

Without objection, the request of the Senator from Missouri is agreed to.  
The Senator from Nevada.

### JOBS

Mr. ENSIGN. Mr. President, I rise to talk about jobs in the United States and something that is happening to our country. We have very complex international tax laws. To go into them, people's eyes would glaze over in complete boredom. Suffice it to say, because of the complexities, we have tried over the years to get U.S. companies on a more level playing field.

In the past year, the international bodies that have jurisdiction have ruled against the United States versus the European Union regarding the way we treat U.S. companies doing business outside of the United States. Therefore, because we have not fixed our laws, they have decided to put a 5-percent tariff on many of our manufactured goods. Starting this month and for every month thereafter, that 5-percent tariff will be raised by 1 percent. As a matter of fact, by this time next year it will be up to 17 percent, which puts American manufacturers at a tremendous global disadvantage when compared to the European Union.

If Members care about manufacturing jobs in this country, it is important this body bring back the JOBS bill that we had before us in the Senate last week that was filibustered and get it passed.

The other side keeps talking about, manufacturing jobs and exporting jobs and outsourcing. If people really care about manufacturing jobs in this country, we will bring the JOBS bill back up to the floor and get it voted on and get it worked out between the House and the Senate and get it down to the President so he can sign it into law so we can start giving more help and more relief to manufacturing jobs in this country.

Let me read a quote from the Washington Post of last week, quoting a Democrat tax aide saying:

There's not a lot of incentive for us to figure out this [FSC-ETI] problem.

That is the problem I just talked about with the international tax laws with our country and the tariffs.

The Democrat aide went on to say that "allowing the ETI problem to fester would yield increased sanctions that could benefit the Democrats in November."

Well, if this is true, this is an appalling statement. This debate should be about policy, not petty politics.

So let's look at what is inside of this JOBS bill.

Not only would it end the \$4 billion a year of tariffs against U.S. exports—and, by the way, those exports include grain, timber, paper, and manufactured goods. I realize, for some, this may be too politically tempting to let pass by—but this bill, by ending those tariffs, would put us on a more level playing field with European Union companies.

The CBO says we have lost 3 million manufacturing jobs in the United States since the year 2000. We have been losing gradually, since the late 1970s, manufacturing jobs in the United States. That is part of the entire global economy, but it is important that we at least allow U.S. jobs to be on a level playing field.

The JOBS bill to which I referred, that was being filibustered, provides \$75 billion of tax relief to our manufacturing sector to promote rehiring in U.S.-based manufacturing firms.

This JOBS bill gives a 3-percentage-point tax rate cut on all income derived from manufacturing in the United States—it is not for manufacturing offshore—and we start those cuts in this year. This manufacturing rate cut applies to sole proprietors, partnerships, farmers, individuals, family businesses, multinational corporations, and even foreign companies that decide to set up operations within the United States and provide jobs in the United States.

The bill also extends the R&D tax credit through the end of the year 2005. Now, the R&D tax credit is absolutely a jobs producer in the United States. It is for doing research and development, which betters our companies, which betters our economies, and creates high-paying jobs in the United States.

The bill also extends, for 2 years, the tax provisions that expired in 2003 and in 2004, such as the work opportunity tax credit and the welfare-to-work tax credits—obviously, important pieces of legislation.

The bill also provides incentives for newly constructed rural investment buildings, for starting or expanding a rural business in rural high-outmigration counties.

The JOBS bill includes brownfields revitalization. Those are inner-city areas. Because of environmental concerns, frankly, many inner cities have dying areas because companies cannot go in. Because of the environmental liability of what somebody dumped there before, they cannot go in and create jobs in the inner cities. That is why it is important we get this part of the bill done.

I also want to now talk about what I think is probably the most important part of the tax bill, and it is called the Invest in the USA Act, a bill that I have sponsored with Senator BARBARA BOXER of California.

This bill would allow U.S. companies that have invested abroad—they have a little over \$600 billion invested that they have made money on and they have sitting in their bank accounts overseas. If they bring that money back to the United States, they will pay up to a 35-percent tax on it. There is not a lot of incentive for them to bring the money back. Other countries do not treat their companies that way, so they are able to actually bring the money back to their countries to create jobs in their countries.

