for seniors, as a part of strengthening and improving Medicare, be very high on the agenda. And it is very high on the agenda.

It is just a question, as it relates to the Dorgan amendment, of whether or not crafting a Medicare prescription drug program ought to be an issue on the budget, or whether you ought to let the will of Congress work and do that through the Senate Finance Committee.

We know Medicare is going to be a very important issue this year, not only because it has been the most much of an issue in the last election, but because the Senate majority leader has a long-time interest in Medicare and prescription drugs. He told me, as Chairman of
the Senate Finance Committee, that he would like to have the Senate Finance Committee put it very high on its agenda and have legislation prepared early for this summer's debate. The Senate Finance Committee is going to be able to meet that deadline. I hope Senator Frist will be able to keep his own calendar and bring it up at that particular time. What we are talking about on this issue is whether or not the $400 billion for prescription drugs in the budget resolution is enough and whether or not the extension beyond that $400 billion is needed at this particular time.

I am here to say it is not needed at this particular time for two reasons. One, I think I can show that $400 billion is an ample amount of money to present to the Senate a good prescription drug program; and two, taking money away from tax relief for working men and women, which this amendment does, to spend on Medicare is the wrong thing to do for the long-term viability of the Medicare trust fund. As the trustees of the Medicare and Social Security Program pointed out in their annual report, you see Medicare in a little worse situation this year than last year. There is less payroll tax coming in because the economy is not doing quite as well as it should be. If we want to preserve the long-term viability of the Medicare trust fund, obviously, the best thing we can do is create jobs. That is what the growth package, the jobs package, that we are going to be working on this spring—tax reduction for working men and women—is all about—the creation of jobs, to have the economy grow, so more payroll taxes will be coming into the Medicare fund.

Let me explain to my colleagues why we should vote against this amendment down. I start with the premise that it is long past time for Congress to strengthen and improve the Medicare Program, and the No. 1 way in which we can improve and strengthen Medicare is the enactment of a prescription drug benefit for our Nation's seniors. We all know that adding prescription drug coverage to the Medicare Program is an expensive endeavor. Given the rapidly rising costs of Medicare and the present challenge we have just to meet our current obligations in the program, adding prescription drug coverage must be done carefully and responsibly. You don't just pull a figure out of the air, reducing the tax relief package, and putting it over here in the Medicare trust fund.

As I have said, the Medicare trustees reported last year that the program already faces substantial challenges in the not-too-distant future. The Medicare trust fund will begin to run cash deficits in 2013 that grow larger and larger until the fund is bankrupt in the year 2026. What we are working on adding a drug benefit to Medicare, prescription drug spending has grown an average of almost 15 percent annually from 1995 to the year 2000. And the Congressional Budget Office predicts that Medicare beneficiaries will spend about $1.8 trillion on prescription drugs over the 10-year budget window.

Now, is the $400 billion in the budget resolution sufficient for improving Medicare and adding a prescription drug benefit? Well, first of all, we have to recognize that Congress has come a long way in how much it has allocated to a Medicare drug benefit. For example, in fiscal year 2001, the budget resolution had $40 billion over 5 years for a drug benefit. This budget, as I have said, proposes $400 billion over 10 years and is yet $100 billion more than we had in the last budget resolution, which was for fiscal year 2002, and had $300 billion for prescription drugs over the 10 years.

I say to people on the other side of the aisle that we had a lot of support in arguing for a $300 billion budget figure for prescription drugs in that fiscal year. Many of my friends on the other side of the aisle spoke in favor of that proposal on the Senate floor. These Senators believed then that $300 billion would provide a good drug benefit for seniors and be affordable. Now I am proposing $400 billion for Medicare and for a drug benefit. This amount is certainly adequate for developing a good Medicare drug benefit for our Nation's seniors.

I urge my colleagues to support the $400 billion in funding for Medicare and vote against amendments such as the Dorgan amendment to dramatically increase the cost of that drug benefit. I ask those very same Senators on the other side of the aisle who may want to support their colleague that if they thought 2 years ago $300 billion was a good figure and they helped us get that passed, then they would think that $400 billion is adequate as we start down this road that is going to lead us to the successful passage of a drug benefit program for seniors.

As for a comparable prescription drug benefit, one of the directions that the Dorgan amendment would give the Committee on Finance—a requirement that traditional Medicare and whatever enhancement of Medicare we develop for seniors which would give them the right to choose between more than one benefit plan would have comparable prescription drug benefits—i want my colleagues on the other side of the aisle to know I will work with other members of the Finance Committee to make sure Medicare beneficiaries in traditional Medicare have a good prescription drug benefit, as well as those who may choose to go to a new, enhanced plan.

This amendment wants to tie the hands of the members of the Senate Finance Committee. The budget bill is not the place to start a Medicare prescription drug benefit. That is the jurisdiction of the Senate Finance Committee. The committee will have its opportunity to function under my chairmanship, at the direction of Senator Frist, our majority leader, who said he did not want to make the mistake of last year when then-majority leader Senator Daschle brought the issue right to the floor, bypassing the committees.

We can in this body develop bipartisanism not on the floor of the Senate but in the committees of the Senate. That is no more true than in the Senate Finance Committee which has such a reputation for bipartisanism. I urge my colleagues to defeat this amendment and let the Finance Committee do its work.

I yield the floor.

The PRESIDING OFFICER. Who yields time? Who yields to the Senator?

Mr. CONRAD. Mr. President, how much how much time is the Senator seeking?

Mr. ROCKEFELLER. There will be, I say to the Senator from North Dakota, three Senators speaking on behalf of the amendment. Forty-five minutes would be an outside number.

Mr. CONRAD. How much time would the Senator from West Virginia like?

Mr. ROCKEFELLER. Eight, nine minutes.

Mr. CONRAD. I yield 10 minutes to the Senator from West Virginia.

Mr. REID. Mr. President, I ask, through the Chair, the Senator from Maine, it is my understanding she has permission from the manager of the bill to have the pending amendment set aside to offer this amendment.

Ms. COLLINS. The Senator is correct.

Mr. REID. I should think that is what should be done now. Does the Democratic manager agree with that?

Mr. CONRAD. That will be the appropriate action to take at this point, if the Senate from Maine will make that request.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, the Senator from West Virginia, on behalf of the Senator from Maine, the Senator from Oregon, the Senator from Nebraska, and several cosponsors, is sending an amendment to the desk to ask for its consideration. I ask that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from West Virginia.

