The Senate met at 9 a.m. and was called to order by the Honorable SHERROD BROWN, a Senator from the State of Ohio.

PRAYER

The Chaplain, Barry C. Black, offered the following prayer:

Let us pray.
Spirit of the living God, fix our thoughts on You. Let not arrogant or impure thinking distract us from listening to You. Focus the attention of our Senators on serving You as they seek to do Your will. Make them wise to discern what they don’t know.

Lord, today, enable our lawmakers to debate without quarreling. May they strengthen their friendships with each other. Inspire them to become disciplined followers, always ready to obey Your commands. May their lives be open letters for You that people can receive blessings from reading. Guide, teach, and strengthen our Senators until they reflect Your image of purity, gentleness, honesty, humility, generosity, and love.

We pray in Your blessed Name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,

To the Senate:
Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SHERROD BROWN, a Senator from the State of Ohio, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RECOGNITION OF THE MAJORITY LEADER

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

SCHEDULE

Mr. REID. Mr. President, the Senate will immediately resume consideration of the budget resolution, and only 30 minutes remains for debate. That time is equally divided between the two managers of the bill.

It is my understanding that the staffs of the chair and ranking member have been in discussions about establishing some order in the way the amendments will be voted on during the early stages of this vote-a-rama.

Members are asked to stay near the Chamber once the voting begins. There will be 10-minute votes all day long, and that time will be enforced for both sides.

RESERVATION OF LEADER TIME

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

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2008

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. Con. Res. 21, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 21) setting forth the congressional budget for the United States Government for the fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.

Pending:

Kyl/Thune amendment No. 583, to reform the death tax by setting the exemption at $5 million per estate, indexed for inflation, and

the top death tax rate at no more than 35 percent beginning in 2010, to avoid subjecting an estimated 119,200 families, family businesses, and family farms to the death tax each and every year, to promote continued economic growth and job creation, and to make the enhanced teacher deduction permanent.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 30 minutes of debate equally divided and controlled between the chairman and ranking member of the Budget Committee.

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, first, I thank the Chaplain for the most excellent prayer that he offered today. I think it set the right tone for today’s discussions. I hope very much that while we may disagree strenuously, we can do so in a civil way. I thank especially the ranking member, Senator GREGG, for the way he has conducted this debate on the other side throughout. As is always the case with him, it has been thoroughly professional. It has set an excellent tone. We have vigorous disagreements on policy from time to time, but there are many areas where we actually agree. With him in leadership, it has always been done in a professional way. We especially appreciate the cooperation from all of our colleagues and especially from the ranking member and his outstanding staff.

The budget, as it stands at this moment, takes us in a new direction. It takes us back to fiscal responsibility. It takes us toward a balanced budget by 2012. Here is where the budget stands as of the latest numbers that we have after action last night. Every year of the 5-year budget the deficits will be reduced until we are in balance in 2012, albeit just barely.

The next chart. The debt under the budget resolution, the gross debt of the United States as a percentage of GDP, will finally start to head down instead of increasing year after year after year.
Under this budget resolution, the gross debt of the United States as a share of GDP will start going down in 2009. We will see a slight reduction in 2010. It is somewhat improved, in terms of reduction, in 2011 and 2012.

Spending under this budget resolution is going down as a share of gross domestic product—from 20.5 percent in 2008 down to 18.8 percent in 2012. So we have spending going in the right direction.

The budget resolution is only slightly above baseline for nondefense discretionary funding. The baseline is $438.8 billion. The spending in the 2008 budget resolution is $445 billion, a 1.4-percent difference. That is spending in prior terms. I was talking about spending previously as a share of GDP. The previous chart showed spending as a share of GDP actually going down.

We do have a number of very significant Commodity addressed in the budget. First and foremost is children’s health care. We have up to $50 billion allocated over 5 years for children’s health care to make possible the coverage for every child who would be eligible. That is 22 times as much as in the President’s budget for that same period.

We have also improved on the President’s education numbers by 2008. In 2008, their resolution provides $62.3 billion compared to the President’s budget for education of $56.2 billion for that year.

Another key priority is veterans health care. I am especially proud of what we have done. We have matched or exceeded, the independent budget prepared by the Nation’s veterans organizations. We have matched or exceeded in every single category except construction, where the Veterans’ Affairs Committee is the one that allowed them not to spend the amount of money in the independent budget because they simply could not let the contracts in time. In comparison to the President, we are at $63.1 billion for veterans funded, compared to the President’s number of $39.6 billion.

On the alternative minimum tax, the old millionaires’ tax that is rapidly becoming a middle-class tax trap, we prevent the number of people being swept up into the AMT from increasing from 3.8 million last year. If we didn’t take action, that would increase to over 23 million in 2007. We prevent that increase from 3.8 million to over 23 million.

Similarly, in 2008, we prevent an increase to over 25 million people—largely the middle class—and to the upper side of the middle class from being caught up in the alternative minimum tax. That is a very small offset. Key priorities are the child health and family tax relief amendment. There is $15 billion in the budget resolution itself for children’s health care. There is up to $36 billion in a deficit-neutral reserve fund. We also now offset in the resolution, after the Baucus amendment, extend middle-class tax relief.

We fully provide for marriage penalty tax relief, child tax credit, and the 10-percent bracket. We also provide for estate tax reform. Members will recall that we have this anomalous situation where we are going to go from $3.5 million of exemption per person under the estate tax to $1 million. We prevent that from occurring. So under the budget resolution, a couple could shield $7 million in assets without paying a penny of tax, and it is indexed for inflation.

The revision I talked about, compared to the President’s, are depicted on this chart. The green line is our revenues; the red line is the President’s revenues. There is a difference of 1.6 percent in 2010.

Seen in a different way, if you look back at what the President initially proposed for revenue, the President proposed $14.826 trillion of revenue. We have in this resolution almost the identical amount; we have $14.827 trillion.

So let me tell you there is almost no difference in the revenue in this proposal compared to what the President initially proposed. Where would get that slight difference in revenue? In the first place, there is no tax increase. Possess any tax increase in this budget resolution at all. I read some of the stories saying we have all these tax increases. We do not.

We do believe more revenue can be gained. The first place to go is the tax dodge. That is the difference between what is owed and what is paid. In 2001 alone, the Internal Revenue Service tells us the tax gap was $345 billion. Also, offshore tax havens. I have shown this picture many times. There is a five-story building in the Cayman Islands that is the home to 12,748 companies. Mr. President, this is a tax dodge. There are not over 12,000 companies doing business out of this building. They are doing monkey business out of this building, engaging in a massive tax evasion. This is the kind of thing we ought to shut down.

Another committee of Congress has told us that there is $100 billion a year—over $500 billion over 5 years—being lost to the U.S. Treasury to these offshore tax haven scams. We suggest cutting that off, stopping it, recovering that revenue. In fact, that would more than cover, by a substantial amount, the revenue difference between us and what is in the President’s proposal.

Here is another example. This is a picture of a sewer system in Europe. What does a sewer system in Europe have to do with the budget of the United States? Unfortunately, a lot because wealthy investors and companies bought this sewer system in Europe, depreciated it on the books in the United States to reduce their tax in America, and then they leased the sewer system back to the European city that built it in the first place. There are hundreds of billions of dollars involved in these tax scams. It is growing, and it is a cancer that has to be stopped.

This budget resolution also makes a beginning at addressing our long-term fiscal challenges. We have $15 billion in Medicare savings. We have major program initiatives to crack down on waste, fraud, and abuse. We have a re-taxed income tax and mandatory spending be paid with a tough pay-go provision. We have a long-term deficit increase point of order. We have a “save Social Security first” point of order. We have a health insurance technical fund. The Rand Corporation told us that alone could save $31 billion a year.

Finally, we have a comparative effectiveness reserve fund so that we go out and look at what are the most effective technologies in the medical area that work in one part of the country but have not yet been applied elsewhere. Health experts tell us massive savings could come from that initiative.

Let me end as I began. This budget resolution takes us in a new direction, a better direction. This is a budget resolution which restores fiscal discipline. It will balance the books by 2012; it will make the high-price budget for the United States; it fully funds the President’s defense request and his request for war costs; it has major tax reductions for those in the middle class so that we assure that middle-class tax breaks continue. It also provides for estate tax reform and, at the same time, begins to address the long-term fiscal challenges facing our Nation.

I don’t assert that this is a perfect budget. If I had a totally free hand, I would be different. But at the end of the day, the test for us is, can we write a budget for our country? In 3 of the last 5 years, there has not been a budget for the United States of America. Let me repeat that. In 3 of the last 5 years, we haven’t written a budget for the United States. It is our obligation and our responsibility to put a budget in place to begin the difficult task of balancing the books while meeting the priority needs of our Nation.

I thank the Chair and yield the floor.

The Acting President pro tempore. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I begin by returning the courtesies of the chairman and doing it with sincerity. The chairman and his staff have been gracious and fair with us and, obviously, they are always professional. It is a pleasure to work with him and his staff.

We do, obviously, have philosophical differences, but hopefully it is a reflection of how this place should work. We do it professionally; we don’t game each other, we don’t yell at each other—sometimes we yell at each other—we basically air our views, make our points, go to the votes, and allow everybody to get their 2 cents in. That is the way this place should work, and it works because the chairman is courteous enough to allow us to accomplish that. I thank him for that and his
staff. They have done a great job here, as well as mine.

I do agree the country needs a budget. That is critical. But regrettably, the budget he has brought forward is not a good budget for this country. It is a budget that is inconsistent in many areas, but at its essence is the fact that it spends a lot more money, grows the size of the Government, increases taxes a great deal, increases the debt a great deal and, regrettably, does not address the most essential issue we face today, which is the fiscal meltdown this country is going to face when we put on our children the cost of the Government as we head into the retirement of the baby boom generation.

This chart reflects that situation. It is a little outdated because it was done earlier, and we don’t have a chart machine like the chairman, but it essentially captures the concept that this budget has $700 billion in tax increases. That is the one number which is wrong on this chart. The reason the number is wrong is because the amendment being adopted—$700 billion of tax increases. That is the largest tax increase in the history of the country. There is $144 billion minimum in non-defense discretionary spending, $2 trillion in the history of the country. In fact, two percent is real money when you are talking a base of $3 trillion. In fact, two percent is real money when you are expanding entitlement programs and not net the two out. It is totally inconsistent.

This bill expands entitlement spending. It does not restrict entitlement growth. Ironically, it does it in a way that makes those programs probably not subject to pay-go when they are expanded.

This is the biggest failure of this bill. The spending is pretty bad and the incomparability is even worse. Basically this is the biggest failure of this bill, the failure to address what the chairman has talked about—I agree with his discussions, I agree with his hearings—has talked about the most serious problem we face as a country, that is, the fact that when this baby boom generation retires, this Government becomes unaffordable for our children. The cost of three major entitlement programs—Social Security, Medicare, and Medicaid—will actually exceed the total Federal Government cost as a percentage of gross national product by 2025, and we will have nothing available to do anything else or, alternatively, will have to tax our children into oblivion so they cannot enjoy a quality lifestyle. Yet this bill does nothing on that.

We offered a reasonable amendment on this subject. We suggested that people earning more than $80,000 as individuals and $160,000 as a joint filer be subsidized in their drug benefit by people working in restaurants across this country or working at gas stations or working on assembly lines, and it was rejected by the other side of the aisle.

We suggested that hospitals and provider groups that are getting an inflated payment under the COLA by about 1.2 percent should have that inflated COLA payment reduced by about half. They will still be getting an extra half a percent, saved as a 1.2 percent in benefits, and that was rejected.

If either of those had been accepted, we would have moved toward some semblance of getting under control this multiyear instability in our Medicare fund. Those two amendments, we would have done more to make Medicare solvent than anything else we could do around here and thus make it available to seniors when they retire and have our children able to afford it. But that was rejected. So there was no action at all in that area.

The tax issue—have to come back to this issue. The idea that there is not a
tax increase in this bill is so patently absurd on its face that the first amendment out of the box offered by the Democratic leadership was to extend the tax cuts for certain tax cuts they felt they didn’t want to have go up, and the reverse of that, of course, is they are willing to let the other tax cuts go up. That is obvious. That is just A follows B or 1 and 2 makes 3. So there is no question they are taxing.

This idea that there is a comparison between the President’s numbers and their numbers in tax increases, again it is a total inconsistency. They use OMB to score the President’s numbers and they use CBO to score their numbers. But if we score it apples to apples and oranges to oranges, we see the difference is significant. This was calculated before the Baucus amendment was adjusted, so these would be adjusted down somewhat, but the differences are still significant, somewhat, in the range of $250 billion of difference if we compare apples to apples and oranges to oranges.

When we peel everything away from this bill—I understand we are going to start voting at 9:30—all these inconsistencies, the fact that they don’t use pay-as-you-go for programs they like but they do apply to positions which the Republicans might take, the fact that the tax increase in this budget is the largest in history and yet they claim there is no tax increase, the fact that the spending goes up dramatically and they claim spending goes up, the fact that there is virtually—there are no savings in entitlements on a net basis and there is actually significant aggravation of the cost of entitlements for our children in this bill as a result of new programs which they anticipate, this bill is going to do significant damage to our economy, and it is going to grow the Government and make us larger.

It comes down to a very simple fact, really, when we take everything away: This bill is a classic Democratic tax-and-spend bill. That is all it is. Bigger taxes, bigger spending, bigger debt, larger Government, and as a practical matter, it is not going to be a constructive event for us as a nation. So I hope my colleagues, when we get to final passage, will vote against it. We are going to have a lot of votes here, but in the end, what is going to pass, if this bill passes, is your classic tax-and-spend bill.

Mr. CONRAD. Mr. President, I believe we are supposed to start voting at this time.

Mr. GREGG. Mr. President, I think I say the Senator now has hurt my feelings. Would the Senator’s staff put up the caveman chart? That now has hurt my feelings. I don’t know how I am going to be able to get through the day after the caveman chart. I don’t think that is even a good likeness of the Senator from North Dakota.

Mr. GREGG. I think this is actually the likeness of somebody from Nevada.

Mr. CONRAD. OK.

Mr. President, I think we now need to establish the order of the votes, or at least the first several votes, and for that purpose, I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 622

Mr. GREGG. Mr. President, I send an amendment to the desk, and I ask that it be reported.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. Grégoire] proposes an amendment numbered 622.

Mr. GREGG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: Point of order against using reconciliation to create new mandatory programs and 20% limitation on spending reconciliation)

SEC. . POINT OF ORDER—20% LIMIT ON NEW DIRECT SPENDING IN RECONCILIATION LEGISLATION.

(a)(1) In the Senate, it shall not be in order to consider an reconciliation bill, joint resolution, motion, amendment, or any conference report on, or an amendment between the Houses in relation to, a reconciliation bill pursuant to section 310 of the Congressional Budget Act of 1974, that produces an increase in outlays, if—

(A) the effect of all the provisions in the jurisdiction of any committee is to create gross new direct spending that exceeds 20% of the total savings instruction to the committee; or

(B) the effect of the adoption of an amendment would result in gross new direct spending that exceeds 20% of the total savings instruction to the committee.

(2)(A) A point of order under paragraph (1) may be raised by a Senator as provided in section 313(e) of the Congressional Budget Act of 1974.

(B) Paragraph (1) may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under paragraph (1).

(C) If a point of order is sustained under paragraph (1) against a conference report in the Senate, the report shall be disposed of as provided in section 313(d) of the Congressional Budget Act of 1974.

Mr. GREGG. Mr. President, I ask unanimous consent that the amendment be accepted.

The ACTING PRESIDENT pro tempore. Is there a quorum?

Mr. CONRAD. Mr. President, I will not object. This, frankly, is a complicated amendment. I am not sure I fully understand all the implications or ramifications of it, but the basic notion that we try to make certain that reconciliation is used for deficit reduction is one I embrace and, in fact, one that is in the budget resolution before us.

We have a requirement in this budget resolution that reconciliation only be used for deficit reduction. The amendment of the Senator from New Hampshire is an attempt to send that signal even more clearly, if I understand it correctly, and the Senator can correct me if I misinterpret it. That is my interpretation, and on that basis I would accept the amendment.

Mr. GREGG. Mr. President, I say to the Senator from North Dakota the purpose of this amendment is to make it absolutely clear we do not make reconciliation a stalking-horse to spend money. You have to use it to reduce the deficit.

Mr. CONRAD. Maybe we should explain what the term means. Reconciliation is a special process here in the Senate that gets around the regular order. It creates a superhighway to pass something. Reconciliation was designed and implemented to permit a fast-track basis for reducing deficits. Unfortunately, it can be abused and it has been abused in the past and used to actually increase deficits. That was never the intention.

We have prevented that from occurring in the budget resolution. So this is an attempt to prevent a process that would have minimal deficit reduction from being used as a stalking-horse for a significant expansion of spending.

On that basis, I accept the amendment.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is adopted.

The amendment (No. 622) was agreed to.

Mr. CONRAD. Mr. President, the Senator from Arkansas has an amendment, but do we have an order that indicates on every amendment that there be 2 minutes evenly divided and that there be no second degrees?

The ACTING PRESIDENT pro tempore. The order provides that once voting begins, there is 2 minutes between each amendment.

Mr. CONRAD. And do we have an agreement that there be no second degrees, but that we would reserve the right to use the cloture device to have side-by-sides in any case where that is required? Do we have that as an order?

The ACTING PRESIDENT pro tempore. The order is not for second degrees.

Mr. CONRAD. Mr. President, I ask unanimous consent that both those provisions be in order, that we have 2 minutes of debate equally divided on a vote, that there be no second degrees, that at the discretion of the managers there be the opportunity for side-by-sides, and that we order roll call votes at this juncture on all those votes that are presented.
The ACTING PRESIDENT pro tempore. Is there objection?
The Chair hears none, and, it is so ordered.
The Senator from Arkansas is recognized.

AMENDMENT NO. 601
Mr. PRYOR. Mr. President, I believe I am limited to 1 minute; is that correct?
The ACTING PRESIDENT pro tempore. Is the Senator offering an amendment?
Mr. PRYOR. Yes, I offer amendment No. 601.
The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk reads as follows:
The Senator from Arkansas [Mr. Pryor], for himself, and Mr. Nelson of Florida, proposes an amendment numbered 601.
The amendment is as follows:

(Purpose: To establish a reserve fund to provide additional training for physicians and attract more physicians in States that face a shortage of physicians in training)

At the end of title III, insert the following:

SEC. 123. RESERVE FUND TO PROVIDE ADDITIONAL TRAINING FOR PHYSICIANS AND ATTRACT MORE PHYSICIANS IN STATES THAT FACE A SHORTAGE OF PHYSICIANS IN TRAINING.

The Chairman of the Senate Budget Committee may revise the aggregates, allocations, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that provides additional training for physicians and attracts more physicians in States that face a shortage of physicians in training. The Senate has proposed that legislation would not increase the deficit over the total of fiscal years 2007 through 2012.
The ACTING PRESIDENT pro tempore. The Senator is recognized for 1 minute.

Mr. PRYOR. Mr. President, I rise today to offer amendment No. 601, and I encourage my colleagues to look at it and vote for it.
The facts are that by the year 2020 this country will be tens of thousands—tens of thousands—short on doctors providing the medical care we need around this country. What this amendment does is it creates a reserve fund that would provide additional training for physicians and help to attract more physicians in States that face a shortage of physicians in training. It does not impose a prescriptive solution but creates a deficit-neutral reserve fund that can attract people into the health care profession. It is an effort to be able to get this allocation on a more appropriate basis.

Mr. President, I urge my colleagues on both sides to vote for the amendment, and I call up amendment No. 581 and ask for the yeas and nays.
The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk reads as follows:
The Senator from Kansas [Mr. Brownback] proposes an amendment numbered 581.

The amendment is as follows:

(Purpose: To provide funds for a Commission on Budgetary Accountability and Review of Federal Agencies)

On page 24, line 12, increase the amount by $3,000,000.
On page 24, line 13, increase the amount by $3,000,000.
On page 24, line 16, increase the amount by $6,000,000.
On page 24, line 17, increase the amount by $6,000,000.
On page 24, line 20, increase the amount by $8,000,000.
On page 24, line 21, increase the amount by $8,000,000.

On page 24, line 24, increase the amount by $8,000,000.
On page 24, line 25, increase the amount by $8,000,000.
On page 25, line 3, increase the amount by $4,000,000.
On page 25, line 4, increase the amount by $1,000,000.
On page 26, line 12, decrease the amount by $3,000,000.
On page 26, line 13, decrease the amount by $2,000,000.
On page 26, line 16, decrease the amount by $6,000,000.
On page 26, line 17, decrease the amount by $6,000,000.
On page 26, line 20, decrease the amount by $8,000,000.
On page 26, line 21, decrease the amount by $8,000,000.
On page 26, line 24, decrease the amount by $8,000,000.
On page 26, line 25, decrease the amount by $8,000,000.
On page 27, line 3, decrease the amount by $1,000,000.
On page 27, line 4, decrease the amount by $1,000,000.

Mr. CONRAD. Mr. President, might I inquire of the Senator whether he will accept a voice vote?
Mr. BROWNBACK. Yes.
Mr. CONRAD. Mr. President, I urge my colleagues to vote aye on the Brownback amendment.
The ACTING PRESIDENT pro tempore. The question is on amendment No. 581.
The amendment (No. 581) was agreed to.

Mr. CONRAD. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.
The motion to lay on the table was agreed to.

AMENDMENT NO. 623
Mr. CONRAD. Mr. President, I send an amendment to the desk for immediate consideration. This is a technical amendment, agreed to by both sides.
The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk reads as follows:
The Senator from North Dakota [Mr. Conrad] proposes an amendment numbered 623.

The amendment is as follows:

(Purpose: To clarify the treatment of certain provisions in conference reports)

On page 36, line 15, strike beginning with "if" through line 19 and insert "When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a bill, upon a point of order being made by any Senator pursuant to this section, and such point of order being sustained, such material contained in such conference report shall be deemed stricken, and the Senate shall proceed to consider the question of whether the Senate shall rescind from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or House amendment, as the case may be, which has not so stricken. Any such motion in the Senate shall be debatable. In any case in which such point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this subsection), no further amendment shall be in order.")
On page 39, line 19, strike beginning with "If" through line 23 and insert "When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a bill or joint resolution, or a bill or joint resolution that was stricken, and the Senate shall proceed to consider the question of whether the Senate shall recede from its amendment and concur in the further amendment to the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or amendment, as the case may be, not so stricken. Any such motion in the Senate shall be debatable. In any case in which some point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this subsection), no further amendment shall be in order.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized.

Mr. DEMINT. Mr. President, this amendment is called the Debt Reduction Appropriation Account. Currently, while all of us, on both sides, are talking about the need to cut wasteful spending and try to trim the size of Government, our appropriations processes does not allow for cutting spending and using it for debt reduction. This spending account, a debt reduction account for every appropriations bill so if during the debate of that appropriations bill we cut something in it, it will not be put back in the pot to be spent on something else. This account will be used for debt reduction.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The Clerk will report.

The legislative clerk reads as follows:

The amendment to the appropriate bills is recognized.
The amendment (No. 513) was rejected.

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

Mr. CONRAD. Mr. President, I ask unanimous consent that succeeding votes be 10-minute votes.

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

The Senator from North Dakota.

Mr. CONRAD. Mr. President, Senator GREGG and I have now visited about the number of outstanding amendments. There are over 60 outstanding amendments. We can do three an hour. That means, unless some of our colleagues relent, we are going to be voting for 20 hours. That is the simple math.

I ask my colleagues on both sides, please, if you can withdraw on your amendment and wait for another vehicle, we urge you to do that. We simply cannot spend the next 20 hours voting.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I agree with the Senator from North Dakota. I would note, in our batting order, we have Senator BUNNING on Social Security, Senator DOLE on IRAs for soldiers, Senator ALLARD on mandatory spending. Senator SMITH on SCHIP, Senator THOMAS has one on extraneous items in the supplemental.

Then we will have, potentially, Senator GRASSLEY and—Senator SESSIONS on AMT first. Then Senator HATCH is going to get in here. We are going to get Senator HATCH taken care of. That is the lineup on our side so people have some type of idea.

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

AMENDMENT NO. 621

Mr. BUNNING. Mr. President, I ask unanimous consent that the pending amendment be set aside and that amendment No. 621 at the desk be called up for immediate consideration. I have sent a copy of the amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The bill clerk reads as follows:

The Senator from Kentucky (Mr. BUNNING) proposes an amendment numbered 621.

The amendment is as follows:

(Purpose: To provide for a deficit-neutral reserve fund for a repeal of the 1993 increase in the income tax on Social Security Benefits.)

At the end of title III, add the following:

SEC. DEFICIT-NEUTRAL RESERVE FUND FOR REPEAL OF THE 1993 INCREASE IN THE INCOME TAX ON SOCIAL SECURITY BENEFITS.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other levels in this resolution by the amounts provided by a bill, joint resolution, amendment, motion, or conference report that would repeal the 1993 increase in the income tax on Social Security benefits, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2012.

Mr. BUNNING. Mr. President, my amendment would repeal an unfair tax that affects 15 million seniors. I have brought this issue before the Chamber before, so it should be familiar to many of my colleagues.

When the Social Security Program was created, benefits were not taxed. In 1983, Congress decided that 50 percent of the benefits provided to seniors should be subject to tax. In 1993, we raised the amount to 85 percent of Social Security benefits. This tax affects supposedly wealthy seniors with incomes of $34,000 for single seniors and $44,000 for a couple.

My amendment is fairly simple. It creates a deficit-neutral reserve fund to allow Congress to drop the tax back to its pre-1993 levels. This means that 85 percent of the tax would be eliminated.

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

Mr. CONRAD. Mr. President, the Senator from Kentucky has done us all a favor by the way he has modified his amendment. It is an amendment we can accept. I ask if the Senator could accept a voice vote.

Mr. BUNNING. Absolutely.

Mr. GREGG. Mr. President, in my statement earlier, I failed to mention we have an agreement that Senator KYL’s vote will come before 11 o’clock. Mr. CONRAD. Correct. We will need to insert that.

I ask unanimous consent that we accept the Bunning amendment.

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

The amendment (No. 621) was agreed to.

Mr. CONRAD. We would like to proceed to Senator DOLE for the purpose of offering her amendment.

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

AMENDMENT NO. 553

Mrs. DOLE. Mr. President, I have an amendment at the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina (Mrs. DOLE) proposes an amendment numbered 553.

Mrs. DOLE. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To extend financial relief for our reservists and national guardsmen deployed in Afghanistan and Iraq by allowing them to make penalty-free withdrawals of their retirement funds through the year 2012)

On page 3, line 14, decrease the amount by $1,000,000.

On page 3, line 15, decrease the amount by $1,000,000.

On page 3, line 23, decrease the amount by $1,000,000.

On page 4, line 1, decrease the amount by $1,000,000.

On page 5, line 2, increase the amount by $1,000,000.