This past weekend, Senator KERRY talked about that issue. He now sup-

ports the idea of giving a tax break for the money coming back into this country. Last year, we had a vote on our bill, and all 50 Republican Senators and 25 Democratic Senators agreed it was time to bring this money home at a very low tax rate—a 5.25-percent tax rate.

Senator KERRY has now embraced the idea of bringing it home, but he wants it taxed at 10 percent. The problem with taxing it at 10 percent is, because of the low cost of borrowing money today, it would actually be cheaper for the companies to borrow money in the United States than to pay the 10-percent tax and bring these funds home. So Senator KERRY recognizes it is a good thing to bring the money home. Unfortunately, the fix that he has will not bring the money home.

The bill that Senator BOXER and I have proposed, that received 75 votes on the Senate floor, and now is part of the big JOBS tax bill, does bring the money home. Estimates are that it will bring at least \$400 billion to the United States. That is a lot of money. As a matter of fact, that is more money than was raised in all of the initial public stock offerings from 1996 to 2002. That is a huge stimulus to our economy. That will produce a lot of good-paying U.S. jobs that we so desperately need right now.

The economy is growing. GDP is up. There are increases in productivity. We are obviously doing well with home sales. Where we are not doing as well as we would like is in the area of new job creation. There are a lot of new self-employed jobs that are being created, but on the payroll survey many of those jobs are not being reported.

This bill—for those who want to increase and extend the temporary unemployment insurance benefits, for those who want to do all kinds of Government programs—will make those types of provisions unnecessary.

So if the Democrats in the Senate want to do something about jobs for this country, they will quit trying to put all kinds of extraneous provisions onto the bill, and we will get a jobs bill done this year.

Mr. President, I yield the floor.

Mr. KENNEDY. Will the Senator yield?

Mr. ENSIGN. My time has expired.

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

Under the previous order, the Senator from Missouri is recognized.

Mr. BOND. Mr. President, I thank the Chair, and I thank my colleague. I thank my colleague from Nevada, particularly, for talking about the importance of the FSC/ETI bill because today jobs are a critical need in our country.

Yes, we see signs that the economy is recovering, but we are not seeing the growth in jobs. Now the unemployment rate is down to 5.6 percent. Obviously, we all would like to see it lower. There are a number of steps that we can take, and I think passing a good highway bill is one such step.

There are a number of steps that would be very harmful if we took them. I think, as we talk about jobs and the very volatile subject of insourcing and outsourcing, we need to understand what this is all about.

I was interested this weekend when I read an old story that apparently had been in the papers in Missouri for some time, but it was rerun in my hometown paper. When Missourians call a toll-free number about their food stamps or welfare benefits, the response comes from India. The State of Missouri has contracted with a call center operator. It is about a \$6 million annual contract, which I guess was the best contract at the time that Missouri could get. They signed the contract, and now those jobs have been outsourced to India.

This is something we hear a lot about. People are complaining about outsourcing. A very interesting figure was in the Wall Street Journal maybe 10 days or so ago which talked about both sides: jobs going overseas and jobs coming back. And they came up with the startling figure that—I think it was for 2003—there was \$74 billion worth of outsourcing.

The United States spent \$74 billion outsourcing to other countries, but at the same time insourcing came to \$131 billion, so that is a \$54 billion net increase in investment in jobs in this country.

We have done a little work and found out there are about 105,000 Missourians who have jobs with foreign companies in the State. I met with the officials from the fine Webster University in St. Louis. They have done some outsourcing. They have three campuses in China that provide long-distance learning to people throughout Southeast Asia. I can't tell you how many people, as I have made trips overseas to promote export of Missouri products and services, have told me they are getting their degree from Webster University.

The question of outsourcing and insourcing has two sides. It is absolutely important to not do any harm to jobs that are coming into this country. But most importantly, we must make sure we don't do anything in Government that forces jobs out of this country. The FSC/ETI bill is vitally needed. We need to pass it. We need to get conferees appointed on the Workforce Investment Act. We need to train people so they will have the jobs.