AMENDMENT NO. 275

Mr. ROCKEFELLER. Mr. President, I call up amendment No. 275 which is already at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. ROCKEFELLER], for himself, Ms. COLLINS, Mr. NUGENT of Nebraska, Mr. SMITH, Mr. SCHUMER, Mr. EDWARDS, Mrs. CLINTON, Mrs. HUTCHISON, Mr. RINGAMAN, Mr. CORZINE, Ms. MIKULSKI, Mr. KOHL, Mr. KERRY, Mr. SARBINSKI, Mrs. MURRAY, Ms. CANTWELL, Mr. DEWINE, and Mr. COLEMAN, proposes an amendment numbered 275.
Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To express the sense of the Senate concerning State fiscal relief)

At the appropriate place, insert the following:

SEC. 2. SENSE OF THE SENATE CONCERNING STATE FISCAL RELIEF.

(a) FINDINGS.—The Senate makes the following findings:

(1) States are experiencing the most severe fiscal crisis since World War II.

(2) States are instituting severe cuts to a variety of vital programs such as health care, child care, education, and other essential services.

(3) According to the Kaiser Commission on Medicaid and the Uninsured, 49 States already have taken actions or plan to cut Medicaid before or during the current fiscal year 2003. Medicaid budget proposals in many States are unsustainable and will benefit only eligible families and substantially reduce or freeze provider reimbursement rates.

(4) In 2002, at least 13 States reported decreased State investments in their child care assistance programs.

(5) According to a forthcoming analysis of 22 States, 7 million people are now at risk of losing their health care coverage under cuts that have already been implemented or proposed.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that the functional totals in the case of the Federal Government, and the deficits, in the case of the States. We have to address the State budget shortfalls in order for any growth package to be at all meaningful. It must not be necessary to have as much pizzazz, but it affects incredible numbers of people.

States obviously have to balance their budgets. Senator NELSON from Nebraska will be speaking shortly. He was a Governor, if I am not mistaken, for every State, if not every State, faces deficits. They are likely to grow in the upcoming year. The deficits are now $70 billion to $85 billion projected for 2004. This is on top of the $50 billion in deficits that the States already have for 2003.

This constitutes a real crisis for them. They cannot print money, and they cannot do what we can do in the Senate: simply go into deficit and go on. They have to take action to close the deficit. Herein is the problem that affects the stimulus package, States, and people.

They have to cut programs or they have to increase revenues—neither is attractive. The difficulties and responsibilities of being a Governor is that you have to make those decisions—either raise revenues, cut programs, or you do both, which is why Governors often are not terribly popular at the end of 8 years.

It is about $1 out of every $8 of expenditures in the budget that these deficits represent. So it is a very large amount of money. Some 38 States, three out of four States, either cut spending in 2002 or are projecting to cut spending in 2003. That is, raise revenues and cut spending.

One cannot talk about stimulating the States' economies without talking about Medicaid. Medicaid and Medicare—Medicare which we have just been discussing—between those two programs, which are both located in the same Government agency, it is a substantially greater amount of money than resides in the Department of Defense. People have to understand this, it is an enormous amount of money in Medicaid and Medicare.

Families USA, which is well respected, recently did a study on the economic impact of Medicaid. I am not talking yet about people. This is the economic impact of Medicaid. One of their key findings was that in the year 2001, which was the last year their research could cover, States spent almost $300 billion on Medicaid. But that was not just the Medicaid program. What they found was that the Medicaid amount that they spent generated a threefold increase in the economic impact on the 50 States to the tune of $279 billion.

I submit that is called fiscal stimulus of a large magnitude because it gets into goods and services, increased business activities, and I do not think I have to go on. I am very happy to say that West Virginia was among the 10 States with the highest rate of return for every dollar spent on Medicaid. So for the State that this Senator represents, it was very meaningful.

This amendment specifies that no less than one-half of the amount; that is, $30 billion, allotted for State fiscal relief must be devoted to mandatory increase in the Federal medical assistance percentage, or FMAP. That is what we voted on in July of last year. That is what passed 75 to 24—I mean 75 to 24—bipartisan.

I will be introducing a similar structure to the legislation that Senator COLLINS, Senator NELSON of Nebraska, and I introduced recently involving $20 billion. It was a temporary increase in the Federal Medicaid matching rate, as well as increasing funding for the Social Security block grant.

As I indicated, the legislation is very bipartisan. It puts money into Medicaid, but it also puts money into the Social Security block grant, which, quite frankly, is very good because in the Finance Committee we have been discussing welfare reform. We all know there is a shortage of childcare. Governors have the discretion to take that money and spend it on local projects or otherwise on what they might wish. Obviously, there are restrictions. This is strongly supported by providers and by—all of us, I mean. I will not go into that, but it is strongly supported. It did get 75 votes, and the National Governors Association wants this more than anything else the Congress can provide, with the exception of homeland security. This will then go on to the Finance Committee.

The stimulus that Medicaid provides to the States—aside from the stimulus, there are now 1.7 million people who will lose their Medicaid if we do nothing about this problem, if we do not increase FMAP, the Medicaid match matter. There is nothing they can do about it. They will simply have to cut more people. I say to my colleagues, they should know that States have already cut a million people off of Medicaid.

Up until this point, if we do nothing then we will be cutting additional 1.7 million people off Medicaid. When one does that, one understands that there are about 47 million people on Medicaid in this country and they are people

Mr. ROCKEFELLER. Mr. President, I want to say something: although this is an extraordinarily important subject particularly affecting the stimulus package and affecting a lot of people in all of our States, the amendment of the Senate amendment which we put before the Senate now—and it is that, a sense of the Senate—we did the same thing this past July in the form of an amendment, and it received some 75 votes. It was very bipartisan. But this is a sense of the Senate. It is not an amendment per se.

What we are wanting to do is to add no less than $30 billion over the next 12 months for the State stimulus relief package, which should be included in any stimulus package. In fact, I would argue it makes no sense to do this without including the amendment which will then find its way to the Finance Committee where we will work with it.