On page 5, line 3, increase the amount by $1,000,000.

On page 5, line 10, increase the amount by $1,000,000.

On page 5, line 11, increase the amount by $2,000,000.

On page 5, line 18, increase the amount by $1,000,000.

On page 5, line 19, increase the amount by $2,000,000.

Mrs. DOLE. The amendment I offer today is critical to our National Guard and reservists serving in Iraq and Afghanistan, and elsewhere. It fixes a problem in the Pension Protection Act of 2006. Section 827 of that act allows National Guardsmen and reservists called into active duty for at least 6 months to make penalty-free early withdrawals from their IRA, 401(k), or 403(b) retirement accounts. This provision expires at the end of 2007. My amendment, which is fully offset, corrects this by extending this important provision through 2012.

Our National Guardsmen and reservists always stand ready to put their lives on hold and answer the call of duty. They are putting themselves into harm’s way to protect our freedoms and security. They can face lengthy deployments that cause major financial strains for their families. These outstanding men and women should continue to have penalty-free access to their retirement savings if they find themselves in a deployment-related financial crunch.

I urge passage of the amendment.

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

Mr. CONRAD. Mr. President, we are prepared to accept the amendment of the Senator from North Carolina. We urge our colleagues to accept it.

I ask unanimous consent to agree to the amendment offered by Senator DOLE.

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

The amendment (No. 553) was agreed to.
Mr. CONRAD. Mr. President, next up is Senator FEINSTEIN. She has an amendment.

The ACTING PRESIDENT pro tempore. The Senator from California. AMENDMENT NO. 574

Mrs. FEINSTEIN. Mr. President, I thank the manager of the bill. I call up amendment No. 574. The ACTING PRESIDENT pro tempore. The clerk will report. The bill clerk read as follows:

The Senator from California (Mrs. FEINSTEIN, for herself, Mr. KYL, and Mrs. BOXER), proposes an amendment numbered 574.

Mrs. FEINSTEIN. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide an additional $543,000,000 for the State Criminal Alien Assistance Program (SCAAP))

On page 23, line 12, increase the amount by $543,000,000.
On page 23, line 13, increase the amount by $119,000,000.
On page 23, line 17, increase the amount by $163,000,000.
On page 23, line 21, increase the amount by $109,000,000.
On page 23, line 25, increase the amount by $81,000,000.
On page 24, line 4, increase the amount by $71,000,000.
On page 26, line 12, decrease the amount by $543,000,000.
On page 26, line 13, decrease the amount by $119,000,000.
On page 26, line 17, decrease the amount by $163,000,000.
On page 26, line 21, decrease the amount by $109,000,000.
On page 26, line 25, decrease the amount by $81,000,000.
On page 27, line 4, decrease the amount by $71,000,000.

At the end, insert the following:

SEC. 1. SENSE OF CONGRESS ON THE STATE CRIMINAL ALIEN ASSISTANCE PROGRAM.

(a) FINDINGS.—Congress makes the following findings:

(1) Control of illegal immigration is a Federal responsibility.

(2) The State Criminal Alien Assistance Program (referred to in this section as “SCAAP”) carried out pursuant to section 241(i) of the Immigration and Nationality Act (8 U.S.C. 1231(i)) provides critical funding to States and localities for reimbursement of costs incurred as a result of housing undocumented criminal aliens.

(3) Congress appropriated $300,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2004.

(4) Congress appropriated $305,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2005.

(5) Congress appropriated $405,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2006.

(6) Congress appropriated $300,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2007.

(7) Congress has authorized to be appropriated $400,000,000 to carry out SCAAP for each of the fiscal years 2008 through 2011.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the budgetary totals in this resolution should be increased to $500,000,000 to further reimburse State and local governments for those costs in fiscal year 2008.

Mrs. FEINSTEIN. I ask unanimous consent to add Senator BOXER as a co-sponsor.

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

Mrs. FEINSTEIN. Mr. President, this amendment is co-sponsored by Senator KYL.

SCAAP is a vital program to the States and localities to reimburse them for the costs associated with housing undocumented criminal aliens. Funding for SCAAP is authorized in the amount of $950 million for each of the fiscal years 2008 through 2011, but we have never fully funded SCAAP. Instead we have paid only pennies on the dollar for these costs. In my home State of California, there are currently over 20,000 criminal alien inmates. It costs California approximately $715 million per year to house these aliens. In 2007, Congress appropriated $399 million for SCAAP. In this budget resolution, SCAAP is funded at $407 million.

In 2005, a total of 758 applications from 50 different States and the U.S. territories were submitted for fiscal year 2005 SCAAP funds. The real problem here is that the problem of illegal immigration is a Federal responsibility. Yet the Federal Government consistently shifts the costs for enforcing immigration laws onto our States. This cost-shifting is unfair to State governments.

My amendment makes SCAAP funding whole by providing an additional $543 million to this program.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota. Mr. CONRAD. I ask unanimous consent to adopt the Feinstein amendment.

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

The amendment (No. 574) was agreed to. AMENDMENT NO. 473

Mr. CONRAD. Mr. President, we have Senator SESSIONS to offer an amendment.

The ACTING PRESIDENT pro tempore. The Senator from Alabama. Mr. SESSIONS. Mr. President, I call up amendment No. 473 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. Is the amendment at the desk?

Mr. SESSIONS. Yes.

The bill clerk read the amendment as follows:

The Senator from Alabama (Mr. SESSIONS), for himself and Mr. DEMINT, proposes an amendment numbered 473.

The amendment is as follows:

(Purpose: To save families from the Alternative Minimum Tax (AMT) first by permitting a deduction for personal exemptions for purposes of computing the AMT)

On page 3, line 10, decrease the amount by $6,494,000,000.
On page 3, line 11, increase the amount by $2,594,000,000.

On page 3, line 12, increase the amount by $9,100,000,000.
On page 3, line 13, decrease the amount by $59,800,000,000.
On page 3, line 14, decrease the amount by $51,000,000,000.
On page 3, line 15, decrease the amount by $31,100,000,000.
On page 3, line 19, decrease the amount by $6,494,000,000.
On page 3, line 20, increase the amount by $2,594,000,000.
On page 3, line 21, increase the amount by $9,100,000,000.
On page 3, line 22, decrease the amount by $59,800,000,000.
On page 3, line 23, decrease the amount by $51,000,000,000.
On page 4, line 1, decrease the amount by $31,100,000,000.
On page 4, line 5, increase the amount by $106,000,000.
On page 4, line 6, increase the amount by $255,000,000.
On page 4, line 7, decrease the amount by $12,000,000.
On page 4, line 8, increase the amount by $1,174,000,000.
On page 4, line 9, increase the amount by $3,822,000,000.
On page 4, line 10, increase the amount by $5,931,000,000.
On page 4, line 14, increase the amount by $106,000,000.
On page 4, line 15, increase the amount by $255,000,000.
On page 4, line 16, decrease the amount by $12,000,000.
On page 4, line 17, increase the amount by $1,174,000,000.
On page 4, line 18, increase the amount by $3,822,000,000.
On page 4, line 19, increase the amount by $5,931,000,000.
On page 4, line 23, increase the amount by $6,600,000,000.
On page 4, line 24, decrease the amount by $2,339,000,000.
On page 4, line 25, decrease the amount by $9,112,000,000.
On page 5, line 1, increase the amount by $60,774,000,000.
On page 5, line 2, increase the amount by $54,822,000,000.
On page 5, line 3, increase the amount by $37,034,000,000.
On page 5, line 6, increase the amount by $6,600,000,000.
On page 5, line 7, increase the amount by $4,852,000,000.
On page 5, line 8, decrease the amount by $4,852,000,000.
On page 5, line 9, increase the amount by $55,923,000,000.
On page 5, line 10, increase the amount by $19,745,000,000.
On page 5, line 11, increase the amount by $14,779,000,000.
On page 5, line 14, increase the amount by $60,800,000,000.
On page 5, line 15, increase the amount by $4,261,000,000.
On page 5, line 16, decrease the amount by $4,261,000,000.
On page 5, line 17, increase the amount by $59,600,000,000.
On page 5, line 18, increase the amount by $9,100,000,000.
On page 5, line 19, increase the amount by $14,779,000,000.
On page 5, line 20, increase the amount by $130,745,000,000.
On page 5, line 21, increase the amount by $106,000,000,000.
On page 5, line 22, increase the amount by $255,000,000,000.
On page 5, line 23, increase the amount by $106,000,000,000.

On page 25, line 16, decrease the amount by $12,000,000.
On page 25, line 17, decrease the amount by $12,000,000.
On page 25, line 20, increase the amount by $1,174,000,000.
On page 25, line 21, increase the amount by $1,174,000,000.
On page 25, line 24, increase the amount by $3,822,000,000.
On page 25, line 25, increase the amount by $3,822,000,000.
On page 26, line 3, increase the amount by $5,934,000,000.
On page 26, line 4, increase the amount by $5,934,000,000.

Mr. SESSIONS. Mr. President, this is an important amendment. It is not related to partisan votes that we have been casting, but it is a technical amendment that amends the nature of the AMT patch.
The AMT patch is a huge tax reduction. It does eliminate about three-fifths of the people who would pay taxes under the AMT. My amendment is fairer. It would include 87 percent as many, but the way it would fix the AMT and give relief would be to allow families to utilize their personal exemptions and their children’s exclusions under the AMT accounting. That is not done today. As a result, seven times as many families with children are caught by AMT as are single persons. It is definitely striking at children and families. I urge that this be adopted because it is fairer, and it would reduce costs and save $82 billion.
The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized for 1 minute.
Mr. CONRAD. Mr. President, the Sessions amendment would increase taxes in fiscal year 2008 by $2.6 billion. It would increase taxes in fiscal year 2009, for a total in those 2 years of $11.7 billion of tax increases. In later years, the Sessions amendment would provide additional tax loss of $148 billion over 5 years. That busts the budget and takes us back into deficit. It is sort of the worst of all worlds. It increases taxes in the front end and then blows a hole in the budget.
I urge colleagues to vote against the Sessions amendment.
The ACTING PRESIDENT pro tempore. The question is on agreeing to amendment No. 473.
Mr. CONRAD. I ask for the yeas and nays on the Sessions amendment.
The ACTING PRESIDENT pro tempore. Is there a sufficient second?
There appears to be a sufficient second.
The legislative clerk called the roll.
Mr. DURBIN. I announce that the Senator from South Dakota (Mr. Johnson) is necessarily absent.
The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?
The result was announced—yeas 46, nays 53, as follows:
[Holocall Vote No. 100 Leg.]
YEAS—46
Alexander     Bennett     Brownback
Allard        Bond        Running
Grassley      Greg         Hagel
Coburn        Hatch        Inhofe
Chambliss     Johnson      Kyl
Coburn        Lott         Crapo
Corker        Matcher       Cruz
Coryn         Martinez      Domenici
Cruz          Moseley      Enzi
Cupp          McConnell    Graham

NAYS—53
Akaka         Durbin        Murray
Baucus        Feingold       Peters
Bennet        Feingold       Rockefeller
Biden         Harkin        Reid
Boxer         Kennedy       Rockefeller
Brown         Kerry         Reid
Byrd          Kobach        Rockefeller
Cardin        Landrieu      Rockafeler
Carper        Lautenberg    Sanders
Cassidy       Leahy         Schumer
Clinton       Levin         Sessions
Cochran       Lieberman     Sessions
Collins       Lincoln       Sessions
Conrad        McCaskill     Sessions
Corker        McConnell     Senator Graham on our side. We are planning to pass their business, farm, or ranch over to the next generation. It is cosponsored by Senators LINCOLN, BAUCUS, LANDRIEU, SPECTER, SALAZAR, BILL NELSON, and MARK PRYOR.
The amendment provides for an estate tax reform initiative; the necessary step next to improving the estate tax component of the Baucus amendment adopted by an overwhelming margin of 97 to 1. This amendment gets us to a $5 million exemption and a 35 percent rate.
I hope the day will come when we can fully repeal the estate tax forever, but unfortunately today is not that day. Unfortunately, the fiscal realities we face do not at this time allow for a permanent solution. That is why we must adopt this amendment to provide peace of mind for thousands of families who are facing do not at this time allow for a permanent solution. That is why we must adopt this amendment to provide peace of mind for thousands of families who are planning to pass their business, farm, or ranch on to the next generation.
Like the Kyl amendment, our amendment will allow us to accommodate the Landrieu proposal of a $5 million and 35 percent with a surcharge for the largest estates. Unlike the Kyl amendment, this amendment is fiscally responsible and deficit neutral.
I look forward to working with the cosponsors of this amendment and my colleagues on both sides of the aisle to enact meaningful estate tax reform this session, and eventually finding a permanent solution.
I urge my colleagues to support this amendment, and join me in following through on the promise made in this amendment to extend estate tax relief with an exemption of $5 million and a top rate of 35 percent.
Mr. President, I yield the floor to Senator LINCOLN from Arkansas.

Mr. NELSON of Nebraska. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

AMENDMENT NO. 626
Mr. NELSON of Nebraska. Mr. President, I send an amendment to the desk and ask for its immediate consideration.
The ACTING PRESIDENT pro tempore. The Clerk will report the amendment.
The legislative clerk read as follows:
The Senator from Nebraska (Mr. NELSON of Nebraska), for himself, Mrs. LINCOLN, Mr. BAUCUS, Ms. LANDRIEU, Ms. STABENOW, Mr. SALAZAR, Mr. NELSON of Florida, Mr. PRYOR, proposes an amendment numbered 626.
The amendment is as follows:

(Purpose: To reform the estate tax to avoid subjecting thousands of families, family businesses, and family farms and ranches to the estate tax, and to promote continued economic growth and job creation)
have the opportunity in the Finance Committee to be able to craft something that makes sense. But without what Senator Nelson and I and others are doing here, we will not have the direction to do that.

Many of us know we have outlined the boundaries of the current estate tax law. We know in 2010 it may go away, but the fact is in 2011 it comes back at an old and arcane number.

What we do is take what Senator Baucus has already done in the first amendment we voted on and adopted, and we increase it to a realistic and balanced level of a $5 million exemption and a 35-percent rate, and we do it with a reserve fund that will allow us to make sure we pay for it in a fiscally sound way when it comes through the Finance Committee.

I have worked diligently on this issue since I have come to the Senate, recognizing that for our small businesses, our family businesses, and our family farms, it is an essential component for them to be able to be aware of how they can plan for their finances to keep those family businesses in working order.

So we appreciate it. I urge our colleagues, this is a great opportunity to have the Senate on record as moving forward on this issue. I encourage all of my colleagues to take a look at it and support us because it gives us an opportunity to get moving on this issue.

Mr. President, I yield to my colleague, the Senator from Louisiana, Ms. Landrieu.

Ms. LANDRIEU. Mr. President, how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana has 10 seconds.

Ms. LANDRIEU. Mr. President, I ask unanimous consent for 30 seconds, please, and to have the same amount of time added to the other side.

The ACTING PRESIDENT pro tempore. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, this is the right compromise on the estate tax at the right time. It is going to bring order to this tax that should be paid. It is about what Kent Conrad has done, by generating a budget that generates surpluses, enabling us to give tax relief to small businesses and farmers and people who have built their businesses. That is what this amendment does: a $5 million exemption, a 35-percent rate, and we will continue to take it down as the money comes forward to do so.

The ACTING PRESIDENT pro tempore. Who yields time in opposition?

The Senator from Arizona.

Mr. KYL. Mr. President, I am glad we are having the debate about the death tax. I regret the amendment I proposed a couple days ago was voted down. There were some suggestions it was because of the capital gains and dividends provisions that were tied to it. So I brought an amendment back with Senator Thune that would eliminate the capital gains and dividends part of it and simply have us vote, along with one education tax credit, for real reform to the death tax.

Now, I have my colleagues on the Democratic side to appreciate—and I have certainly appreciated working with all three of them.

Mr. BUNNING. Can we have order, please.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky is correct. Please take conversations out of the Chamber.

Mr. KYL. Thank you, Mr. President. I prefer not to be raising my voice, but I cannot hear myself.

Let’s understand what voting for the Democrat “cover” amendment would do. First of all, when we had a $5 million exemption we were talking about last year, all of the groups came to us and said: You have to tax it for inflation or pretty soon it will not mean anything. The Kyl-Thune amendment is indexed for inflation, the $5 million exempted amount. The amendment that is being proposed on the Democratic side is not indexed for inflation, and you will hear from groups such as the Farm Bureau and the NFIB and other groups that understand it has to be indexed for inflation.

Secondly, you say the rate is 35 percent, but there is a surcharge for “large” estates, those they defined. They are not defined. A majority of Americans, according to surveys, say rates above 35 percent are confiscatory. So the 40-percent top rate in this Democratic proposal is going to be a big problem for a lot of Americans, both those who have to pay and those who do not have to pay.

Finally, with respect to the idea this is paid for, appreciate the big expenses for estate tax are after the year 2011. So it is folly to say this is paid for. Yes, you will have raised taxes by about $60 billion to “pay” for this for the 5 years covered by the budget, but the reality is, it is not going to be paid for in the future.

So do you know what, all of us—the Senator from Arkansas, the Senator from Nebraska, the Senator from Louisiana, and other Senators on the Democratic side—have in the past appreciated the fact that when it comes to death tax reform we should not raise taxes on some taxpayers to provide this relief for the people who have to pay the death tax.

The reality is, we should not have to raise money from one group of taxpayers to pay for the relief granted to this group. The reality is, probably it is going to be the same group of folks.

So I say to my friends who would want to suggest this is a “cover” amendment, that they can be just fine on this issue of death tax if they will vote for the Congress that is before us right now. That is not the case. If you want the real cover, that is to say the appreciation of the American people, reserve youraye vote for the Kyl-Thune amendment which will come next.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There appears to be a sufficient second.

The question is on agreeing to amendment No. 626. The clerk will call the roll.

The roll clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. Johnson) is necessarily absent.

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 25, nays 74, as follows:

[Roll Call Vote No. 101 Leg.]

YEAS—25

Akaka  Klobuchar  Pryor
Bahnsen  Landrieu  Salazar
Byrd  Leahy  Snowe
Baucus  Lincoln  Stabenow
Casey  Logue  Tester
Collins  Voinovich  Wyden
Feingold
Inouye

NAYS—74

Alexander  Doles
Allard  Domenici  McConnell
Bennett  Durbin  Menendez
Biden  Hatch  Murkowski
Bingaman  Inhofe  Murray
Bond  Johnson  Osuna
Boxer  Feinstein  Reed
Brown  Graham  Reid
Byrd  Grassley  Roberts
Bunning  Gregg  Rockefeller
Burr  Hagel  Sanders
Cantwell  Hatch  Schummer
Carper  Hutchison  Sessions
Chambliss  Inhofe  Shelby
Clinton  Jay  Smith
Coburn  Jackson  Specter
Cochran  Kennedy  Stevens
Coleman  Kerry  Thomas
Conrad  Kyl  Thurmond
Corzine  Levin  Thune
Craig  Lieberman  Vitter
Crep  Lott  Warner
DeMint  Martinez  Webb
Dodd  McCain  Whitehouse

NOT VOTING—1

Johnson

The amendment (No. 626) was rejected.

AMENDMENT NO. 583

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized for 3 minutes.

Mr. KYL. Thank you, Mr. President. I appreciate my colleagues not supporting this proposition. There are two main reasons.

The ACTING PRESIDENT pro tempore. Does the Senator have an amendment at the desk?

Mr. KYL. I am sorry, Mr. President. I thought my amendment was at the desk. It is pending.

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

Mr. KYL. There are two main differences between the amendment that was just rejected and the one which I hope we will all support. The first difference was that the $5 million exempted amount for estates was not indexed
for inflation. In the Kyl-Thune amendment, it is indexed for inflation. I think if you will all check with your folks, you will find they want this indexed for inflation.

This is a little like AMT. At first it didn’t look like a hole, but after a while, it begins to hit a lot of people, primarily because of inflation. The same thing will occur here. The whole point of an exemption is so people would not have to worry about spending all the money on insurance and lawyering up, and so on, to plan against the estate tax. That is why you want an exempted amount such as the $5 million, but it is important it doesn’t get eroded over time. Again, one of the key differences between the amendment that was just rejected and this amendment, which I hope you will support, is this amendment is indexed for inflation.

Secondly, most Americans believe that a 40- or 45- or 50-percent rate is confiscatory.

The other difference between the amendment that just failed and the one I hope you will now support is that the maximum rate under this is 35 percent. I still think that is too high.

The amendment just agreed to had a maximum rate of 40 percent. I think 35 percent is too high, if you look at the various polls that have been taken. In any event, that is the maximum rate under this amendment. It has been supported by a bipartisan group on both sides of the aisle, which is why we sit at 35 percent, because the reality is that in order to have the estate tax reform, we are going to need a bipartisan coalition.

My concluding remarks are to reach out to my friends on the other side of the aisle. My final plea is that we can demonstrate in a bipartisan way by supporting this amendment, which has enough flexibility in it because it is a budget-friendly option. I text my tax experts to tell me that the way the interactive effect occurs, the top effective rate is never more than 35 percent. I know why the Senator is reaching that conclusion. I would be glad to have my tax counsel visit with him because they assure me that in the previous amendment, the top effective rate was 35 percent. I know the Senator agreed about the 5-percent surcharge. I think time has expired.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KYL. Mr. President, I wish to make a point. I have talked to the chairman and this will be a 10-minute vote, not a 15-minute vote. From here on out, they will all be. Anybody who is not here, you are going to miss it.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 583.

Mr. KYL. Mr. President, I ask unanimous consent for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The clerk will call the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. Johnson) is necessarily absent.

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

The result was announced—yeas 48, nays 51, as follows:

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Mr. CONRAD. Will the leadership support us going to 10-minute votes?

Mr. CONRAD. Does the leadership support that request?

Mr. MCCONNELL. We have been doing it.

Mr. CONRAD. No, we have gone over. Mr. REID. We have gone 15 minutes. Mr. CONRAD. Will the leadership support us going to 10-minute votes?

Mr. MCCONNELL. I certainly think that is a good idea.

Mr. CONRAD. Then the word has to go out that we are going to go to 10-minute votes.

I have to try to make amends on a previous debate. Senator KYL indicated on the Nelson amendment that it appears to be higher than a 35 percent rate. There was reason for him to believe that, looking at the amendment. I want to make clear that while we believe the Nelson amendment had a top effective rate of 35 percent, just looking at the amendment, one could easily conclude that is not the case. So I want to make that clear. In no way were we denigrating Senator KYL’s honor with respect to accurately and honestly depicting that amendment.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I thank the chairman for his remarks. I appreciate
The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, the clerks have a difficult time going through these debates in minutes. They can do it, but it would be a lot easier if people will stay here and when their name is called answer “yea” or “nay.” The way it is, they have to go back and forth so many times that it is like a jigsaw puzzle they have to work out every time.

The votes will be 10 minutes. There will be a 1-minute grace period. That is the way it is going to be. That is what everybody should acknowledge will happen. It is approaching noontime. We have a lot to do. We can condense this quickly, but people have to cooperate.

Mr. GREGG. Mr. President, for the information of Members on our side, the amendments, as they are presently lined up, are Senator HATCH, Senator ALBERTI, Senator SMITH, Senator THOMAS, Senator SPECTER, Senator GRAHAM, Senator GRASSLEY, Senator LOTT, myself, Senator DE MINT, and Senator THUNE.

AMENDMENT NO. 508

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I call up amendment No. 508. The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from Utah [Mr. HATCH] proposes an amendment numbered 508.

The amendment is as follows:

(Purpose: To establish a reserve fund for protecting coverage choices, additional benefits, and lower cost-sharing for Medicare beneficiaries)

At the appropriate place, insert the following:

SEC. 508. RESERVE FUND FOR PROTECTING COVERAGE CHOICES, ADDITIONAL BENEFITS, AND LOWER COST-SHARING FOR MEDICARE BENEFICIARIES.

If the Senate Committee on Finance:

(1) reports a bill, or if an amendment is offered thereto, or if a conference report is submitted thereon, that—

(A) implements improvements to the Medicare or Medicaid programs under titles XVIII and XIX of the Social Security Act, respectively, or the State Children’s Health Insurance program under title XXI of such Act; and

(B) does not—

(i) to fewer coverage choices for Medicare beneficiaries, especially for those beneficiaries in rural areas; or

(ii) result in reduced benefits or increased cost-sharing for Medicare beneficiaries who choose a Medicare Advantage plan under part C of such title XVIII, especially for low-income beneficiaries who depend on their Medicaid to provide protection for high out-of-pocket cost-sharing; and

(ii) is within its allocation as provided under section 202(a) of the Congressional Budget Act of 1974.

the Chairman of the Senate Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate measures to reflect such legislation provided that such legislation would not increase the deficit for fiscal year 2008 and the period of fiscal years 2008 through 2012.

Mr. HATCH. Mr. President, I have offered amendment No. 508 to ensure that Congress continues to protect Medicare beneficiaries’ coverage choices, especially for those living in rural areas; and low-income Medicare beneficiaries. My amendment establishes a budget-neutral reserve fund so that if Congress implements improvements to Medicare, Medicaid, or CHIP, it may not do so in a way that leads to fewer coverage choices for Medicare beneficiaries. It also may not reduce the benefits of those beneficiaries who are enrolled in Medicare Advantage plans.

Medicare Advantage plans provide a range of benefits not available in traditional Medicare such as vision and dental care, physical exams, and hearing aids.

Medicare Advantage plans also have chronic care management programs to help beneficiaries with chronic illnesses such as diabetes or congestive heart failure better manage their conditions and stay healthy.

I conclude by urging my colleagues to keep in mind the following:

Beneficiaries across the Nation—whether they live in a rural State such as Utah or urban area such as New York City—now have more coverage choices.

These choices offer beneficiaries more benefits and lower out of pocket costs.

Beneficiaries are satisfied.

Let’s not forget that it was through policy decisions supported by Members on both sides of the aisle that helped achieve those results.

And those results, in my opinion, are worth protecting for beneficiaries’ sake. I urge my colleagues to support my amendment.

I ask unanimous consent that letters from the NAACP and LULAC opposing cuts to the Medicare Advantage Program be printed in the RECORD.

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


MEMBERS, House of Representatives, Washington, DC.

DEAR REPRESENTATIVE: On behalf of the National Association for the Advancement of Colored People (NAACP), our nation’s oldest, largest, and most broadly-based grassroots civil rights organization, I would like to express our deep concern about efforts to reduce funding for the Medicare Advantage (MA) program.

The NAACP has a long history of working to ensure that African Americans and other racial and ethnic minorities have access to high-quality healthcare. That is why we strongly support maintaining adequate funding for the Medicare Advantage program that serves as a “critical link” for accessing health care services, particularly for low-income and minority Medicare beneficiaries.