I also focused this week on a battle we had on the energy bill. CARL LEVIN and I were successful in getting bipartisan support for the Bond-Levin amendment which imposed reasonable standards for increasing fuel economy in autos, vans, and light trucks. We were fighting against something that, as you look at it, would possibly have led to a significant decline in U.S. jobs. The Kerry-McCain amendment would have significantly increased CAFE standards, and this could have penalized full-line manufacturers. Those

manufacturers—Ford, Daimler-Chrysler, General Motors—have plants in Claycomo, Hazelwood, Fenton, Wentzville, MO, where working families have good jobs in the auto industry that were put at risk.

I was very interested to go back to my files and find some letters from the UAW. In one, dated February 26, 2002, President Steve Yokich wrote urging support for the Bond-Levin proposal, saying the Hollings-Kerry proposal discriminates against the big three auto companies. On the second page, it says:

The UAW continues to support improvements in CAFE that are economically and technologically feasible, and are structured in a manner that is fair and even-handed towards all companies. But we strongly oppose changes such as the Hollings-Kerry proposal that call for increases that are excessive and are structured in a manner that would discriminate against the Big Three automakers or facilitate the outsourcing of small car production to other countries. Such proposals would result in serious job losses for thousands of UAW members and other automotive workers.

We have to be careful as we look at regulatory efforts that might drive jobs out of the country.

Alan Reuther wrote on March 13, 2002, saying the Kerry-McCain amendment would mandate an excessive discriminatory increase in fuel standards that would directly threaten thousands of jobs for UAW members and other automotive workers in the country and would enable the big three auto companies to outsource their small car production to other countries, resulting in the loss of additional jobs.

I ask unanimous consent that these letters be printed in the RECORD.

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

UAW,

Washington, DC, February 26, 2002.

DEAR SENATORS: This week the Senate is expected to take up energy legislation covering a wide range of issues. The UAW strongly opposes the proposed changes in the Corporate Average Fuel Economy (CAFE) program which have been put forth by Senators Hollings and Kerry. We urge you to oppose this proposal, and to support the substitute CAFE proposal that will be offered by Senators Levin and Bond.

The Hollings-Kerry CAFE proposal would raise fuel economy standards for both cars and light trucks to 35 miles per gallon by model year 2013. The UAW opposes Hollings-Kerry CAFE proposal for three reasons:

(1) The Hollings-Kerry proposal increases CAFE standards much too high and too quickly. The magnitude of the proposed increase exceeds even the most optimistic scenarios projected by the National Academy of Sciences (NAS), and the proposed timeframe for vehicles to meet that increase is substantially less than the NAS projection. Under the Hollings-Kerry proposal, light truck fuel economy would have to jump almost 70 percent to meet a 35 mpg standard—one-and-a-half times higher than even the most "optimistic" NAS projections. Significantly, the cautious NAS projections only indicate an average fuel economy increase of about 25 percent for light trucks and 10 percent for cars by model years 2014 to 2019, far below and later than what would be required under the excessive Hollings-Kerry proposal. In ad-

dition, the increase proposed by Hollings-Kerry would be made even more extreme by their other proposals that would tighten testing requirements and change the definition of light trucks to include vehicles up to 10,000 lbs.

(2) The Hollings-Kerry proposal discriminates against the Big Three auto companies. The Hollings-Kerry proposal applies a flat miles per gallon increase to current CAFE standards and also requires the standard for light trucks to be harmonized upward to the substantially higher level established for passenger cars. This approach would impose a much heavier burden on the Big Three auto companies compared to other automakers because the Big Three's product mix is much more oriented towards larger cars and light trucks. Under the Hollings-Kerry proposal, the Big Three would have to increase their fuel economy by 40-50 percent compared to less than a 15 percent increase for Honda. The net result is the Big Three could be forced to curtail production of larger vehicles, resulting in serious job loss for UAW members and other workers.