It is interesting, in fact, that there are many who say the primary problem for our economy at this particular point is not the impending war with Iraq, but is, in fact, the plight of our State governments and our Federal Government—the deficits and debt. In the case of the Federal Government, and the deficits, in the case of the States. We have to address the State budget shortfalls in order for any growth package to be at all meaningful. It must not be necessary to have as much pizzazz, but it affects incredible numbers of people.

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It is about $1 out of every $8 of expenditures in the budget that these deficits represent. So it is a very large amount of money. Some 38 States, three out of four States, either cut spending in 2002 or are projecting to cut spending in 2003. That is, raise revenues and cut spending.

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Up until this point, if we do nothing then we will be cutting additional 1.7 million people off Medicaid. When one does that, one understands that there are about 47 million people on Medicaid in this country and they are people...
who are vulnerable. It is the second largest item in most States' budgets. It is always, therefore, a target for cuts. It cannot be otherwise, and Governors have to do that.

What I need to say more than anything, and more poignantly honestly, is that it is an extraordinary safety net which was set up years ago for our most vulnerable Americans, which includes not only our low-income children and working families but also our disabled and our elderly.

This initiative is the most serious budget shortfall that we have had in over a decade. It is currently the time when the demand for Government services is the greatest because of the lagging economy.

The attacks of September 11 on our Nation, coupled with the subsequent recession and resulting unemployment, have placed tremendous and unanticipated strains on Government services and resources. At the same time, the States, which are after all our partners in providing health care, education, and other essential services, are facing a dramatic and unexpected decline in revenues. Medicaid, the largest item in most States' budgets, is one of the first things that States cut in order to balance their budgets. States are cutting benefits, including 218,000 individuals in my home State of Maine. The State of Maine, for example, has been forced to consider cuts in its Medicaid Program to compensate for the cuts that would have to be made to meet the Medicaid matching rate.

Moreover, at a time when the number of people without health insurance is climbing, 49 States have either already cut a number of critical programs, or are planning to do so. Medicaid provides medical care for 44 million low-income people nationwide, including 218,000 individuals in my home State. States are cutting benefits, increasing copays, restricting eligibility, or removing poor families from the rolls because of soaring costs and plunging revenues. As a consequence, the National Governors Association estimates as many as 2 million low-income individuals across this country will lose their health care coverage as a result of the loss of Medicaid coverage.

Let me be clear, I am not saying Congress should bail out the States. I am not saying States should not have to make hard choices. I am not saying States should not cut their budgets, they very should do so. The States do need to tighten their belts during these austere fiscal times, but the nature and the severity of the fiscal crisis facing our States has convinced me we simply must help.

The consequences are too dire, otherwise, and too many very low-income individuals will suffer if we do not step in and help.

That is why I joined in this effort to provide for a temporary increase in the Federal Medicaid matching rate as well as some flexible funds that go to every State. Specifically, our amendment, which has strong bipartisan support, provides $30 billion to the States, at least half of which would have to be provided in the form of a temporary increase in the Medicaid matching rate.

Our amendment is strongly supported by a host of health care patient and consumer advocacy groups, including the American Hospital Association, the American Medical Association, the National Conference on State Legislation, the Consortium for Citizens with Disabilities, and many other critically important organizations.

The support our proposal has received underscores how important it is that we act now to provide assistance to the States at a time when many are looking toward further cuts in their health care programs to help balance their budgets.

We have focused particularly on Medicaid because of our concern about the impact on low-income families in America. But there is another reason it makes sense to target this assistance to the Medicaid Program; that is, Medicaid is the fastest growing component of State budgets.

While State revenues are stagnant or declining in most States, Medicaid costs are increasing at a rate of more than 3 percent a year. My home State of Maine is one of many States that has been forced to consider cuts in its Medicaid Program to compensate for its budget shortfalls.

Legislation enacted as a consequence of our amendment, I stress again, will not free States from making very painful and difficult choices in crafting budgets for the year. But it will help prevent the most harmful cuts, those that would affect the families who can least afford them, those who
Mr. ROCKEFELLER. It would be natural for me to begin by expressing my appreciation for your leadership on this most important legislation. This is a bill that I support, and it is a bill that will be of great benefit to the States and the economy of the entire country.

To Maine, our amendment could mean as much as $190 million over the next 18 months for health care and social services that would help our most needy citizens. In other words, this is about helping those who are most vulnerable in our society. In addition, our proposal makes sound economic sense. Putting money into the hands of the States is the best way to stimulate economic growth.

After all, if we cut taxes in Washington only to have taxes increased in State capitals across this country, we will wipe out the good that we do by cutting taxes. We know if we get money into the hands of the States, they will put it directly into the economy, and that is just the kind of stimulus our economy needs.

Congress is most effective when it stands arm in arm, not toe to toe, with our partners, the States. Our States face a crisis of vast and still-expanding dimensions. We need to help. This amendment is a critical step forward in doing just that. I hope we will have another strong bipartisan vote for our proposal so that we can ensure any fiscal relief is included in any economic growth package that we consider later this year.

I am happy to yield to my colleague from West Virginia.

Mr. ROCKEFELLER. I ask the Senator from Maine, in the summary before the vote tomorrow, opponents will no doubt ask what is our source of funding. That is a fair question to ask, and it has a very easy answer. In this case in a sense-of-the-Senate amendment.

Would the Senator from Maine be willing to clear up for our colleagues how we will pay for this?

Ms. COLLINS. The Senator from West Virginia raises an excellent question. Again, I stress that what our direction to the Finance Committee would say, when you report an economic growth package, fiscal relief up to at least $30 billion should be part of that package.

So our sense-of-the-Senate amendment does not increase the deficit. It does not increase the overall spending in the resolution. It does not increase the budget caps that are in this resolution.

So this proposal is budget neutral and it is deficit neutral. It does not have the impact that might cause some people otherwise to oppose it.

Mr. ROCKEFELLER. I thank the Senator and ask if she would further yield.

Ms. COLLINS. I am happy to yield to my friend.

Mr. ROCKEFELLER. It would be natural, in the nature of this body, for people to come and say—the Senator referred to this in her remarks—you are talking about making available $30 billion to the States; we have enough problems of our own at the Federal Government level. I pointed out in my remarks the recession we are in right now is more a matter, not of war that we are in, but the State situation and the Federal Government situation.

So people would say just let the States go ahead and pay for this. If they have to make cuts, they have to make cuts. It is their fault they are in this kind of situation.

I was wondering how the Senator would reply to that.

