

and large businesses on the outskirts of busy manufacturing centers, several themes were repeated over and over and over. One was that we continue to have problems in creating jobs because of the massive amount of regulations that are flowing out of Washington that, at a time of fiscal downturn in particular, are keeping our businesses from going forward and hiring people, being competitive. We spend time in the back room with paperwork, filling out what seems to be unnecessary burdens imposed upon us by regulatory agencies.

Some of these regulations are necessary. We all know that for purposes of health and safety, there are regulations that are important in keeping companies' feet to the fire in terms of making sure their workplace is a safe and healthy place to work. These are important, and there are others. But clearly there is an excess. What I heard people saying all across the State of Indiana was that our government has grown too big, it spends too much money and it overregulates. In particular, when it comes to business, that overregulation and overtaxation is impeding our ability to compete on a worldwide basis to provide the kinds of jobs and services America is used to providing in such a successful way.

Tomorrow, this vote will deal with an aspect of the health care bill that was passed in the last Congress. Tucked away in that health care bill is a provision requiring every company, every church, every charity to submit a separate IRS 1099 form for taxes detailing and describing the goods they purchase in order to run their church, run their hospital, run their business, run their charity.

I have talked to hospitals—small and rural, big and large—across the State of Indiana, and they say: Do you realize how many separate items we purchase every year of over \$600? Do you understand how many hundreds, if not thousands, of prescription drugs we purchase in order to have them available here to perform our services in this hospital, how many band-aids, how many cotton patches, how many sophisticated drugs?

Hundreds of thousands of items are purchased by large companies every year, and each one of those now has to be calculated as to whether the purchase price was more than \$600 for the lot they buy, and it has to be detailed and then sent to Washington. There are not enough bureaucrats in Washington to begin to process the paperwork that would flood into this city. There are not enough buildings in this city to house those bureaucrats processing those forms. There are not enough warehouses in this city to store the forms that would flow in here. All for what reason? Because supposedly this is a way to collect more taxes on companies that have not submitted forms where they have actually purchased this particular material, even though they are required under the tax laws to

honestly—and I believe it is almost unanimous; maybe 99 percent of the time—do just that. So it is a solution without a problem.

Clearly, what Senator JOHANNIS has been attempting to do over the past several months and even in the last Congress is bring forward a bill that would repeal this onerous provision of the health care law.

The U.S. Chamber of Commerce said this about the 1099 reporting requirement:

At a time when they can least afford it, entities will have to institute new complex record-keeping, data collection and reporting requirements to track every purchase by vendor and payment method. This provision will dramatically increase accounting costs and could expose businesses to costly and unjustified audits by the IRS.

Even the IRS Information Reporting Program Advisory Committee has ruled against this, deeming this mandate "burdensome" with "no measurable purpose."

Forcing businesses to spend time in the back room to fill out all these forms and do all this record keeping—and particularly those small businesses that do not have the back room, where the owner and the proprietor of the business is the one who has to fill out these forms instead of being out there selling his services or running his business—they are particularly burdened by this unnecessary regulation.

Clearly, if we want to promote our businesses, help them hire more people, and get more people back to work, we have to release them from the burden of unnecessary regulation and, I would also add to that, taxation. So tomorrow, when this vote comes up, let's adopt the Johannis amendment to repeal this unnecessary and costly provision and send it to the White House for the President's signature.

While we are at it, let's also continue to take a look at the health care bill because if this provision somehow survived scrutiny before passage, there must be many more of these in there. Let me just mention one of them that directly impacts my State.

Medical device companies are a key industry in the State of Indiana. In fact, we are one of the leading States, if not the leading State in the country, for the number of people engaged in producing medical devices. That industry was slapped with a 2.3-percent sales tax on medical devices under the new health care law simply as a means to pay for the new health care law.

This is an innovative industry, an industry which is at the cutting edge of technology, one of our best exporting industries. They sell all over the world. We talk about the loss of American capacity to manufacture. We have a skilled workforce in place, with thousands of people employed throughout the State of Indiana, with several hundred companies producing medical devices. They have developed the innovation and the skill to be the best in the world. Yet, just out of the blue, be-

cause we are looking for a pay-for in the health care bill—that had nothing to do with their production of that product or their business—they were slapped with this \$20 billion impact tax, a 2.3-percent sales tax, which turns out to be about \$20 billion under the health care law.

I have given these statistics for just the one State of Indiana. I know Minnesota and a number of other States also are engaged in the medical device business. But singling out, though, the medical device manufacturers to help pay for the massive costs of the health care law, hinders job growth and stifles innovation. This is a resource-rich, research-rich industry in America that needs to be encouraged, not discouraged, that needs to have incentives to go forward, not disincentives, that does not need more regulation and higher taxes but needs to be viewed as producing a product that is the best in the world and what the world wants to buy.

So as we look at the health care bill, I am sure there are many provisions that need to be addressed. I, of course, am on record for repealing and starting over for reasons I have stated before and will not go into now. I think it is fatally flawed. I think starting over would give us a far more cost-effective, incremental improvement in ways to address our health care needs in this country without breaking the bank.

Nevertheless, if we cannot do that, we need to keep looking at situations such as what we are going to be addressing tomorrow, the 1099 repeal, and situations such as I have just described with the medical device tax.

Mr. President, with that, I will close by urging my colleagues to come and vote for the repeal of the 1099 provision that has been brought forward by Senator JOHANNIS.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

NCAA TOURNAMENT

Mr. COATS. Mr. President, maybe this should have occurred to me before I last spoke and I should have addressed this. But since no one else is on the floor seeking to be recognized, it occurred to me that the Presiding Officer of the Senate represents the State of Connecticut, and I represent the State of Indiana. The two of us are the only ones on the floor of the Senate at this particular time. The Presiding Officer and I have an event that is very much going to draw our attention this evening; that is, the final game of the NCAA basketball tournament, Connecticut versus Butler.