Medicare Advantage plans—private health plan options that provide coverage to 8.3 million Medicare beneficiaries—disproportionately provide coverage to low-income and racial and ethnic minority beneficiaries. 40 percent of African Americans without Medicaid or employer coverage rely on comprehensive health insurance coverage provided by MA plans. Reducing more comprehensive benefits and lower cost-sharing than traditional Medicare, MA plans help racial and ethnic minority populations gain access to health care services that are critical to their long-term health and well-being.

Moreover, minorities also benefit from the care and disease management offered by MA plans. These programs help assure that members with chronic conditions such as heart disease, diabetes, and asthma receive high-quality care by encouraging timely and regular check-ups, access to preventive services, and chronic care management programs. Access to coordinated care and disease management services are especially important for minorities who are more likely to suffer from chronic health conditions, such as diabetes, asthma, respiratory disease, and certain forms of cancer.

Reduced funding for the MA program would have a negative impact on the health and health care of millions of Medicare beneficiaries—particularly racial and ethnic minority beneficiaries. A study by Emory University’s Kenneth Thorpe, Ph.D., found that without MA, 2 million Medicare beneficiaries would lose their coverage. Racial and ethnic minorities would be especially hard hit, with the number of African-Americans without supplemental coverage rising to 9 percent.

As Congress continues to debate efforts to expand access to high-quality, affordable care, we urge you not to backtrack on these priorities by cutting funding for the MA program. This program is vitally important to the health and well-being of racial and ethnic minorities who rely on MA to provide them with the comprehensive, affordable, and coordinated care they need.

Thank you in advance for your attention to the NAACP position paper. Should you have any questions or comments, I hope that you will not hesitate to contact me.

Sincerely,

HILARY O. SHELTON, Director.


MEMBER OF CONGRESS, U.S. Senate and House of Representatives, Washington, DC.

DEAR MEMBER OF CONGRESS: I am writing on behalf of the League of United Latin American Citizens (LULAC)—the oldest and largest Hispanic membership organization in the United States—to urge your opposition to efforts by some Members of Congress to reduce funding for the Medicare Advantage (MA) program.

LULAC’s mission is to advance the economic condition and educational attainment, health and civil rights of Hispanic Americans. Ensuring access to high quality, affordable health care is one of our top priorities, and one that is especially critical in the Hispanic community. We firmly believe Medicare Advantage is helping meet this challenge for Hispanic seniors.

Medicare Advantage is vital to the well-being of Hispanic Medicare beneficiaries. According to a 2005 study by Ken Thorpe, Ph.D.,...
of Emory University, Hispanics rely disproportionately on the Medicare Advantage program. According to this study, more than half (53 percent) of Hispanic beneficiaries without Medicare or employer-based coverage are enrolled in an MA plans where they are available.

MA plans are important because they provide enhanced benefits and lower cost-sharing than traditional Medicare. According to CMS, MA enrollees save $86 per month when compared to beneficiaries in traditional Medicare. We are concerned that additional cuts in funding for Medicare Advantage will threaten access to comprehensive benefits, result in higher out-of-pocket health care costs, and create financial barriers to care that will be particularly harmful for Hispanic seniors.

The coordinated care and disease management offered under Medicare Advantage plans is especially critical for Hispanic Medicare beneficiaries, who are more likely to suffer from chronic conditions such as diabetes, asthma, and certain forms of cancer. These programs help assure that members with chronic conditions benefit from care management and coordination initiatives, which promote appropriate treatment and medical care that reduces the risk of non-technical events, and optimize therapeutic outcomes.

LULAC calls upon your leadership to oppose these cuts and fund MA programs to sustainable levels.

Sincerely,

ROSA ROSALES, LULAC National President.

THE PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, on April 11, the Finance Committee is going to be holding a hearing on Medicare Advantage plans and other providers’ plans that affect Medicare. We want to do this right. We want to do this in a very thoughtful, considerate way.

There are Medicare Advantage plans that are doing a lot of good work. That is clear. Certainly, the Finance Committee, of which Senator HATCH is a member—and we have the April 11 hearing—is going to deal with this issue. I urge Members to do this the right way, and the right way is to figure out what is best generally with Medicare providers, including managed care. Again, there are managed care companies that are very good and provide benefits for seniors. Dental has already been mentioned by the good Senator from Utah. The more thoughtful way is to not hamstring the committee by preventing the committee from making any changes to these programs. Rather, let’s be thoughtful, flexible. I urge Members not to approve this amendment.

Mr. HATCH. Mr. President, I ask for the yeas and nays.

THE PRESIDING OFFICER. The amendment (No. 508) was rejected.

THE PRESIDING OFFICER. The amendment was—yeas 49, nays 50, as follows:

[Roll Call Vote No. 103 Leg.]

YEAS—49

Alexander—Dole—McConnell
Allard—Domenici—McRoberts
Bennett—Ensign—Robertson
Bond—Espy—Sensenig
Brownback—Graham—Smith
Bunning—Grassley—Sorensen
Byrd—Hagel—Specter
Coburn—Hatch—Stevens
Cooper—Hutchison—Summey
Corker—Ihlan—Summers
Cornyn—Lott—Vitter
Craio—Lugar—Warner
Crapo—Martinez—Warrner
DeMint—McCain

NAYS—50

Akaka—Feingold—Murray
Baucus—Feinstein—Nelson (Fla.)
Bayh—Harkin—Nelson (Neb.)
Biden—Inouye—Obama
Bingaman—Kennedy—Pryor
Boxer—Kerry—Reed
Brown—Klobuchar—Reid
Byrd—Kohl—Rockefeller
Bunning—Landrieu—Salazar
Cardin—Lautenberg—Sanford
Clair—Leahy—Sander
Casey—Lieberman—Schumer
Conrad—Lindsay—Stabenow
Dodd—McCaskill—Tester
Durbin—Menendez—Webb
Mikulski—Whitehouse
NOT VOTING—Johnson

The amendment (No. 508) was rejected.

Mr. CONRAD. Mr. President, we are making progress, but we are not making progress fast enough. If we stick to this current pace, and people insist on the number of amendments that are still outstanding, we are going to lose the bill. Staff just informed me that is the result of that.

Please, if you can withhold and offer them on a separate vehicle, do that.

Senator ALLARD is next.

THE PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 521

Mr. ALLARD. Mr. President, I call up amendment No. 521 and ask for its immediate consideration.

THE PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ALLARD) proposes an amendment numbered 521.

Mr. ALLARD. 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 improve the economy, efficiency, and effectiveness of Federal programs and the Federal debt by eliminating waste, fraud, and abuse.)

At the end of the resolution, insert the following:

S3671
committee by $10,406,000,000 in budget authority for fiscal year 2008 and $58,820,000,000 in outlays for the period of fiscal years 2008 through 2012.

(7) COMMITTEE ON FOREIGN RELATIONS.—The Senate Committee on Foreign Relations shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $148,000,000 in outlays for fiscal year 2008 and $695,000,000 in outlays for the period of fiscal years 2008 through 2012.

(8) COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS.—The Senate Committee on Homeland Security and Governmental Affairs shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $1,083,000,000 in outlays for fiscal year 2008 and $5,784,000,000 in outlays for the period of fiscal years 2008 through 2012.

(9) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $81,000,000 in outlays for fiscal year 2008 and $406,000,000 in outlays for the period of fiscal years 2008 through 2012.

(10) COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS.—The Senate Committee on Health, Education, Labor, and Pensions shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $1,063,000,000 in outlays for fiscal year 2008 and $479,000,000 in outlays for the period of fiscal years 2008 through 2012.

Mr. ALLARD. Mr. President, this is an amendment that puts in reconciliation language a 1-percent reduction in spending in the mandatory programs that have been identified as having fraud, waste, and abuse. It excludes Armed Services, Veterans, and Social Security.

The amendment comes about because of the 2004 budget resolution, where Congress directed the Budget Control Board to submit a comprehensive report identifying instances in which the committees of jurisdiction may make legislative changes to improve the economy, efficiency, and effectiveness of Federal programs within their jurisdiction.

In compliance with our request, the GAO submitted a 300-plus-page report full of specific examples of legislative changes with potential to yield budgetary savings. This will reduce the debt by $13 billion the first budget year and $71 billion over 5 years.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, this amendment, if it were adopted, would cut Medicare and Medicaid by $58.8 billion. It would cut the Homeland Security Committee by $5.8 billion. It would cut the Agriculture Committee by $3.6 billion.

Beyond that, Mr. President, the pending amendment is not germane. Therefore, I raise a point of order that the amendment violates section 305(b)(2) of the Congressional Budget Act of 1974, and I urge a “no” vote.

Mr. ALLARD. Mr. President, I ask that the point of order, and a call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second. The question is on agreeing to the motion. The clerk will call the roll. The assistant legislative clerk called the roll. Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

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

The yeas and nays resulted—yeas 39, nays 60, as follows: [Rollcall Vote No. 104 Leg.]

YEAS—39

Alexander
Allard
Bennett
Brownback
Bunning
Burris
Chambliss
Colburn
Cochran
Corker
Coryn
Craig
Crapo

DeMint
Dole
Ensin
Enzi
Graham
Hatch
Hagel
Haslam
Hutchison
Inhofe
Jackson
Kyl

Leet
Martinez
McConnell
Roberts
Sessions
Shelby
Sammus
Thomas
Thune
Vitter
Voinovich
Warner

NAYS—60

Akaka
Baucus
Bayh
Biden
Bingaman
Bond
Burr
Bunning
Brown
Brown
Byrd
Byron
Cardwell
Cardin
Carper
Casey
Clinton
Coleman
Collins
Conrad
Craig
Cochran
Coburn
Corker
Cranston

Durbin
Feinstein
Harkin
Inouye
Kennedy
Kerry
Klobuchar
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lugar
McConnell
McCaskill
Menendez
Mikulski
Grasso

Murray
Pelosi
Obama
Pryor
Reed
Reid
Rockefeller
Salazar
Sanders
Schatz
Schatz
Snowe
Specter
Stabenow
Stevens
Testa
Webb
Whitehouse
Wyden

Mr. SMITH. 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: At the end of section 301, add the following: Among the changes that could be considered to achieve offsets to the cost of reauthorizing the State Children’s Health Insurance Program and expanding coverage for children is an increase in the tobacco products user fee rate with all revenue generated by such increase dedicated to such reauthorization and expansion.”.

Mr. SMITH. Mr. President, I also ask that Senator KENNEDY, at his request, be added as an original cosponsor to the amendment.

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

Mr. SMITH. Mr. President, since the beginning of this Congress, I have heard colleagues on both sides of the aisle, Republicans and Democrats, talk about their determination to reauthorize and fund SCHIP to keep its promise to America’s children, especially those with low income. This amendment is the one amendment that proposes a real policy that will raise real dollars so we can take a meaningful step in keeping the promise of SCHIP. It proposes a reasonable increase in the tobacco tax that would provide up to $35 billion to help in this reauthorization, keeping this very important promise to millions of America’s children.

I believe this is a defining moment. Put politics aside and do something the American people can be proud of.

The PRESIDING OFFICER. Who yields time in opposition? The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, we would be pleased to accept this amendment on a voice vote.

Mr. Bunning. I object.

Mr. CONRAD. If objection is heard—Senators can vote however they think is the right way. We certainly always have that right; Senators always have that right.

On this side, I urge Senators to vote aye.

Mrs. BOXER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to amendment No. 510, as modified. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

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

The result was announced—yeas 59, nays 40, as follows: [Rollcall Vote No. 105 Leg.]

YEAS—59

Akaka
Baucus
Biden
Brown
Bayh
Bingaman

Bennett
Boxer
Biden
Brown
Grasso

Byrd

Boxer
Biden
Brown
Bingaman

Baucus
Biden
Brown
Grasso

Bennett
Boxer
Biden
Brown
Grasso

Byrd

Schumer
Salazar
Reid
Reed
Nelson (NE)
Murray
Pelosi
Obama
Pryor
Reed
Rockefeller
Salazar
Sanders
Schatz
Schatz
Snowe
Specter
Stabenow
Stevens
Testa
Webb
Whitehouse
Wyden

Mr. SMITH. I ask unanimous consent that the reading of the amendment be dispensed with.
The amendment (No. 510), as modified, was agreed to.

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

The amendments were agreed to, as follows:

**AMENDMENT NO. 519**

(Purpose: To increase funding for vital first responder homeland security programs, including $400,000,000 to establish a dedicated interoperability grant program and $331,000,000 for Emergency Management Performance Grants)

On page 16, line 10, increase the amount by $731,000,000.

On page 16, line 11, increase the amount by $156,000,000.

On page 16, line 15, increase the amount by $232,000,000.

On page 16, line 19, increase the amount by $181,000,000.

On page 16, line 23, increase the amount by $333,000,000.

On page 17, line 3, increase the amount by $238,000,000.

On page 26, line 12, decrease the amount by $731,000,000.

On page 26, line 13, decrease the amount by $156,000,000.

On page 26, line 17, decrease the amount by $232,000,000.

On page 26, line 21, decrease the amount by $181,000,000.

On page 26, line 25, decrease the amount by $333,000,000.

On page 27, line 4, decrease the amount by $238,000,000.

**AMENDMENT NO. 499**

(Purpose: To develop biodefense medical countermeasures by fully funding the Biomedical Advanced Research and Development Authority (BARDA) in a fiscally responsible manner)

On page 18, line 12, increase the amount by $40,000,000.

On page 18, line 13, increase the amount by $81,000,000.

On page 18, line 17, increase the amount by $12,000,000.

On page 18, line 21, increase the amount by $13,000,000.

On page 26, line 12, decrease the amount by $14,000,000.

On page 26, line 13, decrease the amount by $81,000,000.

On page 26, line 17, decrease the amount by $12,000,000.

On page 26, line 21, decrease the amount by $14,000,000.

**AMENDMENT NO. 528**

(Purpose: To increase funding by $100 million for the Violence Against Women Act (VAWA) programs administered by the Department of Justice and the Department of Health and Human Services, with an offset of an unallocated reduction to non-defense discretionary spending and/or reduction to administrative expenses)

On page 18, line 12, increase the amount by $40,000,000.

On page 18, line 13, increase the amount by $11,000,000.

On page 18, line 17, increase the amount by $13,000,000.

On page 26, line 12, decrease the amount by $14,000,000.

On page 26, line 13, decrease the amount by $81,000,000.

On page 26, line 17, decrease the amount by $12,000,000.

On page 26, line 21, decrease the amount by $14,000,000.

**AMENDMENT NO. 490**

(Purpose: To provide funding to eliminate the offset between military retirement pay and disability compensation for America’s veterans)

At the end of title III, add the following:

SEC. 3. DEFICIT-NEUTRAL RESERVE FUND FOR ELIMINATING MILITARY RETIREMENT AND DISABILITY OFFSET.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that would extend eligibility for concurrent receipt of military retirement pay and veterans’ disability compensation or would expand eligibility for Combat-Related Special Compensation to permit additional disabled retirees to receive both disability compensation and retired pay, by the amounts provided by such legislation for that purpose, provided that the legislation would not increase the deficit over the total of fiscal years 2007 through 2012.

**AMENDMENT NO. 616**

(Purpose: To increase funding for small business programs at the Small Business Administration such as microloans, Women’s Business Centers, and Small Business Development Centers)

On page 14, line 9, increase the amount by $97,000,000.

On page 14, line 10, increase the amount by $18,000,000.

On page 14, line 11, increase the amount by $18,000,000.

On page 14, line 14, increase the amount by $18,000,000.

On page 14, line 18, increase the amount by $1,000,000.

On page 14, line 22, increase the amount by $1,000,000.

On page 26, line 12, decrease the amount by $97,000,000.

On page 26, line 13, decrease the amount by $75,000,000.

On page 26, line 17, decrease the amount by $16,000,000.

On page 26, line 21, decrease the amount by $4,000,000.

On page 26, line 25, decrease the amount by $1,000,000.

**AMENDMENT NO. 620**

(Purpose: To provide funding for NASA aeronautics at the fiscal year 2007 levels)

On page 15, line 9, increase the amount by $163,000,000.

On page 15, line 10, increase the amount by $163,000,000.

On page 15, line 12, decrease the amount by $163,000,000.
AMENDMENT NO. 635

(Purpose: To include in the veterans’ reserve fund services for low-vision and blinded veterans)

On page 59, line 7, after “era,” insert “including services for low-vision and blinded veterans.”

AMENDMENT NO. 641

(Purpose: To increase the budgetary totals for the Department of Commerce to provide additional trade enforcement capability to and to provide an offset)

On page 9, line 8, increase the amount by $10,000,000.
On page 9, line 9, increase the amount by $8,000,000.
On page 9, line 12, increase the amount by $1,000,000.
On page 9, line 13, increase the amount by $1,000,000.
On page 9, line 16, increase the amount by $1,000,000.
On page 14, line 9, increase the amount by $10,000,000.
On page 14, line 10, increase the amount by $8,000,000.
On page 14, line 13, increase the amount by $1,000,000.
On page 14, line 14, increase the amount by $1,000,000.
On page 14, line 17, increase the amount by $1,000,000.
On page 23, line 12, increase the amount by $8,000,000.
On page 23, line 16, increase the amount by $1,000,000.
On page 24, line 17, increase the amount by $1,000,000.
On page 24, line 20, increase the amount by $1,000,000.
On page 24, line 21, increase the amount by $1,000,000.
On page 24, line 17, increase the amount by $1,000,000.
On page 24, line 20, increase the amount by $1,000,000.
On page 24, line 21, increase the amount by $1,000,000.
On page 26, line 12, decrease the amount by $40,000,000.
On page 26, line 13, decrease the amount by $32,000,000.
On page 26, line 16, decrease the amount by $4,000,000.
On page 26, line 17, decrease the amount by $4,000,000.
On page 26, line 20, decrease the amount by $4,000,000.
On page 26, line 21, decrease the amount by $4,000,000.

Mrs. FEINSTEIN. Mr. President, I rise to speak in support of an amendment to the budget resolution that Senator CHAMBLISS and I have offered to increase FY2008 funding for the Edward Byrne Memorial Justice Assistance Grant program to $900 million.

The need for this amendment is clear. This country is currently experiencing a violent crime surge unlike anything we have seen in more than a decade. Just a few weeks ago, the Police Executive Research Forum reported that their survey of 56 cities and sheriffs’ departments showed that, from 2004 to 2006, homicides increased overall by 10 percent, aggravated assaults with guns rose 10 percent, and robberies rose 12 percent. In just 2 years.

Of course, these updated survey results mirror the FBI’s own statistics, which showed that in 2005 violent crime rose in every region of the country, and by 2.5 percent overall—the largest reported increase in 15 years. For the first 6 months of 2006, the surge in violent law enforcement worse—3.7 percent overall, according to the FBI.

Let me put these numbers in human terms. The International Association of Chiefs of Police equates this 2.5 percent rise to 31,479 more victims of violent crime in 2005. And a 3.7 percent increase for all of 2006, it says, equates to about 47,000 more Americans murdered, robbed, assaulted, raped, or subjected to violent crimes last year.

Unfortunately, despite these disturbing numbers, the President’s budget proposal for FY2008 continued to propose drastic cuts in the Federal assistance traditionally available to State and local law enforcement.

Listen to the warning cry that the International Association of Chiefs of Police recently issued:

[T]he cuts contained in the proposed FY2008 budget have the potential to cripple the capabilities of law enforcement agencies nationwide and force many departments to take officers off the streets, leading to more crime and violence in our hometowns and, ultimately, less security for our homeland.

These are strong words, but they make sense in the wake of the drastic Federal cuts we have seen to State and local law enforcement, especially in the last few years.

In FY2007, the total funding level for State, tribal and local law enforcement assistance was $2.316 billion. That was already more than $1.5 billion below the level given only 5 years earlier, when DOJ funded programs for state and local law enforcement totaled $3.811 billion.

Last year’s $2.316 billion amount included not only Byrne/JAG, but also the COPS program and 17 other State and Local Law Enforcement Assistance grant programs, including the State Criminal Alien Assistance Program, SCAFP; Tribal Courts Initiative, and other programs to promote Drug Courts, Prescription Drug Monitoring, Cannabis Enforcement, and State and Local Intelligence Capabilities.

For FY2008, however, the President remarkably proposed to eliminate all 17 of these programs. In their place, it proposed only two consolidated programs, one of which would be called the Byrne Public Safety Program, or BPSP. Unfortunately, even when BPSP was combined with the President’s other proposed programs, its total budgeted amount for FY2008 was only $582 million—a $1.7 billion cut from the already-depleted FY2007 number.

In other words, the President’s budgeted $582 million represented an 85 percent cut in these funds in just 6 years. And to make matters worse, the President’s FY2008 budget also proposed more than $500 million in cuts to the DHS grant programs traditionally available to State and local law enforcement.

During the 1990s and earlier years in this decade, our Federal Government vigorously funded grants programs for State and local law enforcement. And we saw results—violent crime went down year after year. But with the recent cuts, violent crime rates have now turned back up. Literally tens of thousands of additional Americans each year have become victims of violent crime.

It is time for the Senate to add substantial Byrne/JAG funding to this year’s budget resolution—just as we have done in the past 2 years. In FY2006 and again in FY2007, this Senate voted to increase Byrne/JAG to $900 million—even after President Bush and previous Budget Committees tried to “zero out” this program.

I recognize and appreciate that Senator CONRAD and his Budget Committee in the new Congress have taken a very different view of Byrne/JAG. I applaud their decision to reject the much smaller budget figure for Byrne/JAG that was contained in the President’s Budget, as well as the decision to reject the President’s proposal to consolidate Byrne/JAG with other grant programs and eliminate its formula funding. This is a major step forward.

Unfortunately, however, it just is not enough. At a time when this country is seeing the biggest surge in violent crime it has experienced in more than a decade, using FY2007 levels that are $1.5 billion below FY2002 levels will not do the trick. The Senate must do more—just as we rose to the occasion and voted to do more in the past.

After a Byrne/JAG amendment was offered on the budget resolution last year, we were confronted in June with the sharply higher 2005 violent crime numbers reported by the FBI. And in December, the FBI gave us even worse violent crime numbers for the first half of 2006. Given these disturbing trends, the Senate needs to restore these needed funds to the Byrne/JAG program.

I understand that this budget is tight, and I appreciate the difficult tradeoffs involved. But at a time when
we are about to consider a Supplementary Appropriations bill that may add more than $100 billion so that we can try to secure the streets of Baghdad against violence, I do not think that it’s asking too much for us to spend the funds we need to secure our own economy against the violence that the FBI says we are increasingly seeing.

Homeland security is undoubtedly important, but so is home town security.

The Byrne/JAG program, named after slain New York Police Officer Edward Byrne, is a time-tested program run by DOJ that has proven its effectiveness over the course of more than 20 years. It is a key source of funding for multi-jurisdictional task forces. And because 40 percent of a State’s Byrne/JAG funds must be set aside for local governments, smaller and rural law enforcement agencies are often especially dependent on Byrne/JAG to meet their needs.

Increased funding for Byrne/JAG has been endorsed by a wide array of law enforcement groups, and I urge my colleagues to support this important amendment.

Mr. KERRY. Mr. President, I want to thank my colleagues for supporting the amendment Senator SNOWE and I offered to provide an additional $97 million to the Small Business Administration. This amendment was necessary because the President’s budget request of $464 million was inadequate to fund the agency’s core programs.

This, unfortunately, is nothing new. Since the President took office in 2001, he has cut the SBA, the only Federal agency dedicated to the startup and growth of small businesses, more than any other agency. If we exclude disaster loan funding, the President has cut the SBA by more than 30 percent.

As a result of the President’s cuts, SBA’s loans and venture capital are more expensive, shifting more than $100 million in fees to the small business community. Businesses are getting less counseling, and they are losing out on opportunities to do business with the Federal Government, a very serious problem since the Federal Government spends about $370 billion on contracting for services and goods each year.

Consequently, the baseline funding for the SBA is so low that it has made it very hard for Congress to reverse the President’s cuts. Nevertheless, Senator CONRAD and his Committee were able to increase by $385 million the account—referred to as function 370—that provides funding for the SBA and other agencies. I congratulate them, and thank them. They have demonstrated that it is possible to provide reasonable funding for effective initiatives and still put the country back on track to a balanced budget.

Among the most disturbing proposed cuts to the SBA in fiscal year 2008, the President has for the fourth year in a row eliminated all funding for the Microlend and for Microlon Technical Assistance. This is very hard to justify given that the administration is willing to spend so much on micro-credit in other countries. In 2005, the administration provided approximately $211 million for the development of microenterprise programs through the Agency for International Development. In fiscal year 2006, we are told by Ambassador Zalmay Khalilzad, the U.S. Ambassador to Iraq, that the administration had provided $39 million for microloans in Iraq. And for fiscal year 2007, the administration has requested supplemental funding for Iraq that includes at least $160 million for micro-credit programs.

Our amendment restores the Microlend and Microlon technical assistance programs to the levels they were at in 2001—$3.2 million to leverage $30 million in loans and $20 million in technical assistance. Our amendment also restores the $10 million in funding for the New Markets program, which have never received support from this administration, in spite of claims about targeting areas of high unemployment.

My one big regret is that this amendment does not provide funding for the 7(a) Loan Guaranty Program. My original budget amendment, No. 515, did include $79 million in order to reduce fees on borrowers and lenders, which could have gone a long way to making these loans more affordable. Right now, on the largest loans, borrowers are paying around $50,000 in fees when a conventional loan would only cost around $20,000 in fees. We need to get that cost down. I am very disappointed that the President’s budget would not allow any funding for the 7(a) loans to be included in our amendment. I am hopeful that Senator SNOWE and I, with our colleagues in the House, can continue to work on this and get funding for fee relief during the appropriations process.

Aside from that one disappointment, I am very pleased with our amendment. It is reasonable and realistic. By restoring $97 million to the SBA, we were able to bring its funds for fiscal year 2008 from $561 million. This is still $125 million—or 18 percent—less than SBA’s funding in fiscal year 2001, and it is a fraction of the $2.9 trillion budget President Bush proposed for fiscal year 2008, but it will go a long way to fostering small business growth and sparking innovation.

I thank Senator SNOWE and our colleagues Senators LIEBERMAN, ENZI, CANTWELL, and PRYOR for joining in this bipartisan effort.

Ms. SNOWE. Mr. President, as ranking member of the Senate Committee on Small Business and Entrepreneurship, I rise to draw attention to funding for our Nation’s small businesses, which has systematically declined over the last 6 years and is inadequate in both the President’s budget and this budget resolution before us. I first commend my colleague, Senator KERRY, for working with me on this bipartisan amendment to restore this critical funding for small businesses.

This amendment would restore $97 million in funding to the Small Business Administration, an agency that contributes significantly to our economic growth. Since 2001 the SBA’s overall budget has declined by an unacceptable 31 percent. Especially when one considers that small businesses are the backbone of our economy, breathing life into areas once devastated by manufacturing closures, disasters, and economic recessions, it is frankly beyond me why we continue to shrink the resources that actually help our Nation’s job creators grow.