Ms. COLLINS. Mr. President, I would respond to that concern in two ways. First of all, the dramatic decline in revenues is not the fault of State governments. It is a product of the lagging economy we are in, and the lingering effects of the attacks on our Nation of September 11. The States have been prudent, have taken appropriate steps, putting their own money into the State coffers. So our proposal is a confluence of things that did not cause these budget gaps in 49 States. A second point is, despite our best efforts, the States are still going to have to make some very painful and difficult choices. In the State of Maine, we are facing a budget gap of over $1 billion. Under our proposal, Maine would get a much welcomed $190 million. There is still a long way to go.

Our proposal will certainly help the States avoid some of the most harmful cuts, particularly in health care, which is our greatest concern, but it certainly does not mean States are let off the hook in any way.

Mr. ROCKEFELLER. If the Senator will further yield, she leads directly to the question I wanted to ask her. That is, that there are many who have not worked in the bowels of State government, to speak, who think Medicare is sort of a gift from the Federal Government to the States. They do not understand that there is a very complex formula wherein all the States have to contribute, the formula is based upon their prosperity, and things of that sort.

So the concept that this is somehow the Federal Government turning over money to the States and there is no cost to them doesn’t make any sense, does it?

Ms. COLLINS. The Senator is absolutely correct. Medicaid is a partnership between the Federal Government and our partners, the States, to provide health care to low-income families, the very poor individuals, those who need it most. Medicaid is the fastest growing component in State budgets. So States certainly are contributing to this program. It has been a successful partnership. We are suggesting a temporary increase over the next 18 months. I hope we will grant that.

I have several letters which I am going to have printed in the RECORD, which talk about protecting the States’ ability to provide and deliver health care, and points out, again, that these are health care services to the most vulnerable Americans we serve.

I ask unanimous consent that a letter from the National Association for Home Care and Hospice be printed in the RECORD.

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

HOMECARE & HOSPICE

Hon. BOB GRAHAM,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR GRAHAM: On behalf of the National Association for Home Care & Hospice (NAHC), the nation’s largest association representing home care providers, caregivers and the patients they serve, I am writing to commend you on the introduction of S. 138, the “State Budget Relief Act of 2003.”

As you are well aware, the current economic downturn has resulted in drastically lower state tax revenues. Moreover, the number of uninsured continues to grow as more and more people are forced from the labor market. This has resulted in states being forced to cut their Medicaid budgets at the exact time that there is a growing need for services.

Your legislation, by temporarily increasing the Federal Medical Assistance Percent (FMAP) as a way to direct additional federal funding to state Medicaid programs, will protect states’ health care delivery systems and ensure the continuation of health services for the most vulnerable of our population. Without this assistance, many communities will find themselves with providers that are understaffed, have crumbling infrastructure, lack current medical technology, or have reduced or eliminated certain services.

NAHC believes that home health and hospice services remain one of the remedies to the widespread concern over growing health care costs. In recent years, state Medicaid programs have increased their utilization of home and community-based long-term care services in lieu of institutional care through the use of waivers. In fact, the Centers for Medicare and Medicaid Services (CMS) recently reported that Medicaid spending growth levels for home care services more than doubled between 2000 and 2001—from 8.6 percent to 17.3 percent. Some of this trend reflects the growing desire to implement non-institutional care options that are more cost-effective, and many of these options are directed by the growing need for services.

On behalf of NAHC, we commend you for recognizing the importance of providing states with this additional funding to ensure the proper care of the nation’s most vulnerable citizens. Your leadership is appreciated in this important matter.
Mr. SMITH. Mr. President, I rise today in support of this sense of the Senate amendment to provide funding for State fiscal relief.

States are suffering their worst fiscal crisis in over half a century. Only 2 years ago, we as a Nation and the American people were celebrating the economy. Today, more than last year—has still not been achieved. The magnitude of the State fiscal crisis is growing steadily worse. The economic times. Nearly every State is facing a budget shortfall of at least $1 billion in the upcoming fiscal year. Already, one in four Medicaid recipients in Oregon is experiencing service cuts, and more reductions are on the way. Districts in my State have the shortest school year of any schools in the country. Some teachers in my State have even agreed to work for free in order to keep the schools open! And things are so bad for Oregon schools that recently the Doonesbury comic strip dedicated a whole week of comics to the sad state of Oregon school funding.

This proposal would bring almost $331 million to Oregon over the next 18 months, which would go a long way to maintain the fragile health care safety net for vulnerable Oregonians. Bipartisan support for our FMAP proposal has grown steadily. It is supported by groups representing the States, the elderly, the disabled, children, and Oregon's governor Kulongoski, among many, many others. It has support because it is a sound proposal. It provides temporary assistance to States in a very timely and efficient manner.

Several weeks ago, I was in Oregon for a series of town hall meetings with my colleague Ron Wyden. At every stop, we spoke to people who were being affected by the first round of budget cuts. I can tell you, as we listened to these good people tell their stories, there wasn't a dry eye in the house.

The pain is real. We have to do something on welfare relief to do now, and I urge my colleagues to support this fiscal relief amendment to the budget.

The PRESIDING OFFICER. Who yields time? Does the Senator from West Virginia yield time?

Mr. ROCKEFELLER. How much time, might I ask the Senator, does he require?

Mr. NELSON of Nebraska. I estimate 5 minutes.

Mr. ROCKEFELLER. The Senator is welcome to that.

Mr. NELSON of Nebraska. Mr. President, it is a pleasure to join with my colleague from the State of Maine. We have been working for a long time to bring about help for the States in the area of Medicaid and in the area of welfare reform and social services.

Our amendment makes it clear that the Senate recognizes the partnership between the Federal Government and the States, and is committed to helping them find a way out of their dire budget situation.

How bad is this budget shortfall? The States are currently experiencing the worst fiscal crisis since World War II. States have accumulated $26 billion in deficits this year on top of $50 billion in deficits last year. Even greater gaps, reaching upwards of $70 to $85 billion in deficits, are projected for the next fiscal year. It is, in fact, a crisis.

But the budget crisis is more than just numbers and dollars. This is about real people. And the people of our States have been hit hard by the tough economic times. Nearly every State is required to have a balanced budget, even during a recession. The rainy day funds have run dry and funding for programs as critical as Medicaid have been cut to the bone. The only option left for many States is to cut critical programs even further or raise taxes. Not only do States lose the number of low-income working families that were eligible for assistance with childcare. More than 2,000 Nebraska families have lost childcare assistance as a result of this change.

