MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business until 3 p.m., with Senators permitted to speak therein for up to 10 minutes each.

The Senator from California.

CONRAD-GREGG AMENDMENT

Mrs. FEINSTEIN. Mr. President, I wish to say a few words in favor of the Conrad-Gregg amendment which will shortly be before us and in opposition to the Baucus amendment.

I have worked for some time to try to produce legislation that would create a commission which could be like a BRAC commission and deal with what I consider to be the most formidable problem facing this government.

Every Wednesday during the summer and spring, I have a constituent breakfast. One of the things I do at that breakfast is show what debt and deficit really means. One of the best ways—you learn this when you do a budget, and I learned it when I was mayor of San Francisco and for 9 years put together a budget—is to look at what is actually spent, total numbers. That gives you the real clue. It is called outlays, Federal outlays.

What have Federal outlays been? In 2009, 50 percent of everything the Federal Government paid out went to entitlements. What are entitlements? Medicare, Social Security, veterans' benefits—things that cannot be controlled—if you are entitled to them, you get them. Look at interest on the debt, which is 5 percent. If you look at discretionary defense, it is 18 percent. And if you look at everything else the Federal Government does that everybody talks about—education, agriculture, justice, the 22 agencies in Homeland Security—it is just 16 percent of what is spent. If you add together the 50 percent and the 5 percent of interest, we see 55 percent of everything the Federal Government spends this year cannot be controlled. We have to spend it. All the rest that is discretionary is rather small in comparison. If we project that out 10 years—and I must say that new numbers are coming out tomorrow, so this is the latest number I have—entitlements go up to 56 percent and interest on the debt to 14 percent; that is, 70 percent of everything that will be spent in the year 2019 if things are projected forward cannot be controlled. Discretionary defense is 16 percent, and nondiscretionary—again, everything else—is 14 percent. If you wanted to balance out, you could eliminate everything in discretionary spending and you could not solve the problem.

That is what is happening. Entitlements are expanding to an inordinate amount of what the Federal Government pays out every year. It does not matter whether something is in the budget or not in the budget; if you have to pay for it and spend it, it contributes to the deficit and that translates into debt. It is a very major problem.

That is why I rise today in support of the amendment offered by Senators CONRAD and GREGG to establish a bipartisan commission to tackle this issue and look at these programs—namely, Social Security and Medicare—and make some recommendations as to how they can be changed, amended, melded to essentially be able to maintain themselves over time. We know both these programs are the third rail of American politics. Past Congresses and past Presidents have failed to take the steps necessary to ensure their long-term viability. Social Security will start running out of money in 2037, and Medicare will start to run out of money before the end of this decade. In 7 years, in 2017, Medicare will begin to run out of money.

This is an opportunity to take a concept which has worked before—namely, the Greenspan Commission, which in 1983 added years to Social Security solvency—and have a 1-year commission, which is the Conrad-Gregg commission, to deal with this debt. It would be an opportunity to get our Nation's finances back on track. If we could have done it, we would have done it. If we could have done it, why didn't we? Why year after year do we refuse to face the issues? The Greenspan recommendations, including a change to the trust fund revenue structure, actually won bipartisan support. Those recommendations were adopted, and they were credited with saving Social Security at the time.

More recently, the base realignment and closure process, known as BRAC, and the Homeland Security commission following 9/11 made recommendations. Many of those recommendations were accepted. The BRAC Commission had a process which all of us sort of derided and did not like, but it got the job done. They presented recommendations to the Congress; the Congress could vote them down. That decided the question. That is what the Conrad-Gregg amendment would do.

We all see the gravity of what is happening. As we vote to increase the debt limit for the ninth time in 8 years, we are not able to do anything about the biggest consumers of debt—entitlements—because they are such valuable programs to people and no one wants them touched.

This commission would be bipartisan. It would be composed of 18 members—10 Democrats, 8 Republicans; specifically, 16 Members of Congress split evenly between each party and 2 administration officials. Their charge would be to come to grips with this situation and make a series of recommendations on an expedited procedure that would come to the Congress, and we would either vote it up or vote it down. Everything would be on the table. The scope of the commission is broad enough to include all possibilities for improving our budgetary outlook. The commission would issue this report before the end of the year. Mr. President, 14 of the 18 Members must approve the report before it could be presented to us, and Congress would be required to vote on the report, as I said, with expedited consideration before the end of this year. So for the first time, in a matter of months, we would have before us some recommendations. How do we tweak Social Security to enable it to go past its doomsday? How do we handle Medicare to see that it is viable throughout the next three, four, five decades? It does not circumvent congressional procedures, nor does it exclude elected officials from shaping the final report.

The Social Security trust fund runs out of money in 2037. If we do not do anything, it is going to happen sooner. Today, 50 million people depend on Social Security. By 2050, 82 million people—another 32 million people—will receive Social Security.

Most people do not realize that one-half of American workers today have no retirement or pension benefit from their company. I did not know this. One-half of all retiring workers have no retirement or pension benefit from their company. Social Security is what they will have. With the problems in the workplace today, with the increase in bankruptcies, we can be sure that Social Security is only going to become more important as the decades go on.

In 2007, Social Security alone kept 35 percent of older Americans out of poverty. That is how important it is. Thirty-five percent of our seniors would be living in poverty if it were not for Social Security. And for almost two-thirds of people, Social Security makes up more than half their income. So Social Security is really the breadbasket, it is the opportunity for many seniors and pensioners and retirees to continue to live and stay out of poverty.

Medicare is in even worse shape. By 2017, the hospital insurance trust fund will be depleted. In last year's Trustees report, insolvency was projected in 2019. Medicare is unsustainable over time.

That is something that none of us wants to admit, none of us wants to face. The record is clear: None of us has faced it. None of us has done anything about it, and yet the time is ratcheted sooner and sooner.

So once the hospital trust fund is exhausted, it will be necessary to reduce the amount of benefits payable. What does that mean? That means after 2017, only 81 percent of benefits will actually be paid. Think of that. Is it all right to let that happen? Is it all right to do nothing? Is it all right to say: OK, we know that come 2017 only 81 percent of the benefit an individual should get will be paid, and it is because we are not willing to do anything about it? That is what we are saying if we vote no on the Conrad-Gregg resolution.

Medicare Part B and Part D prescription drug coverage will increasingly