Just last month, I heard firsthand from over 90 Maine small business manufacturers about the barriers that hinder their success and the programs that have helped manufacturers grow and expand their business like the SBA’s 504, 7(a), SBDC and HUBZone programs. However, this budget falls short of providing the very programs that have helped revitalize Maine’s and our Nation’s communities devastated by over 20,700 manufacturing job losses since 2000.

This amendment is about the 25.8 million small businesses and small manufacturers across the country, which are vital to the economic growth and job creation in each of our States. In every State, small businesses are the engine that drives our economy. Small businesses use SBA loans to expand and hire new workers; they receive vital advice from Women’s Business Centers, Small Business Development Centers, and Veterans Business Development Centers; and they survive and thrive by obtaining contracts with the Federal Government. These are the people and the businesses my amendment assists. So why does this budget handcuff the very programs that have allowed our businesses and economy to expand?

The SBA has helped create and retain over 5.3 million jobs since 1999. It is clear that our economic future depends on the success of our Nation’s manufacturing enterprises, which constitute over 98 percent of our Nation’s manufacturing enterprises, create nearly three-quarters of new jobs, and produce 50 percent of the gross domestic product. However, we cannot, on the one hand, state how much we value small businesses, and on the other hand, neglect to provide the assistance that small businesses so desperately need to compete.

This bipartisan amendment provides funds for the SBA’s Microloan Program, which provides loans of up to $35,000 and technical assistance to new and growing small businesses. The administration proposes to eliminate the
subsidy for microloans and transfer the technical assistance duties to the entrepreneurial development programs. However, this relatively inexpensive program is critical to our next generation of entrepreneurs. In fact, in my own State of Maine, the Microloan Program provides over $400,000 over the last 5 years, for a total of $1.7 million. The elimination of this subsidy will increase interest rates for our Nation's microlenders and micro-entrepreneurs located in rural and underserved communities, and will have no other resource for financing.

Additionally, this amendment provides the critical funding for Small Business Development Centers, SCORE and Women's Business Centers, which served over 1.2 million clients in 2006. Not only has funding for these programs decreased over the last 5 years but the SBA proposes to increase their responsibility to take on microloan technical assistance. These critical programs are in desperate need, quite frankly, of the resources to reach and assist even more small businesses.

Moreover, this amendment provides the resources necessary for our small businesses to access prime contracting and subcontracting opportunities. The SBA has failed to fix regulatory loopholes identified by the GAO that allows large contractors to keep small business set-asides. To address a contracting market that has increased in nearly 50% over the past year, the SBA budget needs to increase its resources and provide proper oversight.

I would like to point out the irony that the administration's budget supports and funds microloans and assistance for foreign microenterprises, but eliminates, yes, eliminates, all funding for domestic microloans and assistance for American microenterprises. While I fully support aid and assistance to foreign microenterprises, what are we saying about the balance? Is this fair? Is this the message we want to send to our Nation's small businesses?

How can we justify repeated cuts in funding for loans and assistance here at home? Is this our priority? I think it is not, and this amendment reflects our priorities and our commitment to American small businesses. The $97 million provided for here would make a significant difference to our job-creating small firms and helps them grow, flourish and thrive.

My amendment is absolutely necessary for America's small businesses and is an investment in the entrepreneurship and future of this country. I urge my colleagues to support it for the SBA and our small business job creators. If we fail to provide sufficient support to SBA's core lending and business development programs, we threaten to reduce small businesses' ability to compete. The American economy needs a strong and vibrant Small Business Administration.

Mr. SANDERS. Mr. President, the amendment the majority leader and I are offering today is the first step in our effort this Congress to undo a fundamental unfairness that affects over 300,000 disabled veterans in this country who also happen to be military retirees. In short, this amendment creates a reserve fund that will allow this Congress to once and for all eliminate the duplication between military retiree pay and VA disability benefits.

At a time when we have men and women in harm's way in Iraq, Afghanistan and in other locations around the globe, it is appropriate that the budget resolution out of the United States Senate acknowledge and seriously address the unmet needs of our Nation's veterans.

It is wrong that our veterans are enduring long waiting lines to receive health care from the VA due to inadequate funding. It is wrong that the Bush administration slammed the doors of the VA health care system on hundreds of thousands of so-called "higher income veterans"—veterans who make $42,000 a year. And it is wrong for this administration to try to impose higher co-payments and enrollment fees on our veterans. As someone who sits on both the Budget Committee and the Veterans' Affairs Committee, I am incredibly proud that on all these issues, this budget resolution is on the side of veterans and rejects administration proposals that short-change and nickel and dime those who have served.

The Bush administration has highlighted that even here in Washington, only a short distance from this chamber, some of our servicemembers were living in sub-standard conditions with moldy walls, rodents, and holes in the ceilings. Thankfully, this budget resolution also addresses this outrage.

In addition, this budget resolution also provides for substantial, new investments in mental health services for our veterans to help us treat the thousands of veterans who served in the Iraq War with Post Traumatic Stress Disorder, PTSD. Also this budget resolution recognizes that we need to significantly increase funding to treat the large number of servicemembers returning with traumatic brain injury.

Finally, this budget resolution includes an amendment I added in committee that will allow us to make other important improvements to veterans' programs later this year. In short, if we are considering a huge step in the right direction when it comes to veterans' health care and benefits, Chairman CONRAD and his staff deserve tremendous credit for recognizing the very serious needs of our veterans and moving boldly to address them. I also want to commend Chairman AKAKA of the Veterans' Affairs Committee and his staff for their work and support throughout this budget process.

Even with the tremendous strides forward that have been made for veterans in this budget resolution there is one additional issue that needs to be addressed. Today, Senator REID and I are offering this amendment to take care of that very important issue. Before getting into the details first let me start off by saying that I am honored to be working with the majority leader on this issue. I know that, year after year, he has been the leading voice in Congress to eliminate veterans' VA disability pay and VA disability payments. In my view, this is an issue of basic fairness. Military retirees earned their retiree pay based on their long-term service to the Nation. They earn their VA disability benefits based on the disability they acquire or aggravate in the service of their country.

The current offset between these separately-earned benefits originates from a 19th century law that required a dollar-for-dollar offset of military retired pay and VA disability compensation. In my view and the view of millions of veterans across the country, it is clear that veterans deserve to receive both their military retirement which they receive for their service and their VA disability compensation. This amendment eliminates, yes, eliminates, all funding for foreign microenterprises, but the administration will not be complete until 2014. Frankly, if Congress has made the determination that the ban on concurrent receipt of military retiree pay and VA disability compensation is wrong—and I think the legislation passed so far demonstrates that Congress has made that determination—there is no excuse for making veterans wait for the benefits that we have acknowledged they are due. Now is the time—one and for all—to start the process of eliminating the disabled veterans tax.

The Reid-Sanders amendment is just one important step we need to take to...
The amendment (No. 515) was rejected.

The PRESIDING OFFICER: The Senator from New Hampshire, Mr. GREGG, Mr. President, was the last vote announced?

The PRESIDING OFFICER: Yes.

Mr. GREGG. Then I believe we are going to Senator SPECTER.

The PRESIDING OFFICER: The Senator from Pennsylvania.

AMENDMENT NO. 613, AS MODIFIED

Mr. SPECTER. Mr. President, I call up amendment No. 613, as modified. The PRESIDING OFFICER: The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania (Mr. SPECTER) proposes an amendment numbered 613, as modified.

The amendment is as follows:

On page 63, after line 24, insert the following:

SEC. 225. DEFICIT-NEUTRAL RESERVE FOR ASBESTOS REFORM LEGISLATION.

The Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report regarding asbestos reform, that (i) either provides monetary compensation to impaired victims of mesothelioma or provides monetary compensation to impaired victims of asbestos-related disease who can establish that asbestos exposure was a substantial contributing factor in causing their condition, and (ii) does not provide monetary compensation to unimpaired claimants or those suffering from a disease who cannot establish that asbestos exposure was a substantial contributing factor in causing their condition, and (iii) is estimated to remain funded from non-taxpayer sources for the life of the fund, by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2057.

Mr. SPECTER. Mr. President, after very considerable negotiation, it is my understanding this amendment is acceptable. I thank Senator CONRAD, Senator GREGG, Senator REID, and Senator ENSEN for their cooperation.

What this amendment does is eliminate a highly technical point of order that might have been available on asbestos reform legislation, to give the discretion to the chairman of the Budget Committee to approve a reserve fund. The bill will have to be revenue neutral. There are other points of order which could lie, but I think we will be able to establish revenue neutrality when we produce the bill.

Mr. GREGG. The vote has been negatived because some $30 billion to $40 billion have been lost on bankruptcy proceedings to retool the reform bill to cover mesothelioma and other deadly illnesses. We are in the process of working it out.

I also thank my colleagues Senators LYNCH, FEINSTEIN, and CARPER for their work on this issue.

The PRESIDING OFFICER: The Senator from North Dakota.
Mr. CONRAD. Mr. President, we thank the Senator from Pennsylvania for the alterations he has made to this amendment. It is acceptable on the side. I ask unanimous consent we agree to the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. COBURN. I object.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the amendment.

Mr. CONRAD. Mr. President, the Senator has reserved the right to object.

Mr. GREGG. Maybe we should move on.

The PRESIDING OFFICER. The Senator has objected.

Mr. SPECTER. Mr. President, it is agreeable with me to move on briefly.

Mr. GREGG. Mr. President, I ask unanimous consent that this amendment be set aside and that we move to the amendment from Senator Graham, who would be next.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from South Carolina.

AMENDMENT NO. 478

Mr. GRAHAM. Mr. President, I call up amendment No. 478 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from South Carolina [Mr. Graham] proposes an amendment numbered 478.

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

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

The amendment is as follows:

(Purpose: To extend the 35, 33, 28, and 25 percent income tax rate structure and protect nearly 28,000,000 families and individuals, including small business owners, from having their tax rates increase to 39.6, 36, 31, or 28 percent)

On page 5, line 19, increase the amount by $177,766,000,000.

On page 25, line 24, increase the amount by $1,061,000,000.

On page 25, line 25, increase the amount by $1,061,000,000.

On page 26, line 3, increase the amount by $3,785,000,000.

On page 26, line 4, increase the amount by $3,785,000,000.

Mr. GRAHAM. Mr. President, this amendment extends the marginal tax rate relief first passed in 2001. We lowered taxes in 2001. Simply put, if you vote against this amendment, the tax rates will revert back to the 2001 levels. You would be voting to increase taxes on 28 million families and small businesses. You would be voting to increase taxes on small businesses, on an average, by more than $3,600 per year. Mr. President, 78 percent of the benefit of this amendment goes to small business owners. I urge my colleagues to vote for this amendment. Tax policy in this country is about being globally competitive. We need to keep our tax rates down to keep our jobs in America. I urge everybody to vote for this amendment to make us competitive globally.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the fact is, none of those rates change until 2010. No. 1, No. 2, the Senator’s amendment also would not have the effect described by the Senator. The effect the amendment would have is to reduce revenue by $117 billion. It would put us back into deficit in 2012 by $71 billion. This amendment is a budget buster. I urge my colleagues to vote no.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the Graham amendment No. 478.

The clerk will call the roll.

The bill clerk called the roll.

The roll was announced—yeas 46, nays 52, as follows:

YEA—46

Alexander
Allard
Alexander
Bennett
Brownback
Bunning
Burr
Chambliss
Collins
Corker
Cochran
Coleman
Collin
Corker
Corker
Cruz
Crapo

DeMint
Panetti
Dole
Domencini
Ensign
Ensign
Feingold
Graham
Hagel
Hatch
Hutchison
Johnson
Kasich
Kirk
Lugar
Martinez
Mikulski

McCain
McConnell
Markowski
Roberts
Smith
Specter
Sessions
Sessions
Santorum
Santorum
Shumer
Stabenow
Stabenow
Tahoe
Tahoe
Tahoe
Tahoe
Tahoe
Tahoe

NAYS—52

Feingold
Harkin
Inouye
Kennedy
Klobuchar
Kohl
Landrieu
Lautenberg
Lincoln
Levin
Lieberman
Lincoln
McCaskill
Menendez
Mikulski
Murray
Nelson (FL)

Feingold
Harkin
Inouye
Kennedy
Klobuchar
Kohl
Landrieu
Lautenberg
Lincoln
Levin
Lieberman
Lincoln
McCaskill
Menendez
Mikulski
Murray
Nelson (FL)

The amendment (No. 478) was rejected.

Mr. REID. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 490, AS MODIFIED

Mr. REID. Mr. President, I ask unanimous consent that amendment No. 490 previously agreed to be modified with the changes that are at the desk.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 490), as modified, is as follows:

At the end of title III, add the following:

SEC. 951. DEFICIT REDUCTION RESERVE FUND FOR ELIMINATING MILITARY RETIREMENT AND DISABILITY OFFSET.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that would expand eligibility for Combat-Related Special Compensation to permit additional disabled retirees to receive both disability compensation and retired pay, by the amounts provided by such legislation. For this purpose, provided that the legislation would not increase the deficit over the total of fiscal years 2007 through 2012.

AMENDMENT NO. 613

Mr. GREGG. Mr. President, I ask unanimous consent that we agree to the Specter amendment No. 613 and the Thune amendment No. 465.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I want to be sure, regarding amendment No. 613, as modified, that the Senator from Oklahoma has withdrawn his objection that it be included in the amendment package.

Mr. CONRAD. Mr. President, let’s make certain we have the modified version of the Specter amendment. So before we approve that, let me have a chance—it has gone through a number of modifications. Let’s make sure the version at the desk is the version we have been advised is at the desk.

Mr. GREGG. That is correct.

Mr. CONRAD. OK. That is fine.

Mr. GREGG. I renew the request, Mr. President.
The PRESIDING OFFICER. Without objection, the Specter amendment, as modified, is agreed to.

The amendment (No. 613), as modified, was agreed to.

AMENDMENT NO. 465

The PRESIDING OFFICER. The Chair notes that amendment No. 465 has not yet been proposed.

Mr. GREGG. I ask that amendment No. 465 be reported.

The PRESIDING OFFICER. The clerk will report.

The clerk then read as follows:

The Senator from South Dakota [Mr. THUNE] proposes an amendment numbered 465.

Mr. GREGG. 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 for a budget point of order against legislation that increases income tax rates on small businesses, family farms, or family ranches)

(a) In General.—It shall not be in order in the Senate to consider any bill, resolution, amendment, amendment between Houses, motion, or conference report that includes a Federal income tax rate increase on incomes generated by small businesses (within the meaning of section 474(c) of the Internal Revenue Code of 1986) or family farms or family ranches (within the meaning of section 2632A of such Code) (regardless of the manner by which such businesses, farms and ranches are organized). In this subsection, the term ‘Federal income tax rate increase’ means any amendment to subsection (a), (b), (c), (d), or (e) of section 1, or to section 1(b) or 55(b), of the Internal Revenue Code of 1986, that imposes a new percentage as a rate of tax and thereby increases the amount of tax imposed by such an amendment.

(b) Waiver and Appeal.—

(1) Waiver.—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) Appeal.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

Mr. GREGG. Mr. President, I ask unanimous consent that the amendment be agreed to.

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

The amendment (No. 465) was agreed to.

Mr. GREGG. I believe Senator GRASSLEY has the next amendment.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Do I have to wait for my amendment to be reported?

The PRESIDING OFFICER. The Senator may use his time and then call up the amendment.

AMENDMENT NO. 471

Mr. GRASSLEY. Mr. President, my amendment repeals the AMT. Except for the telephone tax, the alternative minimum tax is the highest tax we have ever passed. The AMT, in 1969, was meant to hit 155 taxpayers who used legal means to avoid taxation, under the theory that everybody ought to pay some income tax. This very year, more than 2,000 people who are very wealthy are not paying any income tax or alternative minimum income tax. So it is not even working and hitting the people it is supposed to hit. Right now, this year, 2007, the year we are in, there are 23 million families that are going to be hit by this tax. It is a phony revenue machine, over 5 years, $467 billion dollars. We are going to have to have a point of order this year to keep these 23 million taxpayers from paying this tax. We might as well do away with it right now, once and for all, and be honest about it.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 471.

The amendment is as follows:

(Purpose: To amend the budget resolution for fiscal year 2008 in order to accommodate the full repeal of the Alternative Minimum Tax preventing 23 million families and individuals from being subject to the AMT in 2007, and millions of families and individuals in subsequent years)

On page 3 line 10, decrease the amount by $30,700,000,000.

On page 3 line 11, decrease the amount by $32,500,000,000.

On page 3 line 12, decrease the amount by $96,300,000,000.

On page 3 line 13, decrease the amount by $112,200,000,000.

On page 3 line 14, decrease the amount by $51,400,000,000.

On page 3 line 15, decrease the amount by $51,900,000,000.

On page 3 line 16, decrease the amount by $95,000,000,000.

On page 3 line 17, decrease the amount by $7,700,000,000.

On page 3 line 18, decrease the amount by $7,700,000,000.

On page 3 line 19, decrease the amount by $12,984,000,000.

On page 4 line 20, decrease the amount by $12,984,000,000.

On page 4 line 21, decrease the amount by $3,450,000,000.

On page 4 line 22, decrease the amount by $532,830,000,000.

On page 4 line 23, decrease the amount by $532,830,000,000.

On page 4 line 24, decrease the amount by $500,000,000.

On page 4 line 25, decrease the amount by $5,140,000,000.

On page 4 line 26, decrease the amount by $5,140,000,000.

On page 4 line 27, decrease the amount by $8,774,000,000.

On page 4 line 28, decrease the amount by $3,450,000,000.

On page 4 line 29, decrease the amount by $532,830,000,000.

On page 4 line 30, decrease the amount by $532,830,000,000.

Mr. CONRAD. Mr. President, the reality of the budget resolution is this may not have anything to do with eliminating the alternative minimum tax. The one thing it will do is reduce the revenue of the Government over the next 5 years by $533 billion, plunging us right back into deficit. Look, we can deal with the AMT. We have dealt with it in the underlying budget resolution for the next 2 years. There will be no increase in the number of people affected by the AMT for the next 2 years under the budget resolution, and that is paid for. Unfortunately, this amendment is not paid for. It would plunge us back into deficit. I urge my colleagues to vote no.

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment.
The clerk will call the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

Mr. MCCONNELL. The following Senators were necessarily absent: the Senator from Mississippi (Mr. LOTT) and the Senator from Alabama (Mr. SESSIONS).

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

The result was announced—yeas 44, nays 53, as follows:

[Roll Call Vote No. 108 Leg.]

YEAS—44

Alexander—Crapo
Allard—Domenici
Bennett—Dole
Bond—Ensign
Brownback—Enzi
Bunning—East
Burr—Graham
Chambliss—Grassley
Coburn—Hagel
Cochran—Hoe
Colin—Hatch
Collins—Hatch
Corker—Haskins
Coryn—Hutchison
Craig—Inouye
Crisco—Isaacs
Cynthia—Issa
Dodd—Jackson
Durbin—Johnson
Dorgan—Johnson
Eckardt—Johnson
Ensign—Kerry
Ford—Kerry
Frank—Kerry
Kerry—Kennedy
Johnson—Kerry
McCain—Kerry
McConnell—Kerry
McDonough—Kerry
McCaskill—Kerry
McCaskill—Kerry
Murray—Kerry
Mikulski—Kerry
Menendez—Kerry
Mikulski—Kerry
Murray—Kerry
Mikulski—Kerry
Menendez—Kerry
Murray—Kerry

NAYS—53

Akaka—Feinstein
Baucus—Feinstein
Bayh—Feinstein
Biden—Feinstein
Bingaman—Feinstein
Boucher—Feinstein
Boxer—Feinstein
Brown—Feinstein
Byrd—Feinstein
Cantwell—Feinstein
Cardin—Feinstein
Carper—Feinstein
Casey—Feinstein
Clinton—Feinstein
Conrad—Feinstein
Dodd—Feinstein
Durbin—Feinstein
Feingold—Feinstein

NOT VOTING—3

Johnson—Lott
Sessions—Lott

The amendment (No. 471) was rejected.

Mr. CONRAD. Madam President, next, we are going to go to a Bingaman amendment. He will discuss it briefly, and we will have a colloquy.

I yield to Senator BINGAMAN.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

AMENDMENT NO. 587, WITHDRAWN

Mr. BINGAMAN. Madam President, I call up amendment No. 587.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. BINGAMAN), for himself, Ms. CANTWELL, Mr. SALAZAR, Mr. MENENDEZ, Mr. SANDERS, Mr. TESTER, Mr. BAUCUS, Mr. KERRY, Mrs. BOXER, Mr. DURBIN, and Ms. KLOBUCHAR, proposes an amendment numbered 587.

Mr. BINGAMAN. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To prohibit the scoring of any amount realized from the sale or lease of land or interests in land that are part of the National Park System, the National Forest System, or the National Wildlife Refuge System)

On page 48, between lines 14 and 15, insert the following:

SEC. 210. PROHIBITION ON SCORING OF AMOUNTS FROM SALES OR LEASES OF CERTAIN FEDERAL LAND.

Any amount realized from the sale or lease of land or interests in land that are part of the National Park System, the National Forest System, or the National Wildlife Refuge System shall not be scored with respect to the level of budget authority, outlays, or revenues.

Mr. BINGAMAN. Madam President, the purpose of this amendment is to take away any incentive to sell off our National Park System, or forests or wildlife system, by ensuring that we not count revenues from those sales in order to get a balanced budget. That is the idea behind it.

I am informed by the chairman of the Budget Committee that he would have to oppose the amendment in this form but he is not necessarily in disagreement about the purpose I am trying to accomplish. So I ask him his views on it before taking any further action.

Mr. CONRAD. Madam President, I would have to resist this amendment in its current form because it requires directed scoring. It requires the Congressional Budget Office to score something in a way mandated by Congress. I think that is a slippery slope. I don’t think that is the way we want to go. We don’t want to start requiring CBO to score things in a certain way. That would impede the impartiality of the CBO.

We are happy to work with the Senator to try to find other ways to address the concerns he has expressed in this amendment.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Madam President, I am pleased that the amendment is going to be withdrawn. I will be happy to work with the chairman on this issue. I understand their concern. We should not be selling off our public land treasures for the purpose of balancing the budget. At the same time, if you sell a surplus vacant piece of property, should it not go in and be counted as revenue of our Government if it were once an asset? I think the answer is yes.

Mr. BINGAMAN. Madam President, this amendment would preclude the sale of National Park, National Wildlife Refuge and National Forest lands as a means of paying ongoing operating expenses of the Federal Government. The amendment would have reinstated the budget treatment of these land sales as it existed prior to 1995 and would preclude the sell-off of our national heritage to balance the budget.

Senator Bingaman has spoken over the past several Congresses, controversial land sales and leasing proposals have been advanced within the context of the Federal budget process. These provisions have complicated the consideration of the budget and have frustrated the efforts of the Energy and Natural Resources Committee to ensure responsible stewardship of our Federal lands.

We understand that the chairman of the Budget Committee has concerns about changing the scoring rules in the context of this budget resolution. I have agreed to withdraw my amendment, with the understanding that the chairman of the Budget Committee will work with me and with the leadership of the Congressional Budget Office to address this important issue during the course of this year. It is my hope and expectation that this serious problem can be addressed prior to consideration of the next budget resolution.

I ask unanimous consent that several letters in support of the amendment be printed in the RECORD.

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


DEAR SENATOR: On behalf of the undersigned organizations and the millions of hunters, anglers and outdoor enthusiasts we represent, we urge an amendment that Senator Jeff Bingaman (D-N.M.) will offer to the Senate Budget Resolution this week to prohibit the scoring for budget purposes of revenues associated with the sale of public lands.

In recent years the budget and reconciliation process has been used to promote the sale of public lands and interests in public lands under the guise of deficit reduction. Last Congress, the House passed a reconciliation bill that included a mining law measure which would have resulted in a fire sale of millions of acres of our public lands. A draft of the same bill included a provision to sell off units of the National Park System such as Theodore Roosevelt Island. The President’s budget proposals in Fiscal Years 2007 and 2008 included the sale of nearly $1 billion worth of lands managed by the Forest Service and the Bureau of Land Management. These controversial measures require a fair and open debate and are not appropriate to be considered in the budget process. Millions of Americans enjoy hunting, fishing and the many other recreational opportunities that our magnificent public lands provide. It is irresponsible to sell our cherished public lands and interests in lands to balance the federal budget. Our public lands are a legacy for future generations that must be conserved. Unfortunately current budget rules provide an incentive to sell public lands for short-term revenues.

Budget reconciliation measures are inappropriate for legislation regarding public lands sales and leasing. Senator Bingaman’s amendment would reinstate the rule on the sale of assets of the Federal lands from 1987 through 1995. We respectfully urge you to stand for our public lands by supporting Senator Bingaman’s amendment to the Budget Resolution.

Sincerely,

JIM LYON, Senior Vice President for Conservation, National Wildlife Federation.
CHRIS WOOD,
Vice President for
Conservation, Trout
Unlimited.

JIM POJKEN,
Executive Director,
Orion—The Hunters
Institute.

STEPHEN K. KLEIN,
Associate Conservation
Director, Izako Wal-
ton League of Amer-
ican Hunters.

JIM MARTIN,
Conservation Director,
Berkley Conserva-
tion Institute.

MIKE BREAGLE,
Chairman,
Backcountry Hunt-
ers and Anglers.

ALASKA WILDERNESS LEAGUE,
AMERICAN LANDS ALLIANCE, DE-
FENDERS OF WILDLIFE, EARTH-
JUSTICE, EARTHWORKS, LEAGUE OF
CONSERVATION VOTERS, NATIONAL
ENVIRONMENTAL TRUST, NATURAL
RESOURCES DEFENSE COUNCIL, SI-
ERRA CLUB, THE WILDERNESS SO-
CIETY,

THOMAS C. KIERNAN,
President, National Parks Conservation.

Mr. BINGAMAN. Madam President, in
light of the position of the chairman of
the Budget Committee, I will with-
draw the amendment and work with
him in the coming months to see if we
can get this issue addressed in another
way so we don’t have this incentive—
not for the sale of all lands, of course,
but for the sale of these particular
lands to which we give a special des-
ignation.

With that, I withdraw amendment
No. 587.

The PRESIDING OFFICER. The
amendment is withdrawn.

Mr. CONRAD. Madam President, Sen-
ator DEMINT is next.

THE LEGISLATIVE CLERK: The
Senator from South Carolina is recognized.

AMENDMENT NO. 578

Mr. DEMINT. Madam President, I
call up amendment No. 578.

The PRESIDING OFFICER. The
clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr.
DEMINT], for himself, and Mr. Kyl, proposes
an amendment numbered 578.

The amendment is as follows:

(Purpose: To repeal the death tax)

On page 3, line 11, decrease the amount by
$2,100,000,000.