The Kaiser Family Foundation has been working for a long time to ensure that States see their way out of the recession. It is, in fact, a crisis.

The FMAP relief amendment to the budget.

The message she relayed is a good illustration of how these proposed cuts are affecting real people. She wanted to make sure I know the importance of my efforts to provide State fiscal relief. She represents Bethphage, an organization that provides community-based services for people with disabilities. She was worried because much of their funding comes from Medicaid. Bethphage and other programs like theirs, may soon be forced to limit the good work they do if State budgets do not see some relief soon.

State fiscal relief is not only needed to protect education, health care, Medicaid and other social service programs, it is needed to stimulate our economy.

In discussing various jobs and growth proposals with my colleagues this year, I have repeatedly asked them to “Show me the Stimulus” and demonstrate how proposed tax cuts or spending will get our economy back on track.

Although economists differ on the stimulative effect of the varying tax cut proposals, I think there is little question that providing States with fiscal relief would boost the economy. In fact, State fiscal relief may provide more “bang for the buck” than many of the other stimulus proposals being discussed. According to a recent study done by Mark Zandi at econ.com every dollar spent in State fiscal relief will create $1.24 in demand for the following year.

At a time when we are trying to get the economy back on track, it would be irresponsible for the Senate to turn its back on this nationwide crisis and do nothing.

It doesn’t make much sense to cut taxes in Washington while States are
forced to raise them in Lincoln, Des Moines, Topeka, Pierre, Saint Paul, or wherever and other State capitals throughout the United States. State fiscal relief is a commonsense approach to getting our economy back on track. As we know, it is the right thing to do. Not only will it ease fiscal relief shield the people of our States from some of the tough economic times, to some extent, it will also stimulate our economy and return individuals and States alike to financial security.

Again, I thank my colleagues—Senators Collins and Rockefeller—for their work on this important effort and urge my colleagues to join us in supporting this amendment.

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

Mr. Nelson of Nebraska. I thank my colleagues and thank the Presiding Officer for this time.

The PRESIDING OFFICER. The Democratic whip.

Mr. President, on behalf of Senator Conrad, I yield to the distinguished Senator from Maryland 20 minutes.

Mr. Sarbanes. At most.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. Sarbanes. Mr. President, I intend to speak to an amendment which will be offered tomorrow. I take this approach because I am joined in sponsoring this amendment by Senator Jondorf, Senator Rockefeller, and Senator Bob Graham of Florida. And they will, presumably, be able to address the amendment as well on that occasion.

The amendment that we will offer will boost Federal funding for the Clean Water and Safe Drinking Water State Revolving Funds from the level that is recommended in the budget resolution, which is $3.2 billion, to $3.7 billion; $3.2 billion of this for the Clean Water State Revolving Fund and $2 billion for the Drinking Water State Revolving Fund.

Regrettably, the President’s budget for fiscal 2004 and the budget resolution severely shortchange the funds needed by State and local governments to upgrade their aging wastewater and drinking water infrastructure.

The President’s budget provides only $1.7 billion for both State Revolving Funds, equally split. The budget resolution recommends a somewhat higher figure—$2.2 billion for both funds, but that is still far short of what is needed.

Despite progress over the last three decades, EPA reports that more than 40 percent of our Nation’s lakes, rivers, and streams are still too impaired for fishing or swimming. Discharges from aging and failing sewage systems, urban storm water, and other sources continue to pose serious threats to our Nation’s waters, endangering public health and both the fishing and recreational industries.

Of course, as we all realize, population growth and development are placing additional stress on the Nation’s water infrastructure and our ability to make sustainable gains in water quality.

Across the Nation, our wastewater and drinking water systems are aging. And, in some cases, systems currently in use date back a century and a half ago and have outlived their useful life.

For many communities, current treatment is not sufficient to meet water quality goals. Recent EPA modeling indicates that municipal wastewater treatment facilities in my own State will have to reduce nitrogen discharges by nearly 75 percent to restore the Chesapeake Bay and its tributaries to health.

In April of 2000, the Water Infrastructure Network, a broad coalition of locally elected officials, drinking water and wastewater service providers, State environmental and health administrators, engineers, and environmentalists released a report, “Clean and Safe Water for the 21st Century.” The report estimated a $25 billion a year shortfall in funding needed to meet national environmental and public health priorities in the Clean Water Act and in the Safe Drinking Water Act. And all of the studies have substantiated this gap. For example, in May of 2002—not less than a year ago—the Congressional Budget Office released a report showing very large gaps for clean water needs and drinking water needs over the next 20 years.

The Ford Center for State Government created a model of the need for additional investment in wastewater and drinking water infrastructure is clearly documented. But States, localities, and private sources cannot meet the funding gap alone. Local communities already pay almost 90 percent of the total cost, or about $60 billion a year, to build, operate, and maintain their drinking water and wastewater systems.

But as Administrator Whitman recently pointed out: “The magnitude of the challenge America faces is clearly beyond the ability of any one entity to address.”

States are currently facing the worst fiscal crisis in 50 years and cannot afford to make new investments in clean water and drinking water infrastructure.

Clearly, water pollution is an interstate problem that requires, in part, a Federal response. In our own case, in Maryland, water flows into the Chesapeake Bay from six States. Other States need to make investments as well in order to clean up the watershed. It is vital that the Federal Government maintain a strong partnership with States and local governments in order to address this major environmental challenge.

The increases provided for in this amendment are the first step necessary to deal with this pressing problem. It represents an investment in the health of Americans and a clean environment, and I believe an investment that will pay substantial dividends.

Wastewater treatment plants not only prevent billions of tons of pollut-

ants from reaching our rivers, lakes, streams, and coasts, they also help prevent waterborne diseases and make waters safe for swimming and fishing. In fact, the Water Infrastructure Network says that clean water supports $3 billion a year in the waterfront recreation industry, at least $900 billion a year in coastal tourism, $45 billion annually in commercial fishing and shellfishing, and hundreds of billions of dollars a year in basic manufacturing that relies on clean water.

Federal governments. Some 54,000 community drinking-water systems provide drinking water to more than 250 million Americans. By keeping water supplies free of contaminants that cause disease, these systems reduce sickness and related health care costs. They reduce absenteeism in the workforce. And they, obviously, add to our quality of life.