(3) The Hollings-Kerry proposal would undermine continued full-line domestic vehicle production by making it easier to outsource small car production to other countries. The Hollings-Kerry proposal gives the National Highway Traffic Safety Administration (NHTSA) discretion to eliminate the distinction in the current CAFE program between domestic and foreign car fleets. If this distinction were eliminated, the Big Three auto companies would be able to outsource their small car production to other countries. This is because they would no longer be required to average the fuel economy of more efficient, domestically built small cars with less efficient larger cars produced here. In addition, by establishing a CAFE credit-trading program, the Hollings-Kerry proposal would also give the Big Three automakers the "flexibility" to outsource their small car production to other countries. Taken together, these provisions could result in the loss of thousands of additional automotive jobs in this country.

The UAW continues to support improvements in CAFE that are economically and technologically feasible, and are structured in a manner that is fair and even-handed towards all companies. But we strongly oppose changes such as the Hollings-Kerry proposal that call for increases that are excessive and are structured in a manner that would discriminate against the Big Three automakers or facilitate the outsourcing of small car production to other countries. Such proposals would result in serious job loss for thousands of UAW members and other automotive workers.

We understand that Senators Levin and Bond will offer a substitute CAFE proposal that would require the Department of Transportation to complete a rulemaking within 15 months to increase fuel economy standards for both cars and light trucks. This substitute directs DOT to consider a wide range of factors, including technological and economic feasibility, the costs and lead time required for the introduction of new technologies, the disparate impacts on manufacturers due to differences in product mix, and safety considerations. In addition, this substitute would require DOT to continue the existing distinction between foreign and domestic fleets. The UAW believes the Levin-Bond proposal represents a more balanced approach that would lead to significant improvements in fuel economy without jeopardizing thousands of good paying automotive jobs in this country. Accordingly, we strongly urge you to vote for the Levin-Bond substitute and against the Hollings-Kerry proposal.

The auto industry is already experiencing significant economic difficulties, and the Big Three automakers have announced widespread layoffs. In light of this background, the UAW submits that this is not the time to impose onerous, discriminatory fuel economy standards on the auto companies that will only lead to further jobs loss, with potentially adverse impacts on the overall economy.

Thank you for considering our views on this priority issue that directly affects the jobs of thousands of UAW members and other workers.

Sincerely,

ALAN REUTHER,  
*Legislative Director.*

UAW,  
WASHINGTON, DC,  
March 13, 2002.

DEAR SENATOR BOND: Today the Senate is scheduled to vote on amendments dealing with the CAFE issue. The UAW strongly urges you to vote for the Levin-Bond substitute and against the Kerry-McCain amendment.

The Levin-Bond substitute would require the Dept. of Transportation to issue new fuel economy standards on an expedited basis, after taking into consideration a wide range of factors, including employment, safety, technology, economic practicability and the relative competitive impacts on companies. The UAW supports this substitute because we believe it will lead to a significant improvement in fuel economy, without jeopardizing the jobs of American workers.

In contrast, the Kerry-McCain amendment would mandate an excessive, discriminatory increase in fuel economy standard that would directly threaten thousands of jobs for UAW members and other automotive workers in this country. The 36 mpg fuel economy standard that would be required by Kerry-McCain for both cars and trucks goes far beyond even the most optimistic projections by the National Academy of Sciences. In addition, the structure of the proposed fuel economy increases—a flat mpg requirement for both cars and trucks—would impose a much heavier burden on the Big Three automakers and jeopardize production and jobs associated with their large car and truck plants. Furthermore, by eliminating the distinction between foreign and domestic car fleets, the proposal would enable the Big Three auto companies to outsource their small car production to other countries, resulting in the loss of additional jobs.

The UAW believes it is critically important that any increases in fuel economy standards be economically and technologically feasible, and that they be structured in a manner that does not jeopardize jobs in this country. To accomplish this objective, we believe the Senate must approve the Levin-Bond substitute, and reject the Kerry-McCain amendment.

Thank you for considering our views on these two priority votes.