On page 3 line 12, decrease the amount by
$1,400,000,000.

On page 3, line 13, decrease the amount by
$2,900,000,000.

On page 3, line 14, decrease the amount by
$35,000,000,000.

Mr. DEMINT. Madam President, we
have had several votes regarding the
death tax today. Some have reduced it
a little bit. We have gotten into a lot of
details about who would win and who
would lose.
Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate from Delaware (Mr. BIDEN) proposes an amendment number 529.

MR. BIDEN. 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 increase funding for the COPS Program to $98,000,000.

On page 23, line 12, increase the amount by $98,000,000.
On page 23, line 13, increase the amount by $72,000,000.
On page 23, line 17, increase the amount by $107,000,000.
On page 23, line 21, increase the amount by $150,000,000.
On page 23, line 25, increase the amount by $120,000,000.
On page 24, line 4, increase the amount by $90,000,000.
On page 26, line 12, decrease the amount by $98,000,000.
On page 26, line 13, decrease the amount by $72,000,000.
On page 26, line 17, decrease the amount by $107,000,000.
On page 26, line 21, decrease the amount by $150,000,000.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be such a sufficient second. The question is on agreeing to the amendment. The amendment would increase funding for the COPS Program to $98,000,000.

Mr. BIDEN. Mr. President, I ask unanimous consent that the amendment be dispensed with.

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

The amendment is as follows:

Mr. BIDEN. 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 increase funding for the COPS Program to $98,000,000.

On page 23, line 12, increase the amount by $98,000,000.
On page 23, line 13, increase the amount by $72,000,000.
On page 23, line 17, increase the amount by $107,000,000.
On page 23, line 21, increase the amount by $150,000,000.
On page 23, line 25, increase the amount by $120,000,000.
On page 24, line 4, increase the amount by $90,000,000.
On page 26, line 12, decrease the amount by $98,000,000.
On page 26, line 13, decrease the amount by $72,000,000.
On page 26, line 17, decrease the amount by $107,000,000.
On page 26, line 21, decrease the amount by $150,000,000.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be such a sufficient second. The question is on agreeing to the amendment. The amendment would increase funding for the COPS Program to $98,000,000.

Mr. BIDEN. Mr. President, I ask unanimous consent that the amendment be dispensed with.

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

The amendment is as follows:

Purpose: To increase funding for the COPS Program to $98,000,000.

On page 23, line 12, increase the amount by $98,000,000.
On page 23, line 13, increase the amount by $72,000,000.
On page 23, line 17, increase the amount by $107,000,000.
On page 23, line 21, increase the amount by $150,000,000.
On page 23, line 25, increase the amount by $120,000,000.
On page 24, line 4, increase the amount by $90,000,000.
On page 26, line 12, decrease the amount by $98,000,000.
On page 26, line 13, decrease the amount by $72,000,000.
On page 26, line 17, decrease the amount by $107,000,000.
On page 26, line 21, decrease the amount by $150,000,000.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be such a sufficient second. The question is on agreeing to the amendment. The amendment would increase funding for the COPS Program to $98,000,000.
The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To prevent the adding of earmarks for spinach producers to an emergency war supplemental appropriations bill)

On page 94, line 9, before the period at the end, insert the following: "except that the authority to designate shall not apply to funding for spinach producers on a supplemental appropriations bill pursuant to section 3(e)(1) that is designated to supplement funding for ongoing combat operations."

Mr. DE MINT. Mr. President, this amendment really is symbolic of a lot of the things we are trying to work on. What it does is it focuses on extraneous funding that is directed toward supplemental spending bills, supplemental funding for combat operation spending, which we expect to be coming over from the House.

There are dozens and dozens of non-defense-related earmarks on this bill. We had a number of amendments which we have agreed not to vote on, but just to take the vote off the desk. We should not be adding $20 billion of extra spending on an emergency bill for our combat operations. We certainly should not be adding $25 million for spinach growers. This amendment would eliminate, as part of our budget process, the accepting of spending for spinach in relation to emergency supplemental spending for combat operations.

Mr. GREGG. Mr. President, I urge adoption of the amendment. The PRESIDING OFFICER. All time is yielded back.

Without objection, the amendment is agreed to.

The amendment (No. 534) was agreed to.

Amendment No. 534

Mr. GREGG. Senator DE MINT has another amendment.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. CONRAD. So let's just be clear. It is not modified. It is the amendment that was previously at the desk.

I thank the Chair, and I thank the Senator.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. DE MINT] proposes an amendment numbered 534.

Mr. CONRAD. 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 clarify the point of order to save Social Security first, not discretionary spending)

On page 47, line 25, strike "direct spending" and all that follows through "or revenue" on page 48, line 1.

Mr. CONRAD. I ask unanimous consent that we agree to the amendment.

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

The amendment (No. 530) was agreed to.

Amendment No. 530

Mr. GREGG. Mr. President, this amendment really is symbolic of a lot of the things we are trying to work on. What it does is it focuses on extraneous funding that is directed toward supplemental spending bills, supplemental funding for combat operation spending, which we expect to be coming over from the House.

There are dozens and dozens of non-defense-related earmarks on this bill. We had a number of amendments which we have agreed not to vote on, but just to take the vote off the desk. We should not be adding $20 billion of extra spending on an emergency bill for our combat operations. We certainly should not be adding $25 million for spinach growers. This amendment would eliminate, as part of our budget process, the accepting of spending for spinach in relation to emergency supplemental spending for combat operations.

Mr. GREGG. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. All time is yielded back.

Without objection, the amendment is agreed to.

The amendment (No. 534) was agreed to.

Amendment No. 594, As Modified

Mr. GREGG. We are now to Senator BUNNING.

Mr. BUNNING. Mr. President, I send a modification of amendment No. 594 to the desk. I add as cosponsors Senator GRASSLEY and Senator MCCONNELL.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. BUNNING], for himself, Mr. GRASSLEY and Mr. MCCONNELL, proposes an amendment numbered 594, as modified.

Mr. BUNNING. 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 deficit-neutral reserve fund for protecting State flexibility in Medicaid)

At the appropriate place, insert the following:

SEC. 3. DEFICIT-NEUTRAL RESERVE FUND FOR PROTECTING STATE FLEXIBILITY IN MEDICAID

If the Committee on Finance reports a bill or joint resolution, if an amendment is offered thereto, or if a conference report is submitted thereon, that implements improvements to Medicare, Medicaid, or the State Children's Health Insurance Program, but that does not require States to provide coverage to Medicaid recipients through flexible benefit options that provide greater opportunities to provide health benefits for Medicare beneficiaries or to alter the guarantee in section 1937 of the Social Security Act of coverage of early and periodic screening, diagnostic, and treatment services for children, then, provided that the Committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974, the Chairman of the Committee on Appropriations may make an appropriation to ensure that legislation could not alter Medicaid's mandatory coverage benefits for children.

Specifically, section 1937(a)(1)(A) contained two related provisions. First, section 1937(a)(1)(A)(i), provides that States choosing to provide coverage under this section must provide benchmark coverage or benchmark equivalent coverage. Specifically, section 1937(a)(1)(A) contained two related provisions. First, section 1937(a)(1)(A)(i), provides that States choosing to provide coverage under this section must provide benchmark coverage or benchmark equivalent coverage in the case of beneficiaries for whom a benchmark is an option. Second, section 1937(a)(1)(A)(ii), provides that States choosing to provide coverage under this section must provide benchmark coverage or benchmark equivalent coverage. States must cover "wrap-around" benefits to the benchmark...
coverage or benchmark equivalent coverage consisting of EPSDT services and benefits specified in section 1905(r). In other words, an EPSDT “wraparound” consisting of all benefits and services enumerated in section 1905(r) is a required benefit. This section allows States to offer one or more “wraparound” benefits to enrollees, who otherwise would be limited to benchmark or benchmark equivalent coverage. EPSDT is not made optional but remains a required benefit.

On March 31, 2006, the Center for Medicare and Medicaid Services, CMS, issued guidance to states in a Dear State Medicaid Director letter on the implementation of the benchmark coverage. The CMS letter stated the following:

*Individuals under age 19 who are covered under the State plan section 1920(a)(10)(A) of the Act must receive wrap-around benefits to the benchmark, or benchmark-equivalent plan, consisting of early and periodic screening, diagnostic, and treatment (EPSDT) services defined in section 1905(r). Wrap-around benefits must be sufficient so that, in combination with the benchmark or benchmark-equivalent benefits package, these individuals receive the full EPSDT benefit. The State plan must include a description of how wrap-around benefits or additional services will be provided to ensure that these beneficiaries receive full EPSDT services.*

*It is my belief that the requirement of the provision of ESPDT to all children receiving benefits through a benchmark benefit package is a settled issue, both as a matter of law and of implementation of the law.*

*Giving States the ability to design benefit packages that are appropriate to the people receiving the benefits is key to Medicaid’s future. The purpose of the important provision is to allow the States from a one-size-fits-all approach to Medicaid. Several States, including Kentucky, West Virginia, Idaho and Kansas, are taking the lead with these innovative plans to cover Medicaid recipients. We should resist any effort to limit the ability of the States to develop and implement these flexible, benchmark benefit plans. This flexibility will strengthen the long-term viability of the Medicaid Program and thereby protects coverage for low-income children, pregnant women and families.*

A vote against the Bunning amendment is a vote against the tools that States desperately need to manage their Medicaid Program. To me, the vote here is obvious. Vote to protect the Medicaid Program and state flexibility in Medicaid. Vote to protect the EPSDT benefit for children. Vote for the Bunning amendment.

*If the Committee on Finance reports a bill or joint resolution, if an amendment is offered thereto, or if a conference report is submitted thereon, that provides for reauthorization of the State Children’s Health Insurance Program (SCHIP), eliminates enhanced Federal matching payments for coverage of non-pregnant adults and permits States to offer supplemental dental and mental health benefits for children enrolled in SCHIP, the amendment is as follows:*
the expense of no one and for the benefit of children.

Mr. BAUCUS. Mr. President, the underlying budget resolution expands SCHIP coverage. This amendment goes the other direction; it restricts coverage. It creates a false choice saying we will take away here, we will give there. The net effect of it is it restricts coverage for kids.

It is similar to—it is not exactly the same as, but it is similar to the Cornyn amendment on SCHIP, which we defeated with a vote of 38 to 59.

The long and short of it is, this does restrict SCHIP benefits. I urge us not to go in the direction of restricting SCHIP coverage. I want to actually go in the other direction and expand. I urge that we not adopt this amendment.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DURBIN. Mr. President, I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

The PRESIDING OFFICER. The Senator (Mr. WEBB). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 44, nays 55, as follows:

[Rollcall Vote No. 112 Leg.]

YEAS—44

Alexander
Allard
Bennett
Bond
Brownback
Bunning
Burr
Chambliss
Coburn
Cochenour
Corker
Corzine
Craig
Crapo
DeMint

Dole
Domenech
Ensign
East
Graham
Grassley
Gregg
Hagel
Hatch
Hatch
Inhofe
Jackson
Kyl
Lott
Linear

Martinez
McCain
McConnell
Murkowski
Roberts
Sessions
Shelby
Stevens
Sensenig
Thomas
Saxby
Smathers

NAYS—55

Akaka
Baucus
Bayh
Biden
Bingaman
Boozman
Brown
Byrd
Cantwell
Cardin
Carper
Casey
Clinton
Collins
Conrad
Dodd
Durbin

Feingold
Feinstein
Harkin
Inouye
Kennedy
Kerry
Klobuchar
Kohl
Lautenberg
Leahy
Levin
Lieberman
McCaskill
Menendez
Mikulski
Murray

Nelson (NE)
Obama
Pryor
Reed
Reid
Rockefeller
Salazar
Sanders
Schumer
Smith
Snowe
Specter
Stabenow
Tester
Webb
Whitehouse
Wyden

NOT VOTING—1

Johnson

The amendment (No. 536) was rejected.
On page 4, line 7, increase the amount by $3,139,000,000.
On page 4, line 8, increase the amount by $5,653,000,000.
On page 4, line 9, increase the amount by $7,944,000,000.
On page 4, line 10, increase the amount by $9,809,000,000.
On page 4, line 11, increase the amount by $225,000,000.
On page 4, line 15, increase the amount by $1,539,000,000.
On page 4, line 16, increase the amount by $3,413,000,000.
On page 4, line 17, increase the amount by $5,653,000,000.
On page 4, line 18, increase the amount by $7,944,000,000.
On page 4, line 19, increase the amount by $9,809,000,000.
On page 4, line 23, increase the amount by $14,025,000,000.
On page 4, line 24, increase the amount by $20,000,000,000.
On page 4, line 25, increase the amount by $45,113,000,000.
On page 5, line 1, increase the amount by $1,539,000,000.
On page 5, line 2, increase the amount by $225,000,000.
On page 5, line 3, increase the amount by $33,709,000,000.
On page 5, line 4, increase the amount by $47,244,000,000.
On page 5, line 5, increase the amount by $52,164,000,000.
On page 5, line 6, increase the amount by $57,491,000,000.
On page 5, line 7, increase the amount by $62,618,000,000.
On page 5, line 8, increase the amount by $79,278,000,000.
On page 5, line 9, increase the amount by $149,831,000,000.
On page 5, line 10, increase the amount by $197,075,000,000.
On page 5, line 11, increase the amount by $230,784,000,000.
On page 5, line 12, increase the amount by $273,693,000,000.
On page 5, line 15, increase the amount by $52,164,000,000.
On page 5, line 16, increase the amount by $97,278,000,000.
On page 5, line 17, increase the amount by $149,831,000,000.
On page 5, line 18, increase the amount by $197,075,000,000.
On page 5, line 19, increase the amount by $230,784,000,000.
On page 5, line 21, increase the amount by $273,693,000,000.

The amendment (No. 606) was rejected.
Mr. DURBIN. I move to reconsider the vote.
Mr. BOXER. I move to lay that motion on the table.
The motion to lay on the table was agreed to.
Mr. DURBIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.
The assistant journal clerk proceeded to call the roll.
Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CONRAD. Mr. President, I have another package of cleared amendments that Senator GREGG and I have agreed to.

AMENDMENT NO. 638
Mr. CONRAD. Mr. President, I ask unanimous consent that the Gregg-Conrad amendment No. 638 be agreed to.

The PRESIDING OFFICER. Is there objection?
Without objection, it is so ordered.

The amendment (No. 638) was agreed to, as follows:

(Purpose: To create a point of order against increasing mandatory spending in appropriation bills)

At the end of Title II insert the following:

SEC. 2. POINT OF ORDER AGAINST PROVISIONS OF APPROPRIATIONS LEGISLATION THAT CONSTITUTES CHANGES IN MANDATORY PROGRAMS WITH NET COSTS.

(a) IN GENERAL.—It shall not be in order in the Senate to consider any appropriations legislation, including any amendment thereto, motion in relation thereto, or conference report thereon, which includes one or more provisions that would have been estimated as affecting direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002) were they included in legislation other than appropriations legislation, that such provision has a net cost over the total period of the current year, the budget year, and all fiscal years covered under the most recently adopted concurrent resolution on the budget.

(b) DETERMINATION.—For purposes of this section, the determination of whether a provision violates paragraph (a) shall be made by the Committee on the Budget of the Senate.

(c) SUPERMAJORITY WAIVER AND APPEAL.—This section may be waived or suspended only by an affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the chair on a point of order raised under this section.

(d) GENERAL POINT OF ORDER.—It shall be in order for a Senator to raise a single point of order that several provisions of a bill, resolution, amendment, or conference report violate this section. The Presiding Officer may sustain the point of order as to
Mr. CONRAD. Mr. President, I ask unanimous consent that the Smith amendment No. 518 be agreed to.

Amendment No. 518

Mr. CONRAD. Mr. President, I ask unanimous consent that the Smith amendment No. 518 be agreed to.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment (No. 518) was agreed to, as follows:

Purpose: To fund the State Department, USAID, and other foreign affairs agencies and their programs at the level requested by the President.

On page 9, line 8, increase the amount by $2,200,000,000.

On page 9, line 9, increase the amount by $1,049,400,000.

On page 9, line 13, increase the amount by $567,600,000.

On page 9, line 17, increase the amount by $224,400,000.

On page 9, line 21, increase the amount by $149,600,000.

On page 9, line 25, increase the amount by $212,000,000.

On page 12, line 12, decrease the amount by $2,200,000,000.

On page 12, line 13, decrease the amount by $1,049,400,000.

On page 12, line 17, decrease the amount by $567,600,000.

On page 12, line 21, decrease the amount by $224,400,000.

On page 12, line 25, decrease the amount by $149,600,000.

On page 14, line 4, decrease the amount by $121,000,000.

Mr. DODD. Mr. President, I want to take a moment to explain why I offered an amendment with Senator SMITH to increase the international affairs budget. Prior to the Budget Committee's consideration of the 2008 international affairs budget, Senator SMITH and I, along with many of our colleagues on both sides of the aisle, circulated a letter to the Budget Committee asking for a significant increase in the international affairs budget.

I feel very strongly that given the myriad challenges facing the United States around the world, the international affairs budget needs to be more robustly funded.

As my colleagues know, this budget supports the people and programs devoted to strengthening alliances, promoting peaceful relationships among nations, boosting economic development, eliminating poverty, and explaining and representing U.S. policy abroad.

As my colleagues also know, the international affairs budget consists of over $500 billion of Federal spending, yet it funds some of the most essential components of America's foreign policy, including our diplomatic service, foreign aid, international health programs, and emergency relief operations.

The international affairs budget provides the funding for the most important tools we have to implement our foreign policy. Robust funding is necessary to implement these critical programs and by establishing incentives to encourage the continued production in the U.S. of advanced technologies and the infrastructure to support them.

There are many other parts of this resolution to be pleased with as well. For too long now we have been digging deeper and deeper into a ditch of debt. President Bush's budget submitted to Congress in February would continue that trend by increasing the gross Federal deficit by nearly $1.5 trillion by 2012. That's $38,000 per person.

The budget resolution we are considering today should start to reverse that trend.

First, this resolution reestablishes a strong pay-go rule, which would require any new spending or tax cuts to be paid for elsewhere in the budget or receive a supermajority of at least 60 votes in the Senate. This concept is a common sense for most families, who work to live within their means by balancing what goes in with what comes in. I heartily welcome its return.

This budget also takes the positive steps of establishing a new budget point of order against long-term deficit increases and allowing the Senate's unique budget reconciliation process, which was abused in recent years by the Republican majority, to be used for deficit reduction only, not to increase the deficit with measures which otherwise could not pass the Senate.

This budget also provides a landmark for going after our country's massive $350 billion tax gap, which is the difference between the amount of taxes owed by
taxpayers and the amount collected. One of the primary tax gap areas I hope Congress will focus on this year is the offshore tax haven and tax shelter abuses that are undermining the integrity of our tax system. There are many ways Congress can go about tackling these problems. I commend Chairman CONRAD and the Budget Committee for their willingness to take on and push Congress to address these complicated areas. Cracking down on these abuses which shift the tax burden onto ordinary taxpayers is a critical step toward achieving fairness in our tax system.

Additionally, I am pleased that this budget assumes an extension of alternative minimum tax, AMT, relief for 2 years. This is relief we know is needed to avoid imposing this unintended tax increase on millions of middle income families. This time frame gives the Finance Committee time to work out a fix that is appropriate and, I hope, paid for.

The two AMT amendments offered to this resolution which we considered today were not paid for. The amendment offered by Senator LOTT would add $231 billion to the debt over the next 5 years. This amendment would have cost $533 billion over that same time. We must not only fix AMT, we must fix it responsibly.

Furthermore, I am pleased that this budget resolution supports our men and women in uniform by providing all the funding requested by the President for national defense, for both the underlying national defense program and the additional costs of operations in Iraq and Afghanistan. I believe our policy in Iraq must change, but I do not have opposed from the first time we voted on it in 2001, and which we simultaneously rejected.

I am also pleased that this budget rejects that inadequately proposed, and this budget resolution does that.

This budget also represents a significant improvement over the President’s budget for education. There are more than $8 billion for education: No Child Left Behind Act than the President requested. It would be shameful to fail in our responsibility to our children to adopt a spending blueprint that does not provide our schools the resources they need.

I am also pleased that this budget rejects the broad array of cuts to environmental protection programs that were included in the President’s budget. This budget resolution fully funds the Superfund program to support clean and safe drinking water, and increases funding for the Superfund program by $211 million over the level in the President’s budget. The budget also provides about $900 million more for the EPA than the President’s budget. This bill also protects Federal lands by rejecting President Bush’s proposal to allow the transfer of Federal lands.

I am also heartened that the budget rejects the President’s proposal to drill in the Arctic National Wildlife Refuge, ANWR.

Further, I also support the Senate’s adoption of an amendment to fund the Low-Income Home Energy Assistance Program, LIHEAP, at $3.2 billion, which will ensure that more households can be served by this very important program. Unfortunately, this program has been woefully underfunded by President Bush’s budget, as well as in past years.

I also want to talk a bit about a couple more of the amendments we voted on today. I support extending tax cuts for low- and middle-income taxpayers. However, I opposed Senator GRAHAM’s amendment because it would have extended the excessive tax cuts for those in the highest income bracket which I have opposed from the first time we voted on it in 2001, and which we simply can’t afford.

I also opposed an estate tax amendment offered by Senator BEN NELSON. I would support legislation to prevent a return to the 2001 exemption level, which is too low and no longer appropriate. The current law estate tax exemption level for 2009 of $3.5 million, $7 million for couples, is inappropriate and results in only one-third of one percent of estates owing any estate tax. I also had concerns about the Nelson amendment because it would have increased the rate to 35 percent, which would be a huge loss to the treasury and the amendment does not specify how the revenue needed to keep these changes from increasing the deficit would be raised.

It is a welcome change to be voting for a budget resolution that I believe can change the failed fiscal policies and irresponsible tax cuts pushed by this administration. This resolution paves the way for important investments in America’s future to put our country back on track and to begin the long process of climbing out of the ditch of debt.

Mr. President, during this budget debate there have been different views expressed regarding the amount of revenue that would result if Congress will go after the offshore tax haven and tax shelter abuses that are undermining the integrity of our tax system. There are many ways Congress can go about tackling these problems, and I commend Chairman CONRAD and the Budget Committee for their willingness to take on and push Congress to address these complicated areas. Cracking down on these abuses is a critical step toward achieving fairness in our tax system.

If Congress addresses these inequities, it would also bring in billions of dollars needed to pay for many important national priorities. These priorities are recognized in this budget resolution itself, such as education, children’s health care, veterans medical care, community development block grants, and law enforcement. We can take the way towards these critical programs by stopping these tax dodges that rob the Treasury of up to $100 billion a year, and shift the tax burden from high-income persons and companies who are principal users of offshore tax havens onto the backs of middle-income families who pay their taxes.

For many years, the Permanent Subcommittee on Investigations, of which I am chairman, has been looking at the issue of offshore corporate, bank, and tax secrecy laws and practices that help taxpayers dodge their U.S. tax obligations by preventing U.S. tax authorities from gaining access to key financial and beneficial ownership information.

The subcommittee has also spent years looking at abusive tax shelters, which are complicated transactions promoted to provide tax benefits unintended by the Tax Code. They are very different from legitimate tax shelters, such as deducting the interest paid on home mortgages or congressionally approved tax deductions for building affordable housing. Some abusive tax
shelters involve complicated domestic transactions; others make use of offshore shenanigans. All abusive tax shelters are marked by one characteristic: no real economic or business rationale other than tax avoidance.

I would like to talk briefly about what we found during those investigations. I think the specifics help make clear that if we have the political will, these areas are ripe with abuses that we can put an end to.

Offshore Investigation. During its year-long investigation into offshore tax haven abuses, the subcommittee issued more than 70 subpoenas, conducted more than 80 interviews, and reviewed more than 2 million pages of documents. In the resulting hearing held in August 2006, the subcommittee showed through case studies that offshore tax haven countries have, in effect, declared economic war on honest U.S. taxpayers by giving tax dodgers a way to avoid their U.S. tax bills and leave them for others to pay. These tax havens attract these tax dodgers by shrouding their financial transactions in a “black box” of secrecy that is extremely difficult to penetrate. They sell secrecy to attract customers and reweigh it on no taxes.

This legal black box allows tax dodgers to hide assets, mask who controls them, and obscure how their assets are used. An army of “offshore service providers” — lawyers, bankers, brokers, and others — is adept at tearing the impenetrable curtain of secrecy and help clients skirt U.S. tax, securities, and anti-money laundering laws. Many of the firms concocting or facilitating these schemes are respected names here in the United States.

These schemes require the secrecy of tax havens because they can’t stand the light of day. Our investigation laid out six case studies that illustrated the scope and seriousness of the problem. In one case, two U.S. citizens moved their personal furnishings and jewelry for the personal use of the family members.

The subcommittee investigation of a tax shelter scheme involved an offshore bank and an administrative services firm for offshore entities, both housed in a building in the Cayman Islands that we have shown a few times on the Senate floor during this budget debate, the Ugland House. Believe it or not, the building is the official address of 12,748 companies. Just a few post office boxes in the building enable these shell companies to shift profits that otherwise should be reported as taxable income in the country where it is actually earned.

In another case study, two offshore shell corporations engaged in fake stock transactions, seeming to trade stock back and forth as if it were fantasy baseball to create the illusion of economic activity. The shell corporations pretended to run up hundreds of millions of dollars in fake stock losses to offset about $2 billion in real capital gains of the promoters’ U.S. clients. The result was $300 million in lost tax revenues to the Treasury. This offshore scheme would be comical because of its complexity but for the sobering fact that these tax haven abuses are eating away at the fabric of the U.S. tax system and undermining U.S. laws intended to safeguard our capital markets and financial systems from financial crime.

Our investigation shone a needed spotlight into the black box of offshore tax havens. It revealed a system that is corrupt and corrupting. Honest Americans are footing the bill for tax haven abuses, and it is time for Congress to shut those abuses down.

Abusive Tax Shelters. In addition to offshore shenanigans, there are plenty of homegrown tax shelters being used to dodge taxes. For 5 years, our subcommittee has been conducting investigations into the design, sale, and implementation of these complex transactions that have no economic or business rationale other than to avoid tax. Our first hearing on this topic in recent years, in January 2002, when the subcommittee examined an abusive tax shelter purchased by Enron. In November 2003, the subcommittee held 2 days of hearings and released a staff report that pulled back the curtain on how even some respected accounting firms, banks, investment advisors, and law firms had become engines pushing the design and sale of abusive tax shelters to corpora-

tions and individuals across this country. In February 2005, the subcommittee issued another report that provided further details on the role these professional firms played in the proliferation of these abusive shelters. Our subcommittee report was endorsed by the full Committee on Homeland Security and Governmental Affairs in April 2005. Most recently, a 2006 subcommittee staff report entitled, “Tax Haven Abuses: The Enablers, the Tools, and Secrecy,” disclosed how financial and legal professionals designed and sold abusive tax shelters known as the POINT Strategy, which depended on secrecy laws and practices in the Isle of Man to conceal the phantom nature of securities trades that lay at the center of that tax shelter transaction.