Investment in the infrastructure we are talking about here—water and water improvements—would also create substantial numbers of jobs through construction. It would provide an impetus to our economy at a time when it needs an impetus.

There is strong support for increased investment in infrastructure. Colleagues on both sides of the aisle have taken a lead on this issue over the years.

The case for the amendment is compelling. Maintaining clean, safe water remains one of our leading national challenges. This budget resolution should not and need not come at the expense of human health or a clean environment. I strongly urge my colleagues, when the amendment is presented, to support it and to begin to address this large funding gap that looms into the future with respect to this very important aspect of our domestic agenda. This is both good environmental policy and good economic policy. Support for this amendment would offer an opportunity to continue to make progress on clean water and safe drinking water. I commend the amendment to my colleagues when it is brought before them at the appropriate time.

Mr. President, I have a number of letters from organizations in support of the amendment. I ask unanimous consent to print them in the Record.

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

NATIONAL ASSOCIATION OF COUNTIES

Subject: Support for the Jeffords/Sarbanes/Mikulski/Graham amendment to boost funding for the Clean Water and Safe
Drinking Water State Revolving Funds (SRF) from the Fiscal 2003 enacted level of $2.19 billion to $3.52 billion.

Despite progress over the past 30 years, the Environmental Protection Agency reports that more than 40 percent of our nation’s lakes, rivers, and streams are still too impaired to be utilized for their intended use. And, despite ongoing and failing sewage systems, urban storm water and other sources continue to pose serious threats to our nation’s waters. Population growth and development only place more stress on the nation’s water infrastructure and its ability to maintain current standards.

On September 30, 2002, the EPA released a Clean Water and Drinking Water Infrastructure Gap Analysis. This report discovered a $335 billion gap between current spending and projected water and wastewater infrastructure needs over the next 20 years if additional investments are not made.

It is vital that the Federal government work with the state and local governments to prevent this massive projected funding gap and share the burden of maintaining and improving the nation’s water infrastructure. An increase of funding for the Clean Water SRF to $2 billion in fiscal year 2004 is the first step necessary to meet these funding requirements.

Additionally, each billion dollars invested in water infrastructure creates an estimated 40,000 jobs. So this amendment is both pro-environmental policy and pro-economic policy. Thank you for offering this timely and important amendment.

Sincerely,

LARRY NAASKE, Executive Director.


Hon. PAUL SARBANES, U.S. Senate, Washington, DC.

Dear Senator Sarbanes: On behalf of the National League of Cities and the 16,000 cities and towns across the nation we represent, we would like to express our support for your efforts, along with those of Senators Mikulski, Graham and Jeffords, to increase funding for the Clean Water and Drinking Water State Revolving Funds.

As you know, our cities and towns are facing a $23 billion funding gap annually to repair and replace aging infrastructure for these critical, but unseen, services, despite annual local expenditures of more than $60 billion for wastewater and drinking water. We also agree that investments in our water and wastewater infrastructure can serve as a job creation component of an economic stimulus initiative.

We would appreciate your efforts and offer any assistance we can to help you attain your objective.

Sincerely,

DON BORUT, Executive Director.


Hon. PAUL S. SARBANES, U.S. Senate, Washington, DC.

Dear Senator Sarbanes: On behalf of the nation’s largest public water suppliers, thank you for your efforts to increase funding for the drinking water and clean water state revolving funds (SRFs) to $3.52 billion in fiscal year 2004. If this increase is appropriated, the benefits will be safer water supplies, cleaner rivers and streams, and a stronger economy.

The Association of Metropolitan Water Agencies represents the nation’s largest publicly owned drinking water providers. ANWA’s members serve safe drinking water to more than 110 million Americans.

Sources including the Water Infrastructure Network, EPA, GAO and the CBO confirm that water systems face multi-billion-dollar gaps in funding, as water facilities, particularly underground distribution systems, reach the end of their useful lives. According to WIN, the gap between what utilities currently invest and what they will need to invest over the next 20 years is $23 billion per year. Water systems themselves pay the majority of infrastructure costs, but federal help is needed, especially for metropolitan systems.

Twenty-one States provided no assistance to systems serving 100,000 or more people between 1996-2002. Thirteen more States provided assistance to only one or two of these systems. Only a substantial boost in funding will provide the opportunity to better help our nation’s largest public water systems.

Thank you for supporting drinking water and wastewater infrastructure funding.

Sincerely,

Diane VanDe Hei, Executive Director.


Hon. PAUL SARBANES (D-MD), U.S. Senate, Washington, DC.

Dear Senator Sarbanes: It is our understanding that you and other Senators plan to offer an amendment during consideration of the FY 2004 Budget Resolution that would substantially increase funds available for the Clean Water and Safe Drinking Water state revolving funds (SRFs). The Water Environment Federation, an organization whose members are directly involved in the implementation of clean water programs, strongly supports this amendment.

The need for increased investment in water infrastructure is well documented. In September 2002, the Environmental Protection Agency released a Clean Water and Safe Drinking Water Infrastructure Gap Analysis which found that there will be a $335 billion gap between current spending and projected needs for water and wastewater infrastructure over the next 20 years if additional investments are not made. In May 2002, the Congressional Budget Office released a report that a spending gap for drinking water between $132 billion and $338 billion over 20 years and the spending gap for drinking water needs at between $70 billion and $362 billion over 20 years.

WEF, founded in 1928, is a not-for-profit technical and educational organization with members from varied disciplines who work toward the WEF vision of preservation and enhancement of the global water environment. The WEF network includes more than 100,000 water quality professionals from 79 Member Associations in 32 countries.

Sincerely,

Tim Williams, Managing Director, Government and Public Affairs.


Hon. PAUL SARBANES, U.S. Senate, Washington, DC.

Dear Senator Sarbanes: The Association of California Water Agencies (ACWA) strongly supports your proposed amendment to the fiscal year 2004 Budget Resolution to increase funding for the Clean Water and Safe Drinking Water State Revolving Funds (SRFs). Throughout the United States, these programs provide indispensable resources to rural areas and municipalities alike for projects that enable compliance with drinking water standards, protection of waterways, sanitation, environmental preservation and more. The SRFs are the backbone of our water infrastructure, and with increasingly severe demands on water supplies, the Funds
will become more important in the years ahead.

