

more than a synonym for more taxes. We seldom, if ever, see the idea of reducing spending brought up by the other side as a way of offsetting the loss of revenue from extending these important tax provisions.

In fact, there is a major flaw in the Democrats' pay-go requirement that you never hear them mention. Pay-go applies only to the revenue loss from extending the tax cuts, but not to the revenue loss from extending spending programs that expire. You might never know it from listening to the debate around here, but it is not just tax provisions that expire. Extending both tax benefits and spending programs costs Federal revenue. Why should not both be offset?

However, the budget rules assume that the expiring spending provisions are automatically renewed as a matter of course, with absolutely no requirement that the lost revenue be offset. This mismatch in budget policy produces a huge bias toward bigger Government and more taxes—something my colleagues on the other side just love.

Some may well ask, why shouldn't we pay for the lost revenue from extending the expired and expiring tax provisions?

My answer to Utahns who ask me this question comes in three parts:

First, it is wrong to raise taxes on one group of taxpayers in order to prevent another group of taxpayers from suffering an increase in taxes. Democrats and Republicans alike have resoundingly agreed with this principle in connection with the alternative minimum tax. Both parties in both Houses last year overwhelmingly passed the so-called "AMT patch" without offsets, and it is widely expected that we will do the same thing again this year.

Second, it is wrong to offset temporary extensions of current law with permanent tax increases. The fact that this has been done year after year does not make this practice a sound one. In fact, using permanent tax increases to offset temporary extensions simply means that, in the long run, the extenders have been paid for again and again.

Finally, why should we increase taxes when we are already collecting more taxes as a percentage of gross domestic product than the historical average? Despite the large tax cuts passed by Congress and signed by the President in the early part of this decade, the amount of tax collected as compared to the size of the economy just keeps increasing; yet, the majority insists on expanding the Government's pocketbook even further. At a time when gas prices have increased by 10 cents over the past two weeks to a national average of \$4.07 and home foreclosures are on the rise, I believe we need to put money back in the taxpayer's pockets, not take more out.

According to the other side, the pay-go rules require us to provide tax in-

creases in order to keep the deficit from increasing. Time and again, however, the Democrats themselves admit that the pay-go rules are not practical. We all know that.

For example, it was not deemed necessary to offset the revenue loss of the economic stimulus package we passed early this year. We did not offset the package of tax benefits for military personnel that was recently enacted. And there has been a long internal debate on the other side about whether unemployment benefits need to be offset. It appears to me that the Democratic pay-go requirement is more a slogan of convenience than a bedrock principle.

Many in the business community are frustrated by our lack of action in extending the expired tax provisions. I understand and share this frustration with them. I have fought for years to improve, extend, and expand many of these provisions, such as the research credit.

However, I believe those in the business community who are encouraging us to simply go along with the flawed bill the House of Representatives has sent us are being very shortsighted. Many in the business lobbies have looked at the offsets in that bill and have said that since they do not affect them very much, that we should go ahead and approve them.

If we go along with these offsets to extend the expired provisions until the end of this year, what are we going to use to pay for next year's extension? Sure, the business community might be fine with these offsets now, but how long until we get to the offsets that really hit them hard? All of us, including the business community, need to take a longer view of this and examine the principles involved.

We cannot drive our economy into the ground in the name of false fiscal responsibility. Tax increases are not the prescription to what ails our economy, particularly during this downturn and especially when revenue is already higher than the historical average. Yes, we should pass the extenders, but let us not sacrifice jobs on the altar of a flawed pay-go requirement in the process.

The cost of living for Americans is becoming unbearable. In my home State of Utah, the average price of gas is \$4.07, construction of new homes has ceased, and unemployment is on the rise. We should be spending less and lowering taxes, not holding back tax incentives that are vital to economic growth and job creation while raising taxes.

If my colleagues on the other side want to be fiscally responsible, then I am all for it. Let us work together to identify enough spending cuts to offset the cost of extenders. But if we cannot do that, let us not hold these important tax provisions hostage to a false sense of fiscal responsibility.

I notice the distinguished majority whip is here, so I will try to finish as quickly as I can.

MEDICARE IMPROVEMENTS

Mr. HATCH. I wish to say a few words about why I oppose the cloture motion on the motion to proceed on H.R. 6331, the Medicare Improvements for Patients and Providers Act. As I said last week when we were considering the cloture motion on the Baucus Medicare bill, my goal is to have bipartisan legislation signed into law by the President on July 1. Let me be clear, I wish to continue to work with my colleagues on the other side of the aisle in order to get this done. We were so close to an agreement in the Senate earlier in the week, but after the House voted on Tuesday, those discussions basically stopped, although we can put this together in 10 minutes if we work in a bipartisan way.

To be honest, the House Medicare bill, H.R. 6331, contains many provisions that both sides strongly support. These provisions include restoring Medicare reimbursement rates for physicians so their Medicare payments are not reduced by 10.6 percent on July 1.

Let me be clear, no one wants to cut Medicare reimbursements for doctors. We want Medicare beneficiaries to continue to have access to high-quality health care and the ability to see their own doctors.

There is not just one Medicare bill. The Baucus Medicare bill; the Grassley Medicare bill, which I cosponsored; and H.R. 6331 all include provisions to restore physician payments. All three bills include provisions on e-prescribing. Mandatory e-prescribing will significantly reduce medical errors, thus protecting beneficiaries.

Another issue that has overwhelming support is the delay of the competitive bidding program. I was a member of the House-Senate conference committee on the Medicare Modernization Act of 2003. Even back then, Senator GRASSLEY and I expressed grave concerns about the inclusion of the Medicare competitive bidding program. I worried about the impact it would have on small durable medical equipment companies, particularly those in rural areas. I am still concerned because there are many unanswered questions about the bidding process and how the winning bids were selected. If we do not come to an agreement by July 1, this program will go into effect.

A related issue that is included in all three Medicare bills is the elimination of the clinical lab competitive bidding program. There was broad support to repeal the clinical lab competitive bidding program as well.

There are rural provisions included in all three bills that are very important to my home State of Utah, which has many rural areas.

These provisions improve payments for sole community hospitals, critical access hospitals, and increase ambulance reimbursement rates in both rural and urban areas.

All three bills include a policy to create a bundle payment system for end-stage renal disease, or ESRD, services