The subcommittee investigations have found that many abusive tax shelters are not dreamed up by the taxpay-
ers who use them. Instead, most are devised by tax professionals, such as accountants, bankers, investment advisors, and law firms. The tax shelter to clients for a fee. In fact, as our 2003 investigation widened, we found a large number of tax advisors cooking up one complex scheme after another, packaging them up as generic “tax products” with boiler-plate legal and tax opinion letters, and then undertaking elaborate marketing schemes to peddle these products to literally thousands of persons across the country. In return, these tax shelter promoters were getting hundreds of millions of dollars in fees, while diverting billions of dollars in tax revenues from the U.S. Treasury each year.

The subcommittee investigated by the subcommittee and featured in the 2003 hearings has since become part of an IRS effort to settle cases involving a set of abusive tax shelters known as “Son of Boss.” Following our hearing, more than 1,200 taxpayers have admitted wrongdoing and agreed to pay back taxes, interest, and penalties totaling more than $3.7 billion. That is billions of dollars the IRS has collected just one type of tax shelter, demonstrating both the depth of the problem and the potential for progress.

The subcommittee featured in our 2006 hearing involved another $300 million in taxes lost to the Treasury on transactions conducted by just six taxpayers.

Tax Levies on Federal Contractors Who Don’t Pay Their Taxes. That is not all. For the last 4 years, our subcommittee has been focusing attention on another sector of the tax gap involving Federal contractors who don’t pay their taxes. These contractors are stuffing their pockets with taxpayer dollars, while stiffing Uncle Sam by not paying their tax obligations.

Past subcommittee hearings have exposed the fact that there are about 77,000 defense contractors with $3 billion in unpaid taxes, 33,000 contractors with other Federal agencies who owe $3.3 billion in unpaid tax debt, and 3,800 GSA contractors with $1.4 billion in unpaid tax debt. Earlier this week, another subcommittee hearing put the spotlight on 21,000 Medicare physicians and related medical suppliers with $1.3 billion in unpaid tax debt. These mind-boggling numbers represent tens of thousands of companies putting their hand in the taxpayers’ wallet, while dodging billions of dollars in tax obligations.

A key program designed to stop this type of abuse is the Federal Payment Levy Program. This program was enacted about 10 years ago to enable the Federal Government to identify Federal contractors who don’t pay their tax obligations, and then withhold a portion of the person’s tax debt. For the last 4 years, our subcommittee has conducted an intensive effort to strengthen the Federal payment levy program by identifying Federal contractors who don’t pay their taxes. As a result, over the past 3 years, tax levy collections as a whole have more than doubled, increasing from about $136 million in 2004 to nearly $340 million in 2006. Of these collections from Federal contractors in particular have also more than doubled, increasing from about $28 million
to $62 million. But $62 million is only a fraction of the billions of uncollected taxes owed by Federal contractors getting paid hundreds of billions in taxpayer dollars. Much more can and should be done to reduce the Federal tax gap by increasing tax levies collection.

The first step would be to require the Center for Medicare and Medicaid Services to move as quickly as possible to make all $450 billion Medicare and Medicaid payments each year subject to the tax levy program, so that all of these taxpayer dollars are screened for repayment of tax debt. The next step would be to strengthen the tax levy program as a whole. In 2006, for example, the Federal Government identified a total of about $122 billion in assessed tax debt that could be collected, in part, through the tax levy program. At the same time, it determined that only about 45 percent of that uncollected tax debt was actually matched against the Federal payments being made that year. In other words, in 2006, some $67 billion in tax debt was never “turned on” for actual collection under the tax levy program.

Simple reforms could ensure that a lot more of it. $67 billion is set up for collection under the tax levy program. One key barrier right now, for example, is an elaborate series of tax levy notices, mandated by law, that currently have to be issued by the IRS before tax debt can be levied through the tax levy program. While the tax levy notices mandate the Federal Government is targeting payments being provided by a third party, such as an employer, they make a lot less sense when the levy is targeting taxpayer dollars going to the very people who owe the tax debt. For that reason, Senator COLEMAN and I plan to introduce legislation to reform the tax levy notice process for Federal payments. We also plan to strengthen other aspects of the tax levy program to start narrowing that multibillion-dollar tax gap.

IRS Enforcement Efforts to Reduce the Tax Gap. In our efforts to reducing the tax gap, it will be critical that we give the IRS the funds it needs to go after tax dodgers. For every dollar invested in the IRS’s budget, the service yields more than $1 in enforcement revenue. Beyond the additional revenues collected, increased IRS enforcement deters those who might otherwise have dodged their tax obligations and assures honest taxpayers that compliance with the law is broadly achieved.

I am pleased that this budget resolution fully funds the President’s budget request for the IRS, and includes an additional $890 million to support the IRS enforcement activities. I can’t think of many better investments to recover revenues wrongfully lost to the U.S. Treasury and to build respect for the law and the respect for the honest Americans who play by the rules and meet their tax obligations.

Scope of Problem. The abusive tax shelters and offshore case studies that the subcommittee has delved into are merely a handful of examples that can be used to better understand the details behind these widespread problems. Because secrecy is such a key component of offshore abuses, it is incredibly difficult to estimate just how much income is sheltered offshore. Recent estimates from tax experts, Joe Guttentag and Reuven Avi-Yonah, estimate that offshore tax haven abuses by individuals cost the U.S. Treasury between $40 billion and $70 billion. This settlement in taxes that are owed but not collected.

Corporations are also using tax haven’s to avoid payment of U.S. taxes. Preliminary results from a study to be released soon by Kimberly Clawson of Wellesley College show that $30 billion in U.S. revenue was lost in 2002 from profit-shifting by corporations to low-tax countries. A GAO report Senator DORGAN and I released in 2004 found that nearly two-thirds of the top 100 companies doing business with the U.S. had subsidiaries in tax havens.

One notable offshore tax haven’s, Tyco International, had 115. Enron, in its heyday, had over 400 Cayman subsidiaries.

Data released by the Commerce Department further demonstrates the extent of U.S. corporate use of tax havens, indicating that, as of 2001, almost half of all foreign profits of U.S. corporations were in tax havens. A study released the Journal, “Tax Notes” in September 2004 found that American companies were able to shift $149 billion of profits to 18 tax haven countries in 2002, up 68 percent from $88 billion in 1999.

A 2004 study by Professor John Zdanowicz found that transfer pricing abuses by corporations cost the U.S. Treasury $53 billion a year. Last year the IRS settled a transfer pricing dispute with one company alone, drug giant GlaxoSmithKline, for $3.4 billion. The settlement with just one company indicates that it is worth looking to see if there are ways to improve the relevant portions of the Tax Code. Treasury has proposed regulations in this area, and I urge the administration to finalize those rules in as strong a form as possible. I also urge the Finance Committee and others to make it a priority to stop these transfer pricing abuses that are hurting average taxpayers as well as disadvantaging U.S. companies that play by the rules.

How to Address the Problem. One of the big questions that surrounds all of this is how to start addressing these problems. I have a bill that would be a huge step in the right direction. We can’t let the offshore tax havens hide $100 billion in U.S. tax revenues which are needed to protect our troops, fund health care and education, and meet the other needs of American families. We cannot tolerate high-priced accountants concocting ways for tax cheats to offshore their unpaid taxes onto the backs of honest taxpayers. That is why earlier this year I introduced the Stop Tax Haven Abuse Act, along with Senators Coleman and Obama. This bill provides a powerful new set of tools to clamp down on offshore tax and tax shelter abuses.

Among other measures, our bill would:

Establish Presumptions to Combat Offshore Secrecy by allowing U.S. tax and securities law enforcement to presume that nonpublicly traded, offshore corporations and trusts are controlled by the U.S. taxpayers who formed them or sent them assets, and to presume that money moving between U.S. taxpayers and offshore entities is taxable income, unless the taxpayer proves otherwise.

Impose Tougher Requirements on U.S. Taxpayers Using Offshore Secrecy Jurisdictions by listing 34 jurisdictions which have already been named in IRS court filings as probable locations for U.S. tax evasion;

- Close Offshore Trust Loopholes by taxing offshore trust income used to buy real estate, artwork and jewelry for U.S. persons, and treating as trust beneficiaries those persons who actually receive offshore trust assets;

- Strengthen Penalties on tax shelter promoters by increasing the maximum fine to 150 percent of their ill-gotten gains, and increase the maximum prison terms from 10 years to 30 years for those who hide offshore stock holdings by increasing the maximum fine on them to $1 million per violation of U.S. securities laws;

- Stop Tax Shelter Patents by prohibiting the U.S. Patent and Trademark Office from issuing patents for “inventions designed to minimize, avoid, defer, or otherwise affect liability for Federal, State, local, or foreign tax”.

This is only a partial list of a host of innovative measures we have included in our bill to strengthen the ability of Federal regulators to combat offshore tax haven and tax shelter abuses. We believe these new tools merit congressional attention and enactment this year if we are going to begin make a real dent in the $100 billion in annual lost tax revenue from offshore tax abuses that forces honest taxpayers to shoulder a greater tax burden than they would otherwise have to bear.

Tax cheats make it harder to maintain highways, bridges, schools, hospitals, advanced medical research, and inspect our food. They make it difficult to give needed tax relief to small businesses
and middle-income victims of the alternative minimum tax. They also deepen the deficit ditch that threatens the economic well-being of our children and grandchildren. The assumptions made in this budget resolution that we can raise ample revenues by shutting them down are not only reasonable, they are crucial to maintaining the integrity of our tax system. I applaud Chairman CONRAD and the Budget Committee, as well as the Finance Committee and Chairman BAUCUS, for their hard work on this front, and I look forward to working with them and other allies on this issue as we address these problems later this year.

Mr. KERRY. Mr. President, I support this budget resolution. For the last few years, I have not been able to support the budget resolution because it focused on the wrong priorities. I would like to commend Senate Budget Committee Chairman CONRAD for crafting a budget resolution that focuses on the right priorities.

Today, we have before us a resolution that restores fiscal sanity to the budget process. It recognizes the realities of our current and future financial situation. This resolution eliminates the deficits unlike the Bush administration’s budget it does not leave out important costs like the funding of the wars in Iraq and Afghanistan and addressing the individual alternative minimum tax, AMT.

This budget resolution returns discipline to the budget process. It restores the pay-as-you-go-rule which was essential to reducing the deficit in the 1990s. It includes a provision which requires the reconciliation process to be used for deficit reduction. The reconciliation process was designed to set up a procedure to expedite the passage of legislation. It was used successfully to reduce the deficit, but in recent years it was used to pass debt-financed tax cuts. Today, we are restoring the reconciliation process to its original purpose—deficit reduction.

The priority of the Administration’s budget is to make permanent the 2001 and 2003 tax cuts—at the expense of hard working families. This budget puts families first; it puts education first; it puts health care first. It is a resolution we can and should be proud of, particularly because we will be reauthorizing the Higher Education Act and the No Child Left Behind Act. We know that the President will not come to support this budget. Today, we are restoring the reconciliation process to its original purpose—deficit reduction.

This resolution specifically and substantially addresses one of my legislative priorities—providing health insurance to children. In 2005, 361,000 children under the age of 18 were added to the rolls of the uninsured, the first time in almost a decade that the number of children without insurance in this country increased. This brings the total number of uninsured children under the age of 21 to a staggering 14 million. Thankfully, this budget begins to put kids first.

Under the resolution, the State Children’s Health Insurance Program, SCHIP, will be funded with an additional $50 billion over the next five years. This will maintain coverage for all currently enrolled children and enable coverage to be expanded to the estimated 4 million children that are eligible for, but not enrolled in, public health insurance programs. I will continue to work on this issue to ensure that every child in America gets the health care coverage they deserve: Their health and our future depend upon it.

This budget resolution includes many deficit-neutral reserve funds which will allow us to address our priorities in a fiscally responsible manner, including a fund for small business health care. Recently, Senator SOWE and I held a hearing on this issue in the Committee on Small Business and Entrepreneurship. This hearing provided a blueprint for how we can move forward to provide businesses with the relief they need from rising premium costs while also ensuring that more employees of small firms have access to affordable, meaningful health care coverage.

I have introduced legislation that would provide small businesses with refundable tax credits to help with the cost of providing their employees with coverage. I am also working on reinsurance legislation that would help small businesses with administrative costs. Small business health care needs to be addressed this year. I look forward to working with my colleagues on this issue.

This budget makes veterans a priority. Our veterans have admirably served their country and should receive the best health care that we can provide them. To follow through on this promise this budget resolution includes a deficit-neutral reserve fund to make sure that those veterans receive necessary treatments and services.

I offered an amendment which ensures that this reserve fund addresses the needs of low-vision and blinded veterans. More and more of our brave soldiers returning from Iraq are coming home with serious eye injuries, mainly caused by traumatic brain injury. We must do our best to provide vision rehabilitation and screening services to try and save the sight of these veterans. I am pleased that my amendment, passed so that low-vision and blinded veterans will get the services they deserve.

I am pleased that this budget resolution puts an end to the myth that tax cuts pay for themselves. During the debate on this budget resolution, many of my colleagues argued that this resolution represents a tax increase. That is wrong. This budget provides a deficit-neutral reserve fund for tax relief. This will give the Finance Committee the opportunity to evaluate the tax cuts and extend them in a revenue-neutral manner.

This budget addresses the individual AMT for 2007 and 2008. The Administration’s budget only addresses this AMT for 2007. The resolution will prevent new taxpayers from being impacted by the AMT for the next 2 years and gives time to work on a fiscally responsible solution. We need to address the AMT so it no longer punishes families with children that live in high tax States. Without addressing the AMT, there will be a hidden tax increase on the middle class.

I urge my colleagues to vote for this fiscally responsible budget resolution that puts families first.

Mr. ENZI. Mr. President, as the Senate concludes debate on the fiscal year 2008 budget resolution, I would like to thank Chairman CONRAD and Senator GREGG for all of their hard work at the mark-up last week. We had a constructive debate, and while I did not vote for the budget, I respect and admire the way he ran the committee mark-up. I know that crafting an annual budget is a difficult task. I also want to acknowledge the importance of writing and passing a budget resolution. This document is a vital part of the operation of Congress. It sets a fiscal blueprint that Congress will follow for the year, and establishes procedural hurdles when these guidelines are not adhered to.

As an accountant, I think it is a valuable exercise to review our Nation’s overall priorities. I was disappointed to learn that the committee-reported resolution, adopted on a party-line vote, doesn’t do more to promote economic growth and limit overall government spending. This is a tax-and-spend, big-government budget. It assumes that the tax cuts will expire as scheduled under current law, resulting in $900 billion in tax increases for Americans. The Democratic budget outspends the President’s discretionary budget request. The committee-reported resolution allows for $349 billion in regular, nonemergency budget authority to the appropriations committee, $18 billion more than the President’s requested level of $331 billion.

It also does nothing, on net, to reduce mandatory spending. Our Nation’s mandatory health programs are growing each year by more than 6 percent—an unsustainable level—and last week the Budget Committee rejected, on party-line votes, two amendments that would have included reconciliation instructions to the Finance Committee to achieve this goal.

I have a legislative track record of fiscal responsibility and meaningful deficit reduction. In 2005, under the Deficit Reduction Act, the Republican Congress was able to produce nearly $40 billion in discretionary savings. I argued that under my chairmanship, the HELP Committee led the entire Congress in deficit reduction, and produced...
$15.5 billion in savings—that is 40 percent of the entire law.

But that was then. Let me restate that now, the budget resolution we are debating on the floor of the Senate does nothing to reduce net mandatory spending. It is our right to overspend now—we pass the bill on to our children and grandchildren to pay later. I challenge the Senate to work across party lines and do more to shore up our economic future. If one-half of the Senate authorizing committees equal the level of deficit reduction this year that the HELP Committee achieved in 2005, the deficit would be reduced by an additional $100 billion. But this week, similar to the mark-up last week, the Senate rejected multiple amendments to reform our Nation’s largest entitlement programs and slow the growth in mandatory spending.

In my role as lead Republican on the HELP Committee, I will continue to use the reauthorization process to stretch Federal dollars the farthest—ensuring that programs are cost effective and not duplicative, so that precious Federal funds touch as many people as possible.

I will also look for an avenue this year to use our health care access and affordability. As my colleagues know, last year Senator BEN NELSON and I in- tended legislation that would allow business and trade associations to band their members together in small business health plans, and offer group health coverage on a national or statewide basis. This legislation, The Health Insurance Marketplace and Modernization and Affordability Act, was a direct response to the runaway costs that are driving Americans and small businesses away from the health insurance marketplace.

The HELP Committee has a role to play in making employer-sponsored health care more accessible and affordable. The President’s health plan is voluntary—and it is in critical condition. Sixty percent of the country’s employers offer insurance today, down 9 percent from just 5 years ago. And the cost of health insurance for companies has nearly doubled in that same period—with employers expected to pay an average of $8,167 per employee family, versus $4,248 5 years ago.

Progress on this critical issue is moving forward, and bipartisan discussions are promising. Last year we built a very solid foundation, which continues to grow.

We are continuing to move forward on this issue and to deal with outstanding concerns. I am actively engaged in negotiations with other members of this body on how best to craft that proposal.

Rather, the best way to achieve real small business health care reform is to proceed forcefully to build on the significant progress we made last year. Development of a small business health legislation is a process that is well along, and I believe success is in sight. We are on a promising track, and we should stick with it. America’s small businesses deserve no less than our sincere commitment to make this effort a success.

I also want to mention progress on another HELP-related bill, mental health parity legislation. In February, the HELP Committee favorably reported the Domenici-Kennedy-Enzi compromise parity bill on a bipartisan vote of 18-3. It is the product of more than 2 years of bipartisan negotiations and supported by more than 60 organizations. Senator DOMENICI authored a deficit-neutral reserve fund for mental health parity legislation at the mark-up last week. This reserve fund will serve as a placeholder in the budget for our compromise legislation, which focuses on a benefit, not a mandate.

Lastly, I would like to call attention to an amendment that I offered at the Budget mark-up last week, and reoffered on the floor. The amendment is very simple: It establishes a 60-vote threshold for legislation that imposes unfunded mandates on the private sector, in excess of the $131 million threshold for fiscal year 2007 established in the Unfunded Mandates Reform Act. A 60-vote point of order currently applies to legislation that imposes unfunded mandates on State and local governments. I think the Senate should have a new 60-vote point of order that applies to legislation that creates unfunded private sector mandates. We here in Washington must stop thinking that we have a monopoly on good ideas. This is a commonsense proposal, and should have been approved.

I also want to take this opportunity to mention a few programs that are important to Wyoming. As our Nation’s most abundant energy source, coal must play a central role in our national energy generation for years to come. In order for that to happen, we need to continue finding ways to make coal generation cleaner. Programs like the Clean Coal Power Initiative will play a major role in making that happen and so I support increased funding of this program.

We also need to see proper funding of the Federal loan guarantee program. Federal loan guarantees can play an important role in developing new energy projects that we can provide enough funding to get some of these projects off the drawing board, and most specifically, I hope that we provide funding to the Department of Energy to move forward with loan guarantees for coal-to-liquids projects. Coal-to-liquids technology has the potential to help reduce our Nation’s dependence on foreign energy barons and should be explored.

In addition, funding for rural air service and modernization is essential for states like Wyoming. Without Federal support through essential air service and airport improvement programs, many rural communities would have no commercial air service and extremely limited general aviation. I hope this issue will be part of the debate on the reauthorization of the Federal Aviation Administration this year. I encourage my colleagues to recognize the importance of this funding, not only for the economic matter of development, but also as a public safety issue.

I want to mention two additional issues of great importance to Wyoming and other rural States: housing and homelessness. The Domenici-Kennedy-Enzi Homelessness Assistance Act is the primary law through which Congress funds homelessness programs in the United States. Unfortunately, rural States have historically received very little of this money. Yet rural States must confront homelessness too, and the geographic size of our States further complicates our efforts. In response to this, Congress authorized the Rural Homelessness Grant Program in 1992 under the McKinney-Vento Act. Unfortunately, the program has never been appropriated funds since its creation, so the purpose of this program has never been fulfilled, and rural states continue to suffer. This can be a valuable program for rural States. I would like to briefly call attention to the Small Business Administration. I serve on the Small Business Committee and enjoy using my small business experience to help make a difference in the lives of many people in Wyoming and throughout the country. We are working in Wyoming to stabilize and steadily grow our small businesses through the utilization of the Small Business Innovation Research, SBIR program. The expense of conducting serious research and development efforts are often beyond the means of many small businesses, especially rural small businesses. By reserving a specific percentage of Federal R&D funds for small business, SBIR enables small businesses to compete on the same level as larger businesses and stimulate high-tech innovation in their rural States.

The FAST and Rural Outreach programs are congressionally authorized programs that provide technical assistance that helps Wyoming’s small businesses utilize the SBIR program.

Finally, the Agriculture Committee has a big task in reauthorizing the farm bill this year. Writing a tight budget that will help us reach our long-term fiscal goals is a priority for me. However, we also need to provide adequate funding in the budget for the farm bill. Though you cannot tell by the name, the farm bill affects the lives of many unsuspecting Americans. Policies and projects for distance learning, conservation, food assistance, renewable fuels, and our forests are...
provided for in the farm bill, in addition to the well-known commodity programs.

The Senate should reject this tax and spend budget. It increases taxes on working families by $900 billion, creates a spending spree on the Government's credit card and does nothing to contain runaway entitlement spending.

Mr. ROCKEFELLER. Mr. President, I rise today to support the fiscal year 2008 budget resolution and our Budget Committee's recommendation. Senator CONRAD and his staff have done an extraordinary job in developing such a thoughtful resolution.

This budget resolution helps to get our country back on the right fiscal track, and it highlights many priorities for American families that were neglected or ignored over the last few years. For example, this resolution increases discretionary education funding by about $9 billion so that we can invest in titles I, IDEA and improving Pell Grants and student aid.

Another important change is the investment in our veterans by providing $3.5 billion more for the VA. This resolution approximately matches the funding request of the veteran's organization, the independent Budget, which has been underfunded in the past as veterans are returning from Iraq and Afghanistan. In West Virginia, I host confidential roundtables to listen in private to our returning veterans. I want to hear from them personally about their experience in combat, and their care and treatment after they come home. I am deeply disturbed by stories of hassles to get medical appointment and lengthy delays in processing claims for benefits. Every veteran who has bravely served our Nation deserves timely and quality care and benefits. Because of the violence and intense combat, many of our returning veterans want and need mental health care, and moral obligation to care for our veterans, both those coming home today and the aging veterans of WWII, Korea and Vietnam. This budget resolution is a meaningful downpayment to fulfill our obligations. It will let us invest in mental health care, and begin to improve our VA benefits system so that wounded soldiers do not have to wait ridiculous amounts of time to get their benefit claims resolved.

One of the resolution that is deeply important to me is the investment of $50 billion for reauthorization of the Children's Health Insurance Program, CHIP. In 1997, I fought hard to create this program, and I am enormously proud of the success of CHIP in providing insurance coverage to children. In my own State of West Virginia, there are nearly 40,000 children covered through CHIP each year. This budget resolution will allow us to move CHIP forward in two important ways: first, to expand coverage for children currently enrolled in the program today and, second, to expand coverage to children who are eligible but not yet enrolled in the program. This provision is a strong signal of the new priorities of the leadership in the 110th Congress. I would like to particularly thank Senator CONRAD and his staff for the commitment this resolution makes to CHIP. I know this budget won't ease every worry, but I know that there are many competing priorities for limited Federal resources and an ever escalating demand. But, I am so proud that Democrats are taking a stand for children and making CHIP reauthorization the top health care priority this year.

This budget resolution is responsible. It restores pay-as-you-go rules. But it also includes deficit-neutral reserve funds so that Congress can move forward on important areas like reauthorization of the Higher Education Act, competitiveness and other domestic priorities that have been ignored for too long. I have been proud to support this budget resolution throughout a long day of votes, and I want to thank and commend our chairman, Senator CONRAD, for a job well done.

Mrs. FEINSTEIN. Mr. President, I rise today to offer my support for the fiscal year 2008 budget resolution.

This budget resolution provides Congress with a spending blueprint for the upcoming year. It establishes a process and guidelines by which Congress will determine the revenues and spending for the Federal Government.

I support this resolution. It puts our Nation on the road back to fiscal responsibility. Nevertheless, I am deeply concerned about our Nation's fiscal health.

We have moved a long way from where we were 6 years ago. When President Clinton left office, he left with a projected 10-year surplus of $5.6 trillion. That surplus could have allowed Congress to eliminate the Nation's debt by 2010. But today, the Nation faces a $2.3 trillion deficit and the debt has grown to $8.9 trillion. This translates to roughly $30,000 owed by each and every United States citizen.

It took almost 200 years for every President from George Washington to George H.W. Bush to amass $2.6 trillion in debt. President Bush matched their $2.6 trillion in debt in just 5 years.

And, over the next 10 years, the Congressional Budget Office projects the interest payments on the debt will be more than $2 trillion. That is $3 trillion that cannot be spent on priorities like healthcare, education or homeland security.

This should be a major concern to the American people.

Our Nation is in this situation because of the misplaced policies of the Bush administration and the Republican Congress.

The President's tax cuts have cost this Nation over $1 trillion. Over the next 10 years, these tax cuts will cost over $3 trillion more.

The vast majority of these tax cuts have gone to benefit the very wealthy. Additionally, the War in Iraq and Afghanistan has cost $510 billion to date. And there is no end in sight.

This has squeezed the budget and made it difficult to fund all those programs that deserve funding.

Let me tell you what the President's cuts have meant.

When the President submitted his budget proposal to Congress on February 5, it was deeply flawed. It cut or eliminated 114 programs, programs that are of great importance to the American people.

My home State of California was especially hard hit.

The President's budget proposed cutting Community Development Block Grants by 31 percent. This would have meant that California's CDBG funding would be cut by almost $14 million from its 2006 funding level.

This would be devastating.

City of Victorville, CDBG funds have helped revitalize areas of the city 3000 residents call home.

In Los Angeles, these funds have allowed 8,500 housing units to be rehabilitated. CDBG funds have preserved over 2,000 jobs and removed over 41 million square feet of graffiti.

Yet the President's budget did not support this important program.

The President's budget also shortchanged other Federal programs that Americans rely on for their continued safety.

The Community Oriented Policing Services, COPS, program was eliminated under the President's budget, as was the State Children's Health Insurance Program, SCHIP. As a border State, these programs are essential to California.

Additionally, under the President's budget, the State Children's Health Insurance Program, SCHIP, was given only half of the funding that is necessary to continue to serve the children already enrolled in this program.