Last year the U.S. Environmental Protection Agency acknowledged a multi-billion dollar need for investment in infrastructure, and this “funding gap” is the ongoing subject of bipartisan legislation. ACES represents 440 public water agencies in California collectively responsible for more than 90 percent of the water delivered for residential and agricultural use.

Their efforts to increase funding for water infrastructure in the 2004 budget, and we look forward to working with you to advance this worthwhile goal.

Sincerely,  
DAVID L. REYNOLDS,  
Director of Federal Relations.

AMERICAN SOCIETY OF CIVIL ENGINEERS,  

Hon. PAUL SARBANES,  
Hart Building,  
Washington, DC.

Dear Senator Sarbanes: I am writing on behalf of the 130,000 members of the American Society of Civil Engineers (ASCE) to support passage of your amendment to increase funding for the Clean Water Act and Safe Drinking Water Act in our water infrastructure loan fund (SIFR) programs for fiscal year 2004.

Two years ago ASCE released its 2001 Report Card for America's Infrastructure. At that time, we found that the nation's aging wastewater and drinking-water systems received an overall grade of D. These systems are quintessential examples of aged systems that need to be updated. For example, some sewer systems are 100 years old. Many older drinking-water systems are structurally obsolete.

The annual funding shortfall of $11 billion for drinking-water and $12 billion for wastewater only accounts for improvements to the current system and do not even take into consideration the demands of a growing population.

The amendment that you propose would help make an important down payment on the necessary investment in our long-neglected water systems.

If ASCE can be of any assistance in this important endeavor, please do not hesitate to contact Brian Fallese at 202-326-5140 or Michael Charles at 202-326-5126.

Sincerely yours,  
THOMAS L. JACKSON, P.E.,  
Chief Executive Officer.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA,  

Hon. PAUL S. SARBANES,  
U.S. Senate,  
Washington, DC.

Dear Senator Sarbanes: As you are well aware, America's water infrastructure systems are aging, deteriorating and demanding attention. Reports show that millions of our municipal systems overflow some 40,000 times annually. In addition, approximately 42 million Americans are served by old sewer systems that don't even separate storm water; the need for improvement is clear, and growing.

According to a 2001 report published by the Water Infrastructure Network (WIN), of which CMAA is a member, wastewater systems faced a daunting capital investment shortfall of approximately $12 billion each year over the next two decades. A similar report by the Congressional Budget Office (CBO) concluded in 2002 that "costs to construct, operate, and maintain the nation's water infrastructure systems over the next 20 years will become more important in the years ahead."

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Wastewater and drinking-water systems are quintessential examples of aged systems that need to be updated. For example, some sewer systems are 100 years old. Many older drinking-water systems are structurally obsolete.

The annual funding shortfall of $11 billion for drinking-water and $12 billion for wastewater only accounts for improvements to the current system and do not even take into consideration the demands of a growing population.

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Sincerely yours,  
BRUCE D'AGOSTINO,  
Executive Director.

CONSTRUCTION MANAGEMENT ASSOCIATION OF AMERICA,  

Hon. JAMES M. JEFFORDS,  
U.S. Senate,  
Washington, DC.

Hon. BARBARA A. MIKULSKI,  
U.S. Senate,  
Washington, DC.

Hon. PAUL S. SARBANES,  
U.S. Senate,  
Washington, DC.

Hon. BOB GRAHAM,  
U.S. Senate,  
Washington, DC.

Dear Senators Jeffords, Mikulski, Sarbanes and Graham: I am writing on behalf of the more than 2,000 members of the Construction Management Association of America (CMAA) to express our strong support for the proposed amendment you plan to offer today during consideration of the FY 2004 Budget Resolution, which would increase funding for the Clean Water and Safe Drinking Water State Revolving Funds (SRF) from the Fiscal 2003 enacted level of $2.2 billion to $5.2 billion.

CMAA is an industry association of firms and professionals who provide program and construction management services to owners in the planning, design and construction of capital projects of all types. Our mission is to "promote professionalism and excellence in the management of the construction process."

As you are aware, America’s water infrastructure systems are aging, deteriorating and demanding attention. Reports show that millions of municipalities’ wastewater systems overflow some 40,000 times annually. In addition, approximately 42 million Americans are served by old sewer systems that don’t even separate storm water; the need for improvement is clear, and growing.

According to a 2001 report published by the Water Infrastructure Network (WIN), of which CMAA is a member, wastewater systems faced a daunting capital investment shortfall of approximately $12 billion each year over the next two decades. A similar report by the Congressional Budget Office (CBO) concluded in 2002 that "costs to construct, operate, and maintain the nation’s water infrastructure systems over the next 20 years will become more important in the years ahead."

Two years ago ASCE released its 2001 Report Card for America’s Infrastructure. At that time, we found that the nation’s aging wastewater and drinking-water systems received an overall grade of D. These systems are quintessential examples of aged systems that need to be updated. For example, some sewer systems are 100 years old. Many older drinking-water systems are structurally obsolete.

The annual funding shortfall of $11 billion for drinking-water and $12 billion for wastewater only accounts for improvements to the current system and do not even take into consideration the demands of a growing population.

The amendment that you propose would help make an important down payment on the necessary investment in our long-neglected water systems.

If ASCE can be of any assistance in this important endeavor, please do not hesitate to contact Brian Fallese at 202-326-5140 or Michael Charles at 202-326-5126.

Sincerely yours,  
THOMAS L. JACKSON, P.E.,  
President.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA,  

Hon. PAUL S. SARBANES,  
U.S. Senate,  
Washington, DC.

Dear Senator Sarbanes: As you consider the Fiscal Year 2004 Budget Resolution, the Associated General Contractors of America (AGC) urges you to support the Jeffords-Sarbanes-Mikulski-Graham amendment to boost funding for the Clean and Safe Drinking Water State Revolving Funds. The amendment would increase funding from the Fiscal Year 2003 enacted level of $2.19 billion to $5.2 billion.