Sincerely,

ALAN REUTHER,  
*Legislative Director.*

Mr. BOND. The last time I spoke on this, I pointed out there were a number of other things we have done that really do endanger jobs. I mentioned the small engine proposal where, fortunately, we were able to stop the California Air Resources Board from mandating the use of catalytic converters on small engines for lawn mowers, leaf blowers, and chainsaws that would have forced the closure of plants in the United States that make those small

engines and in all likelihood outsourced 22,000 American jobs to China.

I also talked about asbestos litigation which has driven much of the refractories business out of the United States because of the excessive burden of the asbestos claims. We need to move on a good asbestos reform bill to pay those who are truly sick and stop the jackpot justice for plaintiffs' attorneys who seek to sue anybody who has had anything to do with asbestos, whether plaintiffs are sick or not.

Finally, natural gas is a major source of outsourcing right now. Not only does it hit homes that heat with natural gas with high bills; it puts heavy costs on farmers who use fertilizer coming from natural gas. The artificially inflated demand Congress has mandated and the artificially constrained supply Congress has mandated have pushed the cost of natural gas so high that many natural gas producing industries have had to move their operations to other countries where the demand is not artificially inflated and the supply is not curtailed.

We are outsourcing jobs because of our policy on natural gas. We have forced natural gas use in electric generating boilers which is not an effective use of that valuable commodity. We need a good energy bill. We need to stop the filibusters and get an energy bill done. We need to move forward on the asbestos litigation reform bill. We need to move forward on the FSC/ETI bill. All of these are being filibustered or stopped or delayed, and we need to get about it.

We need to get the Workforce Investment Act. We need to appoint conferees so we can train these people. One of the great needs is for more workers with scientific engineering and technological backgrounds because those are the jobs of the future. We need to train them. Senator MIKULSKI and I need money in the VA-HUD bill to increase the National Science Foundation so they can develop more student interest in basic science and get more minorities and women involved. We have a lot of challenges to meet the changing needs of the job force in the 21st century. Rather than bloviating about one part of the problem, we need to fix the entire problem.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Pennsylvania is recognized for 20 seconds.

#### WELFARE REFORM

Mr. SANTORUM. Mr. President, I can't imagine what I am going to do with all that time. I thought there might be a few more minutes.

I look forward to this welfare reform debate. I hope we can have a good and enlightened debate on an issue that is vitally important for millions of Americans and that we keep to the subject of welfare, try to pass this bill, get it to conference and get a bill done this

year to help millions more leave poverty and get gainful employment.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I yield our remaining time for morning business to the Senator from Vermont, and I will yield additional time to him once we are on the bill.

The PRESIDING OFFICER. The Senator from Vermont.

#### CHILD CARE AMENDMENT

Mr. JEFFORDS. Mr. President, I rise today to discuss the Snowe-Dodd amendment to add \$6 billion more in child care funding to the welfare bill that is before the Senate.

There is no issue more important than child care assistance in the context of this reauthorization. I commend Senators SNOWE and DODD for their leadership on this issue.

Child care assistance is critical for a number of reasons.

First, there is a strong connection between access to child care and the ability of parents to join and stay in the workforce.

Second, quality child care is critical to building the foundations for school readiness and later academic success.

Third, states are facing tough economic times and they are cutting back on support for child care. Our children need additional help from the Federal Government.

Child care is the No. 1 issue facing families today. Seventy-five percent of American children under the age of five spend at least part of their day in child care.

In Vermont, over 80 percent of women with children under the age of six are in the workforce.

Without access to child care, these families are often forced to leave their employment and seek public assistance.

We must support additional child care funding in order to support low-income parents and help them remain in the workforce.

Quality child care helps lay the groundwork for school readiness and success later in life. We know that the most crucial time for a child's brain development is from birth to 5 years old.

Elementary and secondary education are extremely important.

But without a positive, high-quality experience in the earliest stages of development, too many children are set up for failure in elementary, middle and high school.

By adopting the Snowe-Dodd amendment, we will give more parents the power to choose high-quality child care for their children and give those children the opportunity to get the most out of their early years.

If we are truly serious about closing the achievement gap among our students, and between the United States and our international competitors, then funding for high-quality early childhood care is the place to begin.