The good news is the budget before us today restored many of the President's cuts. For instance:

It funds CDBG at 2007 levels, plus an adjustment for inflation. California State and local governments can continue to work for housing and community development in low-income areas.

The budget also restores funding to the COPS program. It allocates $522 million for COPS, a program that has put over 100,000 police officers on the streets in communities across the country. And we have adopted an amendment by my colleague Senator BIDEN to increase COPS funding to its authorized level of $1.5 billion. I was proud to support this increase.

This budget also restores $407 million for SCAAP, an amendment I offered and the Senate has adopted, will increase the funding for SCAAP to its authorized level of $950 million. California has the highest number of undocumented aliens in the country. And California prisons house over 200,000 criminals, incurring tremendous costs. Last year alone, California spent over $715 million keeping criminal aliens off the streets.
This budget increases spending on SCHIP from $2 billion in the President’s budget to $50 billion. The $48 billion increase will allow for continued coverage of all currently enrolled children in SCHIP. This budget then goes one step further. It expands SCHIP, insuring an additional six million children who are currently eligible for this program but are not enrolled. Young Americans should not suffer as a result of the President’s misplaced priorities.

Additionally, this budget provides critically needed funding for vital Veterans’ care programs. Specifically, it provides over $43 billion for Veterans, $3.5 billion more than the proposal offered by President Bush. This money will allow our brave troops to obtain the medical care they deserve.

After the alarming revelations at Walter Reed Army Medical Center and other Veterans’ facilities around the country, we must ensure that VA facilities provide the highest level of care. This proposal funds medical and prosthetic research and information technology; and it ensures that baseline operating expenses are met.

In addition, the proposal provides middle-income taxpayers relief from the alternative minimum tax.

Absent congressional action, nearly 20 million more Americans will be forced to pay the AMT next year. This proposal adds 2 years of relief from the AMT, where the President could only find room for 1.

Congress faced many restrictions and tough choices in crafting this budget. And lawmakers’ hands were tied due to years of fiscal mismanagement.

The budget resolution is far from perfect. It fails to provide permanent relief from the AMT for middle-class families and while it restores much needed funds in critical areas, it does not fully fund critical programs. But it refocuses our priorities. And it takes important steps to restore fiscal responsibility.

Unlike the President’s budget proposal, this budget will create a surplus in 2012 and is nearly balanced a year before that.

Change will take time. And there is no cure-all for the years of fiscal irresponsibility and misguided policies that we have seen.

As I said before, this budget is far from perfect. However, it initiates much needed change and I believe will put us back on the path from which the President and Republican Congress strayed.

Mr. President, I encourage my colleagues on both sides of the aisle to act in the best interest of Americans who have been thrust with a great responsibility. I hope that they will join me today in meeting this responsibility by voting for the fiscal year 2008 budget resolution.

Mr. BUNNING. Mr. President, I wish to speak today as a member of the Senate Budget Committee.

I had hoped that the budget that was presented before the Committee last week was going to be fiscally responsible. Chairman CONRAD had said earlier this year that he was prepared to get savings out of long-term entitlement programs. He had made similar statements in the past. So I had some hope that this budget would take a serious look at what we could do to address the issue of out-of-control entitlement growth.

Unfortunately, I was not able to support this budget in Committee and I will not be able to support it here on the Senate floor.

This budget does not take seriously the out-of-control entitlement spending looming on the horizon. This budget resolution fails to show that Congress is willing to make the difficult choices necessary to ensure that the Social Security, Medicare and Medicaid programs will continue into the future.

This country faces $67 trillion in unfunded liabilities over the next 75 years. A majority of that is in the Medicare program. $20 trillion is in the Medicaid program and the remaining $15 trillion is in the Social Security program and other liabilities.

As Senator GREGG pointed out yesterday, $67 trillion represents more than the entire amount of revenues received by the Federal Government since the beginning of the republic.

How are our children supposed to pay for that?

We don’t have to wait 75 years for the problem to blow up in our faces. In about 2032—almost 25 years from now—the cost of just Medicare, Medicaid and Social Security, if left unchecked, will exceed the 18.2 percent of GDP that is the historic level of our Federal revenues. So every single penny of what should be received by the Federal Government in revenue will be spent on just three programs.

Where is the money for defense to come from? Where is money for education to come from? LIHEAP? NASA? Worker training? Border enforcement? Name any program that you support and tell me just where the money is to come from? This is the future we face.

And yet this budget resolution doesn’t move a toe toward fixing it. It includes not one penny in net entitlement reform.

President Bush presented Congress with a budget that makes strides in this direction by attempting to slow the rate of growth in these programs. I’m not talking about wholesale reform here—although I feel that such reform is needed. Just implementing incremental changes can make a huge difference simply because of the enormous amounts of money that we are dealing with here.

For example, in Medicare the President proposed reducing the growth in the program from 6.5 percent to 5.6 percent over 5 years. This change, just a 1 percent reduction from how Medicare would otherwise grow over the same time period, is estimated to reduce Medicare’s 75-year unfunded liability by 25 percent—or $8 trillion. For Medicaid, the President proposed reducing the growth rate from 7.3 percent to 7.1 percent.

Keep in mind that this means we will still have spending increases in these programs—pretty substantial increases in fact. However, these increases just won’t be as big as originally projected.

The President’s budget calls for some commonsense reforms to Medicaid and Medicare to reduce spending. In Medicaid, for example, the President’s budget makes several suggestions to ensure that the program is adequately paying providers for the cost of care without overpaying. In Medicaid, the President has proposed ensuring Medicaid prescription drugs are reimbursed fairly and by improving the financial integrity of the program.

As a member of the Finance Committee, I would obviously need to take a close look at these reforms before any are implemented. However, it is virtually important that the American taxpayer does not overpay for health care services or products.

The President’s budget also requires wealthy seniors to pay more for Medicare by reducing the Federal subsidy for Medicare Part D premiums for these seniors. This means that seniors who have incomes over $80,000 for an individual or $160,000 for a couple would be required to pay more for their Medicare drug benefit.

To me, this just makes sense. Today’s working middle-class American taxpayers should not be subsidizing the health care of Bill Gates’ father. Also, we already do this for Medicare Part B. Such a change would only affect about 5 percent of seniors.

These are all types of changes that we need to be making. Yet this budget resolution before us today makes no net changes to entitlement programs. This, despite the fact that the Big 3 entitlement programs currently account for over 41 percent of the Federal budget, and that number will grow to almost 57 percent in 10 years.

A budget that does not seriously address entitlement spending is not responsible. This budget is not responsible.

Again, I am not asking for wholesale reforms here. I am very supportive of looking at comprehensive reforms and I support the efforts of Chairman Conrad and Senator Gregg to set up a bipartisan group to take a look at recommending them.

But that is not what I am asking for in this budget before us today. We should not let the perfect be the enemy of the good. Maybe we don’t have a perfect way to fix our entitlement challenge right now. But we could have made a good start this year and started on some incremental changes. However, the authors of this budget chose not to do that.

We face a demographic tidal wave in this country. As the baby-boom generation grows older, the number of people
in the United States ages 65 and over is expected to roughly double by 2030. But instead of saving for a rainy day, we continue to spend, spend, spend.

Hard choices have to be made. Spending has to be contained. Entitlements have to be reined in.

We are saddling our children and grandchildren with an unfair burden.

The President’s budget starts us in the right direction. Unfortunately, the Democratic budget has dropped the ball, and pushed off the inevitable hard decisions until another day.

I am profoundly disappointed with the budget I see before us today, and I urge my colleagues to oppose it.

Mr. DODD. Mr. President, I rise in support of S. Con. Res. 21, the budget resolution currently before this body. This budget restores fiscal discipline on both the spending and revenue sides of the ledger, reinstates the pay-as-you-go rules that were so successful during the late 1980s in helping us achieve budget surpluses, and provides a responsible framework for meeting our Nation’s most important priorities. With these accomplishments, it represents a major improvement over the budgets of recent years and the budget submitted by the President last year.

It puts our country in a much better position to address the major long-term fiscal challenges looming just around the corner.

We as Americans are fortunate to be a part of the world’s largest and most prosperous economy. America is, by many measures, doing well but I defy anyone to say we that we cannot do better. We must ensure our national security and restore our moral authority in the world. We must address growing poverty of recent years.

As a Nation, we must take this opportunity to lay a strong foundation for the future: to constructively respond to the accelerating pace of globalization, to secure clean and renewable sources of energy, and to rein in the skyrocketing health care costs that threaten to overwhelm the budgets of households, businesses, and the Government.

Our ability to effectively address any of these challenges, Mr. President, depends on properly managing our fiscal resources. This budget takes an important step towards restoring fiscal responsibility, reversing the profligate trend of the last several years. Since the current President took office, fiscal discipline has been thrown to the wind. Since 2000, we have seen our nation go from a $236 billion budget surplus to a projected $24 billion deficit, from a National debt of $5.6 trillion to $8.8 trillion today, with the share of that debt held by foreign lenders doubling. Critical investments in education and infrastructure have been shortchanged, and middle-class tax cuts have been passed over in favor of more lavish, budget-busting tax breaks for the wealthiest Americans who needed them least.

Instead of continuing these irresponsible policies and passing the costs on to new generations, the budget now before us would restore fiscal discipline and renew investments in our nation’s critical priorities. First and foremost, it reinstates commonsense pay-as-you-go rules that require new spending or tax cuts to be paid for up front, rather than added to the debt. And because of this commitment to pay-as-you-go, it balances the federal budget within 5 years and reduces the debt as a share of the economy. It requires honest budgeting for the cost of ongoing military operations. The resolution also imposes discipline on both spending and revenue, lowering spending every year as a share of the economy and cracking down on abusive tax shelters that cost American taxpayers average of $2,000 apiece every year, according to the Internal Revenue Service’s National Taxpayer Advocate.

Within the context of fiscal responsibility, this budget also allocates our resources to our Nation’s most important priorities.

Mr. President, few priorities are more important than investing in our Nation’s children. The budget before us recognizes this commitment by rejecting the President’s proposed cuts to education. Instead, it provides a funding increase of $2.2 billion above the president’s request for education and training, from birth through post-secondary education, including Head Start, the Individuals with Disabilities Education Act (IDEA), programs authorized under the No Child Left Behind Act, and Pell Grants. The increased investment will ensure that more preschool children from disadvantaged backgrounds will be ready for school. It will help elementary schools, middle schools, and high schools close achievement gaps; increase graduation rates; and reduce the need for remedial education at a later time. It will ensure that schools can attract, train, and retain high-quality teachers. It will keep our commitment to educate students with disabilities. And it will make college more affordable so that eligible students can gain the skills and experience they need to compete in the global marketplace. Simply put, this budget gives more Americans the tools they need to fulfill their potential, including their college dreams.

Mr. President, we can be confident of one thing: the investment we make here will be returned to us, many times over.

In addition to investing in our human capital, this budget also makes important investments in our physical capital. Specifically, it honors the commitments the President made to transit that were authorized for fiscal year 2008 in the Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA), funding that will help States and communities conduct critical maintenance and make needed improvements in their transportation infrastructure. It is more than doubles funding for transit security an important start, although more still needs to be done and rejects the Bush administration’s continued attempts to zero out funding for Amtrak, which serves so many people in Connecticut and across the country.

With the number of Americans without health insurance on the rise, this budget provides up to $50 billion to help cover uninsured children through the State Children’s Health Insurance Program, or SCHIP, which is reauthorized this year. We also know that this administration has failed to meet its commitments to the health of our veterans, as revealed by the recent reports on the disgraceful conditions at Veterans Affairs Hospitals. As an answer to this major shortfall, the budget before us provides more than $3.5 billion for veterans above the level proposed by the administration. And while previous budgets have cut funding for first responders, this budget restores the administration’s proposed cuts to Firefighter Grants, the COPS program, and Local Law Enforcement and Terrorism Prevention Grants. Finally, this budget also rejects the administration’s proposed cuts to low-income heating assistance and to the Community Development Block Grants an absolutely vital source of federal grant assistance for economic development in our local communities.

Mr. President, I would also add and I have already spoken on this matter—that I am pleased that the Senate voted to adopt the Smith-Dodd amendment to add $2.2 billion to Function 150 for the International Affairs budget, which will provide important funds for international aid, poverty reduction, and other critical foreign policy priorities.

Mr. President, the priorities in this budget set a positive course for our Nation. In its lists of numbers we read a statement of our values. We can all speak in unlimited praise of responsibility and education and opportunity in the abstract but for the first time in several years, I’m proud to say we have a budget in front of us that puts flesh on our words. It restores discipline. It confronts the challenges of a struggling middle class and an aging populace. It promotes opportunity, prosperity, and security across the board. And it puts the American people’s money towards the wisest priority of all: investing in the years to come. In sum, I think we have a budget that reflects the best values of the American people, and I am proud to give it my support.

Mr. SMITH. Mr. President, I rise today to express my disappointment with this year’s budget resolution. This budget puts us on the very dangerous path in terms of our economy. A huge tax hike is not the right direction for our country.
The Republican progrowth tax policies that have been implemented over the past few years have had a tremendous impact on our economy. Since August 2003, more than 7.5 million jobs have been created. Our unemployment rate remains low at 4.6 percent—which is well below the 5.1 percent average rate for 2005 and below the average of each of the past four decades. Thanks to our strong economic growth, tax revenues continue to pour in. Tax receipts are up about 15 percent in 2006, on top of 2005’s 14.6 percent increase. Receipts have grown another 8 percent so far in fiscal year 2007.

But instead of building on this success, this budget takes us in a completely different direction. The resolution would raise taxes by $900 billion—the largest tax hike in history. This tax increase will have real consequences on American families. Our Oregon family of four with $50,000 in earnings will see their taxes go up 132 percent to $3,675 in 2011 if the Republican tax relief is not made permanent, and 15 million seniors would see their taxes increase if current tax policy is not extended.

We are heading in the wrong direction with this budget. Therefore, I will be voting against the budget resolution.

Mr. BYRD. Mr. President, after many long years of flawed budget policies that have eroded our Nation’s infrastructure and recklessly taken from the health and safety of American working families, the Senate finally has a chance to change course.

The President has submitted a grossly inadequate budget request for the fiscal year 2008, built around the erroneous premise that tax cuts are sacrosanct. I reject that argument. I hope that my colleagues will reject that argument.

The President’s budget includes $2 trillion of new tax cuts, many of which will benefit those who least need them. In one year under this new president, he cuts the programs that working Americans rely on the most. The President proposes to cut the Medicare and Medicaid Programs, which provide health care to seniors and children. He proposes to cut funding for housing for the elderly in rural America. He proposes to cut funding for first responder programs, jeopardizing the safety of our firefighters and law enforcement officers, and those of us who protect them. He proposes to cut funding for our children and schools, for health care research and rural hospitals, and for our communities and economic development.

The President is proposing to take an awful toll on American families in order to pay for his tax breaks. His budget cuts are not funding the troops overseas, or being used to pay down the national debt. The president’s own budget tables show that the gross federal debt will continue to increase to record levels, $12 trillion in the next five years, even if his spending cuts are enacted into law.

I reject the argument that seniors must give up their health care, and that children must give up funding for their schools, in order to fund tax breaks for the wealthiest of the wealthy in America.

The President’s budget continues the dangerous practice of chopping away at domestic priorities, and trying to get away with spending as little as possible on critical infrastructure. There are consequences—sometimes significant consequences, and sometimes deadly consequences. The administration tries to hide the impact of its budget cuts in order to fund more tax cuts.

H.G. Wells wrote that human history is a race between education and catastrophe. The Congress must get into the race to avert the next catastrophe. The squeeze on domestic discretionary spending these past years has done a lot of damage to the infrastructure of our Nation, and in reined in budgetary shortfalls that are wholly irresponsible, and they must be addressed. Look at FEMA’s inability to respond to natural disasters. Look at the shortfalls in the Low-Income Home Energy Assistance Program, affecting so many of our States. Look at the shortfalls in our homeland security, where glaring vulnerabilities along the border are left to linger year after year after year. Look at the shortfalls in the funding. The problems at Walter Reed did not happen because our military is not committed to caring for its wounded. It happened because we have an administration that is trying to cut corners in order to pay for its tax breaks for wealthy Americans.

Look at the Department of Labor, where the administration chipped away at the mine safety budget for 6 years until it had lost 217 inspectors, under the enforcement of the Mine Act, and left coal miners underground with inadequate safety equipment. It is no coincidence that mining deaths increased to record numbers last year, while the administration cut the coal enforcement budget, reduced the number of safety inspectors, and reduced the severity of enforcement actions against habitual violators.

Gas and energy prices are on the rise again, and, still, the President’s budget does not adequately address our Nation’s circumscribed energy resources. Our overcrowded transit and rail systems, or the energy bottlenecks causing higher prices and electricity failures and power outages. These are the festering signs of our Nation’s infrastructure slow being stymied away.

When the catastrophes come, they are Hurricanes that brutalize our cities and people, or scandals that surface at our Nation’s veterans facilities, or tragedies that take the lives of our coal miners underground due to lack of sufficient Federal inspections.

I reject the administration’s tactics of cutting funds and hiding the consequences until a catastrophe hits. I reject that kind of Russian roulette. I reject the notion that the health and safety of the American people is less important than extending a tax cut. Today, the Congress has an opportunity to reject this approach, and I hope that it does reject it.

We must have a budget that sets realistic spending levels. That is the only way to real budget enforcement and discipline. The last Congresses pinned their expectations to pie-in-the-sky, fantasy spending levels that were totally disconnected from reality. When those budgets proved inadequate and the appropriations process stalled, the Congress was forced to consider massive off-budget supplemements and end-of-the-year continuing resolutions and omnibus spending bills that exempted hundreds of billions of dollars of spending from the oversight of the regular appropriations process. The result was always higher deficits, and less accountability to the American people.

The budget before the Senate today rejects that approach. It sets realistic spending levels that would allow the Congress to consider the annual appropriations bills in timely fashion, and subject those bills to debate and amendments in the Senate. That is the best kind of enforcement mechanism—full and open debate and amendments. This budget sets a discretionary spending level of $949 billion in the fiscal year 2008, $16 billion above the President’s request, and above the President’s requested freeze at fiscal year 2007 levels for domestic programs. The Congress must address the unacceptable cuts in health care, veterans programs, and other critical priorities that have been proposed by the President.

This budget is practical, and it is tough. This is not a budget lacking in enforcement mechanisms. They would apply equally and fairly to all pieces of the budget revenues, mandatory entitlements, and discretionary spending. This budget caps discretionary spending in the fiscal year 2008, subject to a 60-vote point of order. It caps advance appropriations in the fiscal years 2009 and 2010, and it creates a 60-vote point of order against both emergency defense and nondefense spending, to limit the kind of budget gimmickry that has been used in the past to circumvent the mandatory spending caps. On the revenue and mandatory entitlement side of the ledger, this budget restores pay-go budget enforcement, subjecting new mandatory spending and tax cuts that increase offset to a 60-vote point of order. It also creates a 60-vote point of order against reconciliation legislation that worsens the deficit, causes a deficit, or reduces a surplus by decreasing revenues or increasing spending. Here, more than anywhere else, is where the budget process goes off the rails. This is the most. Budget reconciliation has been used to shield controversial tax cuts from debate and amendments in the
Senate, which have added trillions of dollars to the national debt. This budget will stop such egregious practices from continuing.

This budget gives the Congress the flexibility it needs to address the gross deficits that are the president’s request, and it demands savings from every piece of the budget—revenues, discretionary, and mandatory—in order to do it. This budget is evenhanded and fair, and its spending levels can be enforced.

I commend the chairman of the Budget Committee for writing a budget that sets a new course. I hope that the Senate follows the lead of our chairman. He is trying to address the next catastrophe, before it happens. He is trying to try and set enforceable spending limits to rein in this administration’s budget deficits. He is doing the right thing with this budget. It deserves the support of the Senate.

Mr. MCCONNELL. Mr. President, the great untold story of the post-9/11 period is the recovery of America’s will to move on, despite new threats, and build a stronger economy and even stronger America than before. We gave the American people the tools they needed to help themselves and then we got out of the way.

We eliminated the marriage penalty and doubled the child tax credit. We created a tuition tax deduction. We increased the deduction on charitable gifts and put the death tax on the road to extinction. We slashed the tax on capital gains and dividends.

The American people took care of the rest. They took all these things and unleashed a flood of economic activity that is still lifting the tide for tens of millions of working families and retirees. We look out at the American economy today with amazement. Despite 9/11, despite a recession, despite Katrina, despite a war, we see: 4.5 percent unemployment—lower than the average for the last four decades. An economy that is grown at 3.4 percent over the last four quarters. More than 7.2 million new jobs since August ‘03.

That is more jobs over the last 4 years than the European Union and Japan put together.

China may have the world’s fastest growing economy. But its entire GDP is less than the amount that ours has grown in the last 5½ years.

New revenue, and it’s been pouring into the U.S. Treasury at a staggering clip. Since we cut taxes on capital gains, tax revenues exceeded government estimates by more than two-fold.

President Bush looked out over this economic landscape too, and he gave us a budget that builds on it, that advocates discipline and anticipates continued strong revenues by keeping tax cuts in mind.

That is the formula for continuing to shrink the deficit and leading us to a surplus. And we had reason to think the Democrats would embrace it, even on tax. My good friend the senator from Nevada said back in November that raising taxes would be, “Unacceptable.”

Well, we should have known better. Budget week is like an annual debu- tante ball for the Democrats. They step out so everybody can take a good look at them, but their budgets never look good in the lights.

The budget they proposed this week was a disaster. It restored the marriage tax, cut the child credit in half, lowered deductions on everything from charitable gifts to college tuition, and raised taxes on capital gains and dividends. It wasn’t just a tax increase. It was the mother of all tax increases. Nearly four times bigger than the previous record.

It reversed every tax cut we passed, and its pottage would have resulted in a tax increase on every single taxpayer in America.

A family of four with two kids and an annual income of $66,300 would pay an extra $2,000. Nearly 50 million married couples would pay an extra $2,700 each year in taxes.

More than 10 million single mothers would see their tax bill go up by more than $1,000.

Seventeen million seniors would see their taxes go up by more than $2,000. Spending wasn’t any better.

Here today we thought the Democrats might be coming around. The day be- fore the President’s budget was released, my good friend, the Senior Senator from North Dakota, said:

We need to be tough on spending. The week after that, he went even farther, saying they should sharply inhibit the growth of spending.

But then the curtain fell, and we saw the reality. The Democrats proposed to increase nonessential spending over the President’s budget by nearly $150 billion.

And as if that wasn’t enough, in addi- tion to the tax hikes we could see, they set up 20 new accounts that they planned to fill with money they had raised from a raft of new taxes they didn’t even specify. Most of these funds are for worthy purposes. But let’s be honest with the American people and say they are truly an example of stinginess, waste, fraud, and abuse instead of open-ended tax hikes down the road.

Republicans opened this Congress with a pledge to work with Democrats. We gave them a soaring economy and an offer to take advantage of divided government to do big things, as divided governments have in the past. One of the big things we proposed was entitlement reform. Every Member of this Chamber knows Social Security is unsustainable in its current form. Yet the budget writers ignored the problem altogether. They proposed to raise $916 billion in new taxes—and to spend it. Budget week is when the rhetoric is strongest. But the sad real- ities this budget revealed was that Democrats weren’t serious about re- form this week.

Oh they will deny it. Just like they have tried to deny that the tax hikes in this budget are tax hikes.

After 1 and my colleagues pointed out the new taxes in this budget, the senior Senator from North Dakota rose to say that we were letting our imaginations get the better of us. He said the Democratic budget contained “no proposed tax increase.”

But then, one day after rising on the floor to insist that there were no new taxes in this budget, he and his Demo- cratic colleagues reversed course. They voted for an amendment that would reduce some of the more unsa- vory tax increases in their budget.

Well, you don’t need to be Einstein to know that you can’t lower a tax in- crease that doesn’t exist.

The upshot of that amendment is that the budget we are now being asked to vote on no longer represents a tax hike four times larger than the previous record.

We are being asked to vote on a tax hike nearly three times bigger than the previous record—and, in the process, to go back the way of an economic expansion, increase nonessential spending by tens of billions of dollars, and do abso- lutely nothing about a pending entitlement crisis.

Republicans wouldn’t do any one of those things, let alone all four. And we urge our colleagues to reconsider the damage they plan to inflict on Americans who have worked hard to rebuild and reenergize this country over the last 5 years.

Their current budget would squeeze three-quarters of a trillion dollars out of the American taxpayer without shaving so much as a dime from a single government program. This is the very definition of tax and spend. It repre- sents a tremendous missed oppor- tunity. And it is a terrible disappoint- ment.

When Republicans proposed to ac- complish big things, this isn’t what we had in mind.

This budget is a big mistake. Repub- licans can’t support it.

Mr. CONRAD. Mr. President, let me say for the colleagues who are waiting, we are working on a final package of amendments to be adopted by unani- mous consent. That package has many amendments by many colleagues. It has to go through a vetting process. It is not quite complete. As soon as it is, we will move to that and then to final passage.

I thank my colleagues for their extra-ordinary cooperation. So many col- leagues have agreed to withhold amendments. It has been very helpful. We have to have this final process complete before we can go to final passage.

While we are awaiting that package, I would like to take this opportunity to thank the staffs who have made truly an extraordinary effort. Mary Naylor, my staff director; John Right- er, my deputy staff director; the coun- sel, Lisa Konwinski; Kobye Noel, who does all of our charts. I know my colleagues enjoy them; Joel Friedman, my other deputy staff direc- tor; Steve Bailey, who does the tax
work; and Jamie Morin, who does defense. I thank all of the others on our staff who have done such an extraordinary job working nights and weekends for weeks—Steve Posner, Stu Nagurka, David Vandivier, Mike Jones, Jim Esquea, Sarah Kuehl, Jim Miller, Joan Allen, Carol Issenberg, Cindy Fontenot, Robyn Hiestand, Susan Reeves, Jim Klumpner, Anne Page, Ben Soksin, and Josh Raman. I thank each and every one of my staff.

I also wish to recognize the extraordinary professionalism of Senator Gregg’s staff. They are absolutely first rate and absolutely dependable—people whose word you can count on. Of course, no one is better than the ranking member, Senator Gregg. He has demonstrated over and over his willingness to cooperate; more than that, his professionalism and also his extraordinary knowledge of the budget. I wish to thank all of those who have participated.

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

Mr. GREGG. Mr. President, I wish to join Senator Conrad in thanking both our staffs. They are exceptional. They are incredibly talented people. They work extraordinary hours: Mary Naylor and her team on that side. Scott Gudes, Denzel McGuire on our side, including Allison Parent, Jim Hearn, Cheri Reddy, Dan Brandt, Dave Fisher, Conwell Smith, Jay Kholsa, Richie Weblingher, Seems Mittal, Vanessa Green, Winnie Cheung, Betsy Holahan, Jeff Turcotte, David Myers, Jason Delisk, Dave Pappone, Jennifer Pollum, Mike Loigren, Kevin Bargo, Matt Giroux, Liz Wroe, and Lynne Seymour, our team that works so well over here. They are special people who put in an extraordinary amount of effort on behalf of the American people. We thank them for it. This is a complex bill. It involves many nights of work and takes a lot of time to work it up into a final package. As you can see from the amount of paper that is being run around right now, it is extraordinary that we are able to keep it straight, and it is because of their extraordinary ability.