AGC is proud of the role the construction industry has played in improving water quality. However, the needs facing our nation’s wastewater and drinking water systems are tremendous. AGC reports that more than 40 percent of our nation’s lakes, rivers, and streams are still impaired for fishing or swimming. Discharges from aging and failing sewage systems, urban storm water and other sources continue to pose serious threats to our nation’s waters, endangering not only public health, but also fishing and recreation. To date, although construction industry growth and development have placed additional stress on the nation’s water infrastructure and its ability to maintain the water quality gains realized since the inception of the Clean Water Act. Today, maintaining clean, safe water remains one of our greatest national and global challenges.

In May 2002, the Congressional Budget Office released a report that estimated the spending gap for clean water needs between $132 billion and $388 billion over 20 years and the spending gap for drinking water needs at between $70 billion and $382 billion over 20 years. We believe that the spending gap is approaching $550 billion over the next 20 years if additional investments are not made. When the analysis was released in 2002, EPA released the Clean Water and Drinking Water Infrastructure Gap Analysis which found that there will be a $535 billion gap between current annual funding and projected water and wastewater infrastructure (combined) over the next 20 years if additional investments are not made. When the analysis was released, it predicted that the estimated funding gap will improve our water systems, the environment, and also create tens of thousands of jobs. Please support the Jeffords-Sarbanes-Mikulski-Graham amendment.

Sincerely,  
STEPHEN E. SANDHERR,  
Chief Executive Officer.

Mr. NICKLES. Will the Senator yield for a brief question?

Mr. SARBANES. I am happy to yield.

Mr. NICKLES. I missed the opening part of his comments. Can the Senator tell me how much money is involved and over what period of time?

Mr. SARBANES. The amendment has allocated $3 billion for these purposes, both for the Clean Water and the Safe Drinking Water State Revolving Funds. These are the moneys that go into the State Revolving Funds. Then, of course, they have to be matched by the States and often the localities. So the amount of money is leveraged significantly beyond what the Federal contribution would be.

Mr. NICKLES. So there would be a total of $3 billion over the 19-year period of time?

Mr. SARBANES. Another $3 billion, that is right.

Mr. NICKLES. I thank my friend. Am I correct it would be offset, reducing the tax reductions that are in the proposal?

Mr. SARBANES. The bill has room in it for $726 billion worth of tax cuts. Obviously, this raises the question of priorities. Is it more important to give these particular tax cuts, which, of course, I believe strongly are heavily weighted towards the wealthy, as opposed to making some investment in programs of this sort? We have to connect the two. I am willing to look at doing reasonable tax cuts, but I think what is in the resolution, as the chairman has pointed out, is not projecting such large deficits out into the future.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank my colleague for offering his amendment. We will consider the amendment tomorrow. We have already had three or four amendments that are in the queue tomorrow. I understand there
MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to a period for morning business.

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

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. At last Congress, Senator KENNEDY and I introduced the Local Law Enforcement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred on September 12, 2001, in New York, NY. Five teenagers attacked an Arab-American candy store owner. The teenagers stopped in front of the store and asked the owner, who stood in the doorway, “Do you feel sorry for America?” Without waiting for a response, one teen punched the owner, sending him reeling backwards onto the floor, bleeding heavily. The assailants were able to flee from the scene before witnesses could catch them.

I believe that Government’s first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

ZORAN DJINDJIC

Mr. LEAHY. Mr. President, the cold-blooded assassination of Serbian Prime Minister Zoran Djindjic is a tragedy not only for Serbia, but for the former Yugoslav republics whose futures are so closely linked. I knew and admired Prime Minister Djindjic from our meetings in Washington, and I want to express my deepest sympathy to his family and to the Serbian people.

Zoran Djindjic was a charismatic and courageous leader who recognized that Serbia’s best hope, after years of nationalist-inspired ethnic hatred and war destroyed Yugoslavia and caused the deaths of tens of thousands of innocent people, was to follow the path of democracy and the rule of law. This was not an easy choice, as it required confronting the forces of corruption and evil which, despite the overthrow of Slobodan Milosevic, have sought to preserve the status quo. It was Prime Minister Djindjic who, at considerable personal risk, obtained Milosevic’s arrest, after President Kostunica refused to cooperate with the Hague tribunal. Turning over Milosevic was a key step, but Mr. Djindjic understood that it was only the first step toward a formal break with the failed policies of the past.

For the past 3 years, the Congress has provided substantial aid to support economic and political reform in Serbia. However, we have also made clear in legislation and in discussions with Serb officials, that continued cooperation with the Hague prosecutor is essential for continued United States aid to Serbia. There were times in our discussions when Serb officials complained bitterly that the United States and the Hague prosecutor were pressuring them too hard and transferring suspected war criminals. In fact, they did so even before the arrest of Milosevic. We responded that while we did not expect them to apprehend all the indictees in Serbia overnight, the United States cannot provide millions of dollars in aid unconditionally to a government that harbors indicted war criminals.

Since the arrest of Milosevic, the Government’s cooperation with the Hague tribunal has been sporadic. Mr. Djindjic wanted to move faster, while Mr. Kostunica stood in the way. While some indictees have been turned over, 18 remain at liberty and access to witnesses and documents necessary to the prosecution of these cases has been unsatisfactory. Moreover, there has often been no cooperation until just weeks or days before the deadline in U.S. law for the cutoff of aid.

I mention this because immediately after Prime Minister Djindjic was gunned down some Serb officials blamed his assassination on the pressure exerted on Serbia by the United States and the Western powers. I understand that reaction. It is convenient to blame others rather than to acknowledge the difficult but essential task at hand—to remove from the security forces those Milosevic loyalists involved with and protecting organized crime figures and war crimes suspects. But I believe that had the Serb Government moved faster, and more aggressively—as Prime Minister Djindjic urged for the benefit of the Serbian people and the survivacy—to arrest those who made no secret of their efforts to thwart reform, this tragedy might have been avoided.

Zoran Djindjic’s death has kindled an outpouring of sympathy. Millions of Serbs have taken to the streets to express their support for the policies he fought for. Let us hope that just as millions of Serbs joined together three years ago to oust Milosevic from power, Zoran Djindjic’s death will be the catalyst for increased and unrelenting effort to destroy the remaining vestiges of the Milosevic era. The United States stands ready to strongly support that effort. There is no alternative, if Serbia is to take its place in today’s democratic Europe.

HONORING AMERICAN SOLDIERS

Mr. ALLEN. Mr. President, I rise to honor our brave soldiers fighting in the global war on terrorism. We recently passed the first anniversary of Operation Anaconda, a critical seven-day