I also wish to thank the staff on the dais, the Senate staff. This is probably the most difficult bill the Senate deals with because there are so many votes that come so quickly in such rapid succession. And they always do an exceptional job and I very much appreciate it.

Finally, I wish to thank the chairman, Senator Conrad, who treats us with dignity, respect and fairness, and runs a first-class professional staff. Chairman of the Budget Committee and who is committed to making sure the integrity of the Senate and the process of the Senate remains professional. We thank him for that, and we thank him for his assistance—Jacqueline Eubanks as the staff right now, the amendments were agreed to as follows:

**AMENDMENT NO. 598**

(Purpose: To make funds available to ensure that Survivor Benefits annuities are not reduced by the amount of veterans’ dependency and indemnity compensation received by military families)

On page 49, line 17, insert after “disabled military personnel” the following: “or veterans (including the elimination of the offset between Survivor Benefit Plan annuities and veterans’ dependency and indemnity compensation).”

**AMENDMENT NO. 599**

(Purpose: To add $200 million for Function 270 (Energy) for the demonstration and monitoring of carbon capture and sequestration technology by the Department of Energy)

On page 11, line 9, increase the amount by $200,000,000.
On page 11, line 10, increase the amount by $50,000,000.
On page 11, line 14, increase the amount by $700,000,000.
On page 11, line 18, increase the amount by $50,000,000.
On page 11, line 22, increase the amount by $100,000,000.
On page 12, line 1, increase the amount by $10,000,000.
On page 26, line 12, decrease the amount by $200,000,000.
On page 26, line 13, decrease the amount by $50,000,000.
On page 26, line 17, decrease the amount by $70,000,000.
On page 26, line 21, decrease the amount by $50,000,000.
On page 26, line 25, decrease the amount by $10,000,000.
On page 27, line 4, decrease the amount by $10,000,000.

**AMENDMENT NO. 612**

(Purpose: To provide for a deficit-neutral reserve fund for manufacturing initiatives)

At the end of title III, add the following:

SEC. 3. DEFICIT-NEUTRAL RESERVE FUND FOR MANUFACTURING INITIATIVES.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports, including tax legislation, that would revitalize the United States domestic manufacturing sector by increasing federal research and development, by expanding the scope and effectiveness of manufacturing programs across the Federal government, by increasing support for development of alternative fuels and leap-ahead automotive and energy technologies, and by establishing tax incentives to encourage the continued production in the United States of advanced technologies and the infrastructure to support such technologies, by the amounts provided in that legislation for those purposes, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2012.

**AMENDMENT NO. 617**

(Purpose: To establish a deficit neutral reserve fund for extending preschool opportunities to children)

After section 322, insert the following:
SEC. 322A. DEFICIT-NEUTRAL RESERVE FUND FOR PRESCHOOL OPPORTUNITIES.

If the Committee on Health, Education, Labor, and Pensions of the Senate, reports a bill or joint resolution, or an amendment is offered in the Senate to such a bill or joint resolution, or a conference report is submitted in the Senate on a such a bill or joint resolution, that augments or establishes a Federal program that provides assistance to States that offer or expand preschool to children of low-income families, the Chairman of the Committee on the Budget of the Senate may revisit the aggregates, allocations, and other appropriate levels in this resolution by amounts provided in such measure for that purpose, provided that such legislation would not increase the deficit for the total of the period of fiscal years 2007 through 2012.

AMENDMENT NO. 549

(Purpose: To reduce the deficit through his use of recovery audits)

At the appropriate place, insert the following:

SEC. 549. DEFICIT-REDUCTION RESERVE FUND FOR INCREASED USE OF RECOVERY AUDITS.

The Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other appropriate levels in this resolution by amounts provided in such measure for that purpose, provided that such legislation would not increase the deficit for the total of the period of fiscal years 2007 through 2012.

AMENDMENT NO. 611, AS MODIFIED

(Purpose: To increase the budgeting totals for the National Nanotechnology Initiative for environmental, health and safety research and development for fiscal years 2008 through 2012)

On page 10, line 9, increase the amount by $40,000,000.
On page 10, line 10, increase the amount by $40,000,000.
On page 10, line 13, increase the amount by $40,000,000.
On page 10, line 14, increase the amount by $40,000,000.
On page 10, line 17, increase the amount by $40,000,000.
On page 10, line 18, increase the amount by $40,000,000.
On page 10, line 21, increase the amount by $40,000,000.
On page 10, line 22, increase the amount by $40,000,000.
On page 10, line 25, increase the amount by $40,000,000.
On page 11, line 1, increase the amount by $40,000,000.
On page 16, line 12, decrease the amount by $40,000,000.
On page 26, line 13, decrease the amount by $40,000,000.
On page 26, line 16, decrease the amount by $40,000,000.
On page 26, line 17, decrease the amount by $40,000,000.
On page 26, line 20, decrease the amount by $40,000,000.
On page 26, line 21, decrease the amount by $40,000,000.
On page 26, line 25, decrease the amount by $40,000,000.

AMENDMENT NO. 548

(Purpose: To provide for the use of the deficit-neutral reserve fund for tax relief for enhancing charitable giving from individual retirement accounts)

On page 50, line 6, insert "such as enhanced charitable giving from individual retirement accounts," before "and".

AMENDMENT NO. 524

(Purpose: To provide $100 million for the Summer Term Education Program supporting summer learning opportunities for low-income students in the early grades. Program will lessen summer learning losses that contribute to the achievement gap between the students from their middle-class peers)

On page 17, line 12, increase the amount by $100,000,000.
On page 17, line 13, increase the amount by $2,000,000.
On page 17, line 17, increase the amount by $56,000,000.
On page 17, line 21, increase the amount by $30,000,000.
On page 17, line 25, increase the amount by $10,000,000.
On page 26, line 12, decrease the amount by $100,000,000.
On page 26, line 13, decrease the amount by $2,000,000.
On page 26, line 17, decrease the amount by $56,000,000.
On page 26, line 21, decrease the amount by $30,000,000.
On page 26, line 25, decrease the amount by $10,000,000.

AMENDMENT NO. 596

(Purpose: To increase LIHEAP spending by $705 million in FY 2008 for a total LIHEAP level of $3.2 billion, divided between the regular and contingency grant funds at FY2006 levels)

On page 20, line 12, increase the amount by $703,000,000.
On page 20, line 13, increase the amount by $527,000,000.
On page 20, line 17, increase the amount by $162,000,000.
On page 20, line 21, increase the amount by $14,000,000.
On page 26, line 12, decrease the amount by $703,000,000.
On page 26, line 13, decrease the amount by $527,000,000.
On page 26, line 17, decrease the amount by $162,000,000.
On page 26, line 21, decrease the amount by $14,000,000.

AMENDMENT NO. 660

(Purpose: To establish a deficit-neutral reserve fund to provide for a delay in the implementation of a proposed rule relating to the Federal-State financial partnerships under Medicaid and SCHIP)

At the appropriate place, insert the following:

SEC. 660. DEFICIT-NEUTRAL RESERVE FUND FOR A DELAY IN THE IMPLEMENTATION OF A PROPOSED RULE RELATING TO FEDERAL-STATE FINANCIAL PARTNERSHIPS UNDER MEDICAID AND SCHIP.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that provides for a delay in the implementation of the proposed rule published on January 18, 2007, on pages 2236 through 2248 of volume 72, Federal Register (relating to parts 433, 447, 495, and 508 of Code of Federal Regulations or any other rule that would affect the Medicaid program and SCHIP in a similar manner, by the amounts provided in that legislation for that purpose, provided that such legislation would not increase the deficit for the total of the period of fiscal years 2007 through 2012.

AMENDMENT NO. 572

(Purpose: To provide additional funding for the Consumer Product Safety Commission to enhance its mission of protecting the public from unreasonable risks of serious injury or death from consumer products)

On page 18, line 12, increase the amount by $10,000,000.
On page 18, line 13, increase the amount by $10,000,000.
On page 18, line 16, increase the amount by $10,000,000.
On page 18, line 17, increase the amount by $10,000,000.
On page 18, line 20, increase the amount by $10,000,000.
On page 18, line 21, increase the amount by $10,000,000.
On page 18, line 24, increase the amount by $10,000,000.
On page 18, line 25, increase the amount by $10,000,000.
On page 19, line 3, increase the amount by $10,000,000.
On page 19, line 4, increase the amount by $10,000,000.
On page 26, line 12, decrease the amount by $10,000,000.
On page 26, line 13, decrease the amount by $10,000,000.
On page 26, line 16, decrease the amount by $10,000,000.
On page 26, line 17, decrease the amount by $10,000,000.
On page 26, line 20, decrease the amount by $10,000,000.
On page 26, line 21, decrease the amount by $10,000,000.
On page 26, line 24, decrease the amount by $10,000,000.
On page 26, line 25, decrease the amount by $10,000,000.
On page 27, line 3, decrease the amount by $10,000,000.
On page 27, line 4, decrease the amount by $10,000,000.

AMENDMENT NO. 619

(Purpose: To establish a reserve fund to improve the health care system)

At the end of title III, add the following:

SEC. 619. RESERVE FUND TO IMPROVE THE HEALTH CARE SYSTEM.

If the Senate Committee on Finance—
(1) reports a bill, or if an amendment is offered thereto, or if a conference report is submitted thereon, that—
(A) creates a framework and parameters for the use of Medicare data for the purpose of conducting research, public reporting, and other activities to evaluate health care safety, effectiveness, efficiency, quality, and resource utilization in Federal programs and the private health care system; and
(B) includes provisions to protect beneficiary privacy and to prevent disclosure of proprietary or trade secret information with respect to the transfer and use of such data; and
(2) is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974,
the Chairman of the Senate Committee on Finance may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate measures
to reflect such legislation provided that such legislation would not increase the deficit for fiscal year 2008, and for the period of fiscal years 2008 through 2012.

AMENDMENT NO. 589
(Purpose: To establish a reserve fund for the safe importation of FDA-approved prescription drugs)

On page 62, between lines 7 and 8, insert the following:

SEC. 322A. DEFICIT-NEUTRAL RESERVE FUND FOR THE SAFE IMPORTATION OF FDA-APPROVED PRESCRIPTION DRUGS.

The Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other levels in this resolution for a fiscal year, joint resolution, motion, amendment, or conference report that permits the safe importation of prescription drugs approved by the Food and Drug Administration from a specified list of countries, by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2012.

AMENDMENT NO. 470, AS MODIFIED
At the end of title II, insert the following:

SEC. 7. DISCLOSURE OF INTEREST COSTS.

(a) POINT OF ORDER.—It shall not be in order to enter a motion to consider any direct spending or revenue legislation that is required to contain the statement described in section 308(a) of the Congressional Budget Act of 1974, unless such statement contains a projection by the Congressional Budget Office of the cost of the debt servicing that would be caused by such legislation for such fiscal year (or fiscal years) and each of the 4 ensuing fiscal years.

(b) SUPERMAJORITY WAIVER AND APPEAL.—
(1) WAIVER.—In the Senate, subsection (a) may be waived only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) APPEAL.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

AMENDMENT NO. 572
(Purpose: To increase funds for the implementation of the forest management plans developed for the States of Minnesota, Michigan, and Wisconsin, with an offset)

On page 12, line 9, increase the amount by $50,000,000.

On page 12, line 10, increase the amount by $40,000,000.

On page 12, line 14, increase the amount by $10,000,000.

On page 26, line 12, decrease the amount by $50,000,000.

On page 26, line 13, decrease the amount by $40,000,000.

On page 26, line 17, decrease the amount by $10,000,000.

AMENDMENT NO. 551, AS MODIFIED
On page 11, line 9, increase the amount by $125,000,000.

On page 11, line 10, increase the amount by $56,000,000.

On page 11, line 14, increase the amount by $50,000,000.

On page 11, line 18, increase the amount by $13,000,000.

On page 11, line 22, increase the amount by $6,000,000.

On page 26, line 12, decrease the amount by $125,000,000.

On page 26, line 13, decrease the amount by $56,000,000.

On page 26, line 17, decrease the amount by $3,000,000.

On page 26, line 21, decrease the amount by $13,000,000.

On page 26, line 23, decrease the amount by $6,000,000.

AMENDMENT NO. 628, AS MODIFIED
On page 50, line 8, insert “and including the reauthorization of the new markets tax credit under section 1334D of the Internal Revenue Code of 1986 for an additional 5 years” after “refundable tax relief”.

AMENDMENT NO. 636
(Purpose: To establish a reserve fund to improve payment accuracy for hospitals under the Medicare program)

At the end of title III, insert the following:

SEC. 15. RESERVE FUND TO IMPROVE MEDICARE HOSPITAL PAYMENT ACCURACY.

If the Senate Committee on Finance—
(1) reports a bill, or if an amendment is offered thereon, or if a conference report is submitted thereon, that—

(A) addresses the wide and inequitable disparity in the reimbursement of hospitals under the Medicare program.

(B) includes provisions to reform the area wage index used to adjust payments to hospitals under the Medicare hospital inpatient prospective payment system under section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)); and

(C) includes a transition to the reform described in subparagraph (B) and is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974, the Chairman of the Senate Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate measures to reflect such legislation provided that such legislation would not increase the deficit for the period of fiscal years 2008 through 2012.

AMENDMENT NO. 638
(Purpose: To provide the Secretary of Agriculture with the necessary funding to effectively address the critical water and waste water needs of rural communities in the United States)

On page 16, line 10, increase the amount by $50,000,000.

On page 16, line 11, increase the amount by $7,500,000.

On page 16, line 14, increase the amount by $50,000,000.

On page 16, line 15, increase the amount by $15,000,000.

On page 16, line 18, increase the amount by $50,000,000.

On page 16, line 19, increase the amount by $30,000,000.

On page 16, line 22, increase the amount by $50,000,000.

On page 16, line 23, increase the amount by $40,000,000.

On page 17, line 2, increase the amount by $50,000,000.

On page 17, line 3, increase the amount by $50,000,000.

On page 26, line 12, decrease the amount by $50,000,000.

On page 26, line 13, decrease the amount by $7,500,000.

On page 26, line 16, decrease the amount by $50,000,000.

On page 26, line 17, decrease the amount by $15,000,000.

On page 26, line 20, decrease the amount by $50,000,000.

On page 26, line 21, decrease the amount by $30,000,000.

On page 26, line 24, decrease the amount by $40,000,000.

On page 27, line 3, decrease the amount by $50,000,000.

On page 27, line 4, decrease the amount by $50,000,000.

AMENDMENT NO. 615
(Purpose: To provide for a deficit-neutral reserve fund to improve health insurance)

At the appropriate place, insert the following:

SEC. 16. DEFICIT-NEUTRAL RESERVE FUND TO IMPROVE HEALTH INSURANCE.

If a Senate committee reports a bill or joint resolution, or if an amendment is offered thereto, or if a conference report is submitted thereon, that, with appropriate protections for consumers, reduces growth in the number of uninsured Americans, improves access to affordable and meaningful health insurance coverage, improves health care quality, or reduces growth in the cost of private health insurance by facilitating market pooling, including across State lines, and a bill or joint resolution, or if an amendment is offered thereto, or if a conference report is submitted thereon, that, with appropriate protections for consumers, provides funding for State high risk pools or financial assistance, whether directly, or through grants to States to enhance the effectiveness of such pooling or to provide other assistance to small businesses or individuals, including financial assistance, for the purchase of private insurance coverage, the Chairman of the Committee on the Budget may make appropriate adjustments in allocations and aggregates for fiscal year 2007 and for the period of fiscal years 2008 through 2012, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2012.

AMENDMENT NO. 596
(Purpose: To increase funding for the National Institutes of Health, the Centers for Disease Control and Prevention, and the health professions)

On page 18, line 12, increase the amount by $2,200,000,000.

On page 18, line 13, increase the amount by $2,200,000,000.

On page 26, line 12, decrease the amount by $2,200,000,000.

On page 26, line 13, decrease the amount by $2,200,000,000.

AMENDMENT NO. 548
(Purpose: To provide the Secretary of Agriculture with the necessary funding to implement a pilot program authorized by the Richard B. Russell National School Lunch Act to study the elimination of the reduced-price category for school lunches)

On page 53, line 22, insert “and that includes financial incentives for physicians to improve the quality and efficiency of items and services furnished to Medicare beneficiaries through the use of consensus-based quality measures” after “Act”.

AMENDMENT NO. 649
(Purpose: To provide that Medicare payments to physicians include incentives to improve the quality and efficiency of items and services furnished to Medicare beneficiaries)

On page 42, line 7, insert “or that includes financial incentives for physicians to improve the quality and efficiency of items and services furnished to Medicare beneficiaries through the use of consensus-based quality measures” after “Act”.

AMENDMENT NO. 693
(Purpose: To provide for a deficit-neutral reserve fund to improve health insurance)

On page 26, line 12, increase the amount by $10,000,000.

On page 26, line 13, increase the amount by $10,000,000.

On page 26, line 16, increase the amount by $10,000,000.

On page 26, line 17, increase the amount by $10,000,000.

On page 26, line 20, increase the amount by $3,000,000.

On page 26, line 21, increase the amount by $3,000,000.

On page 26, line 22, increase the amount by $3,000,000.

On page 26, line 24, increase the amount by $3,000,000.

On page 26, line 25, increase the amount by $3,000,000.
ON PAGE 26, LINE 17, DECREASE THE AMOUNT BY $10,000,000.
ON PAGE 26, LINE 20, DECREASE THE AMOUNT BY $3,000,000.
ON PAGE 26, LINE 21, DECREASE THE AMOUNT BY $3,000,000.

AMENDMENT NO. 996

Mr. REED. Mr. President, I would like to thank the Chairman of the Budget Committee for his efforts to include my bipartisan amendment to increase the allocation for LIHEAP, the Low-Income Home Energy Assistance Program, to $3.2 billion in the budget resolution. As the chairman knows, this is the level that was recommended in a bipartisan letter signed by 35 governors. The minimum level of funding needed to allow States to provide the same level of assistance as in fiscal year 2006.

The rise in energy prices has led to an increase in the number of families seeking and receiving assistance. In fiscal year 2006, with an additional $1 billion, over 500,000 additional households were served by LIHEAP, increasing the total to 5.6 million. However, that represents less than 15 percent of the eligible households.

LIHEAP is not only a heating program, it is also a cooling program. The number of households receiving cooling assistance increased to 540,000 in fiscal year 2006, up from 315,000 in 2005.

LIHEAP provides a vital safety net for our Nation’s low-income households by helping them remain healthy and secure during bitterly cold winters in the North and hot summers in the South. For many low-income families, disabled individuals, and senior citizens living on fixed incomes, home energy costs are unaffordable. Low-income families pay close to 18 percent of their income on energy. The average family only pays 4 percent.

According to a recent survey conducted by the National Energy Assistance Directors Association, NEADA, families who receive LIHEAP are very poor and have few choices but to cut back on food, medicine, and other essentials in order to pay their home energy costs when funding is inadequate to meet the need. Sixty-four percent of those surveyed said that without LIHEAP, they would have had to keep their home at an unsafe or unhealthy temperature. Fifty-four percent said that they would have had their electric or gas service disconnected if LIHEAP benefits had not been available.

Increasing funding for this vital and valuable program remains a top priority for me. I am grateful that the American people and restores the majority for me. I am grateful that the valuable program remains a top priority for me. I am grateful that the average.

According to a recent survey conducted by the National Energy Assistance Directors Association, NEADA, families who receive LIHEAP are very poor and have few choices but to cut back on food, medicine, and other essentials in order to pay their home energy costs when funding is inadequate to meet the need. Sixty-four percent of those surveyed said that without LIHEAP, they would have had to keep their home at an unsafe or unhealthy temperature. Fifty-four percent said that they would have had their electric or gas service disconnected if LIHEAP benefits had not been available.

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This program is a national program. In fiscal year 2006 LIHEAP assisted 5,710,000 households in the United States, including 48,000 households in Maine. In Fiscal Year 2006, the nearly 6 million households that received funding only represented 25 percent of the eligible households. Unfortunately, that figure illustrates that with the exponential rise in energy prices, this program has become an even more vital program.

This is also reflected in level of support from our Nation’s governors. On February 15th, a bipartisan group of 35 governors wrote the leadership of the House and Senate stating that “In 2006, we were grateful that Congress made a significant investment in LIHEAP, recognizing that soaring energy prices required additional funding for the program.” The letter further reads that, “We urge you to use the 2006 funding level of $3.2 billion as a base to build from in the future—not a one time emergency investment in energy assistance.” The letter signed by governors with diverse political views and from a distinct regions including Georgia, Louisiana, Maine, North Carolina, Oklahoma, and South Dakota.

This is a national program and, accordingly, it has national support.

It is incumbent on us to prepare the Nation’s budget in light of the year’s perceivable threats facing the United States and with our citizens in mind. Current energy prices present an impending crisis for the United States’ most vulnerable. The LIHEAP program does not stem the effects of winter, but it quells the effects of energy prices and allays the fears of our Nation’s most vulnerable citizens.

I believe that our Nation’s budget should prioritize the Low Income Home Energy Assistance Program, and believe that an increase of an additional $703 million represents a responsible and vital investment. I urge my colleagues to support this program.

AMENDMENT NO. 635

Mr. ENZI. Mr. President, I rise today, joined by Senators Baucus, Grassley, Kennedy, and Salazar, to offer a bipartisan amendment which creates a deficit neutral reserve fund that recognizes the significance of market-based pooling as a tool in addressing rising health insurance costs, and health care quality.

Market-based pooling is especially important for small businesses, which now have virtually no ability to use strength in numbers across State lines to negotiate better and more affordable coverage for their workers.

America faces an ever-widening gap between health care “haves” and “have nots.” Without effective market pooling power, ever-growing numbers of small businesses and uninsured and underinsured Americans are slipping into the “have not column.” This is a tragic gap we can and must close.

Senator Nelson and I are actively discussing with our colleagues possible
bipartisan approaches. As the wide bipartisan support for today's amendment shows, we are on a promising track, and we intend to stick with it. Market-based pooling must be a part of any comprehensive health reform solution.

I urge my colleagues to support my amendment.

Mrs. BOXER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on the adoption of the concurrent resolution, as amended.

The clerk will call the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

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

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—52

Akaka
Baucus
Bayh
Bilen
Bingaman
Boxer
Brown
Byrd
Cantwell
Cardin
Carper
Casey
Clinton
Collins
Conrad
Dodd
Dorgan
Durbin

NAYS—47

Alexander
Allard
Bennett
Bond
Brownback
Bunning
Burris
Chambliss
Collins
Cochran
Colesman
Corker
Curnyn
Craig
Crapo
DeMint

NOT VOTING—1

Johnson

The concurrent resolution (H. Con. Res. 21), as amended, was agreed to.

(The resolution will be printed in a future edition of the RECORD.)

Mr. CONRAD. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CONRAD. Mr. President, we have now taken the next step in the journey to having a budget resolution in place for the Nation. It passed the committee and has now passed the Senate. This is an important turning point for the Congress, certainly for the Senate, and for the country. In the last three or five years, our country has not had a budget. It is important—critically important—for Congress to vote on a budget. I would be the first one to say this is an imperfect budget, but it does advance the cause of having the discipline of a budget for our country. I thank all of our colleagues who have labored with those of us who voted against it but who cooperated in the process. I especially thank Senators GREY and my outstanding professional staff. I see his staff director, Scott Gudes, who has been a true professional. I very much appreciate having the chance to work with people of that caliber. And again, to my own staff director, Mary Naylor, who has worked such extraordinary hours, weekend after weekend, night after night until 10, 11, sometimes 2 in the morning, this has truly been an extraordinary effort, and I thank her, and I thank all of my staff. To many of them who are here, I say thank you. You have done this institution proud, and I appreciate it deeply.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators allowed to speak therein for a period of up to 10 minutes each. The PRESIDING OFFICER. Without objection, it is so ordered.

SPRINTIME ARTISTRY

Mr. BYRD. Mr. President, once again, we welcome in the Spring.

Blows the thaw-wind pleasantly.
Drifts the snowing, rain pleasantly.
By fits looks down the waning sun:
Young grass springs on the plain:
Young leaves clothe early hedgerow trees;
Seeds, and roots, and stones of fruits,
Swollen with sap put forth their shoots;
Curled-headed ferns sprout in the lane;
Birds sing and pair again.
There is now the like Spring.
When life’s alive in everything . . . —Christina Rossetti.

March 21 is the vernal equinox, when the day and night are, briefly, in perfect balance. It is the first day of spring. This year, of course, the early switch to daylight savings time has created the illusion of an earlier spring with the artificial and arbitrary establishment of darker mornings and longer evenings. I, for one, am happy to welcome an early spring. It is my favorite season. The first sign of new hope and untarnished promise.

West Virginia has seen some snow this winter. The snow was welcomed by skiers and farmers, but those of us who neither ski nor plow view snow more as a nuisance—something to be moved out of the way, something that complicates our commutes and closes the schools. Snow makes the world monochromatic, a palette that ranges along a single line of fading beauty. The shades of gray to the tired black of grime-crusted snow along the roads. We are ready for spring, ready for some light and for lots of vibrant color around us.

This year, the March winds again worked their artistry, blowing away the flotsam and jetsam of winter to uncover a clean canvas with just the sweeping curves of earth and the angular armature of tree limbs sketched in charcoal, awaiting the Master’s hand to apply delicate springtime washes of color. Over the past weeks, we have seen the Master’s skill at work in the first creeping stain of green across the lawns and fields, the soft blush of blossoms in the wild plum trees, the deepening blue of the daffodils. The colors have grown darker, richer, and more vibrant, as if the warm breezes carried them to us from some distant sunny clime. Bright details have begun to take shape in the scattered spangles of violet, and yellow crocus and the bright accents of hardy daffodils amid their grass green leaves. Oh, daffodils—the poets write of you! The Boston poet Amy Lowell (1874–1923) wrote of you:

Thou yellow trumpeter of laggard Spring! Thou herald of rich Summer’s myriad flowers!

The climbing sun with new recovered powers Does warm thee into being, through the ring Of rich earth; and, as he wos thee, makes thee fling

Thy green shoots up, inheriting the dowers Of bending sky and sudden, sweeping showers.

Till ripe and blossoming thou art a thing To make all nature glad, thou art so gay; To fill the lonely with a joy untold;

Nodding at every gust of wind to-day,
To-morrow jeweled with raindrops. Always bold
To stand erect, full in the dazzling play
Of bending sky and sudden, sweeping showers.

Christina Rossetti.