I can extoll the virtues of Butler for a long time. I can also take some advantage of the Presiding Officer because he is in the chair and can't reply,

but I will not do that. I am just here to say we have a friendly bet on for this. I have some good Indiana-produced goodies coming the way of the Presiding Officer, should Connecticut prevail, and I think the Presiding Officer has some good Connecticut-produced goodies coming my way—by goodies I mean popcorn and a can of beans or whatever our States are famous for producing. I don't want anybody getting the wrong impression of what we possibly are exchanging.

Butler has been a dream and a joy for those of us from Indiana and, hopefully, from across the country, to watch this small school of 4,400 students in Indianapolis that produced a team that comes out of a midmajor conference. These schools perhaps aren't familiar to very many people, but yet they have knocked off the giants, with one more giant, I might say, to face this evening. But this little Midwestern school plays basketball the Hoosier way. They are a credible collection of players who were not recruited by the big schools but came together and worked together as a team under the inspired leadership of their young coach. They have now found themselves as NCAA finalists 2 years in a row, I think something no one would have predicted, particularly after they lost their star player last year who left the school a year early to go to the NBA.

My best wishes to the Presiding Officer for his team. As much as I give you those best wishes, I am looking forward tomorrow to receiving your part of the bargain delivered to my office, but if not, I will be standing at your front door. It is already assembled just in case. But we are rooting for a great game tonight. I think probably one of the most exciting events that happens in sports is the amateur basketball tournament that is played in by our NCAA colleges. It is a joy to watch these young men.

Then, tomorrow, I might mention, the Notre Dame women's team will be playing in the finals against Texas A&M. So Indiana is certainly putting forth some of its best during these next two nights. I am looking forward to seeing those games tonight. Our hopes are that we will not be in session this evening in the Senate. I don't think we will be. So you and I will be, unfortunately, not in Houston but in front of a big screen TV cheering on our teams.

With that, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

BUDGET DEBATE

Mr. SESSIONS. Mr. President, we are in the middle of the budget debate and,

as the Ranking Republican on the Budget Committee, it is something which is very important to me, and, I believe, to America.

There are two aspects of it. One is, how will we finish this fiscal year that ends September 30? The House Republicans have sent over legislation that funds the government, but it is \$61 billion less than was expected or had been projected under last year's budget. I don't think anyone would be surprised, after the last election and the big spenders took a pretty big hit, that there would be a reduction after the continuing resolution of, I guess, 5 months expired. Since that expired a few weeks ago and we have had some short-term continuing resolutions, we have reduced spending by about \$10 billion. I truly believe we need to move it on down to a full \$61 billion and, over 10 years, that will reduce the baseline by \$61 billion and, fairly computed, it will save, over a 10-year timeframe alone, \$860 billion. That is close to \$1 trillion. It is real money. It is a significant step we should take. I hope this Congress will take it.

The next matter that is before us is, what about next year's budget? We should already be in that cycle. The President has submitted the budget he is required by law to submit to the Congress. It does nothing about the threat to our country economically and financially. It is a great disappointment, the most irresponsible budget ever submitted, I am confident, by any President in the history of the American Republic. I have said that before, and I truly believe it. It is irresponsible. We cannot adopt it, we will not adopt it, and it will not become law. But our Senate has indicated they are prepared to consider—Democrats, too—a better budget, perhaps, but we haven't seen it. It has not been brought forth to the Budget Committee, as the law requires us to do, so far, and we are behind schedule. But the House tomorrow will consider a historic budget that honestly and carefully confronts the challenges facing us, long term and short term, dealing with entitlements, without gimmicks, and allows us to begin to focus on what the challenges are and why we have to take these steps.

Because who wants to talk about cutting spending? What politician likes to do that? It is not something we like to do. Why are we talking about this? Why? Can't it be put off? Is it just political squabbling between Republicans and Democrats? They are always bickering. Is this what it is all about? Is there anything real here? Do we have a problem that can't be avoided? Is it something—can't we just continue like we are? Why do we have to worry about more reductions in spending?

That is the question: Do we have a real crisis? Are we facing a threat to our economic well-being that could throw this country into another recession, maybe even a depression—surely, hopefully, not—a fiscal, financial crisis; is that possible?

Let's talk about a couple things. Admiral Mullen, the Chairman of the Joint Chiefs of Staff, recently stated that our national debt is the greatest threat to our national security. That is a pretty strong statement. Secretary of State Clinton said something very similar. Is that true? The American people pretty clearly agree with Admiral Mullen by a huge margin. They say we are on the wrong track. You are mismanaging Washington. There was a shellacking of the big spenders in the last election. People know we are spending too much money. We have had a 24-percent increase in spending since President Obama has been President—a 24-percent increase in discretionary nondefense spending. Inflation has been 1 or 2 percent during this time, and we had a 24-percent increase.

Next year's budget by the President calls for an 11-percent increase in education, a 10.5-percent increase in the State Department, a 9.5-percent increase in the Energy Department, and a 61-percent increase in transportation and high-speed rail. What? The inflation rate is 2 percent and we have 5 times—or 50 times, nearly, that amount in spending increases?

Alarming, it is not just the American people or just the tea party, great American people who are concerned about their country. It is not just tea party members who are expressing concern and calling for action. It is the Nation's top financial experts. This is what is important. They are calling for action sooner rather than later.

Erskine Bowles, President Obama's choice to head the deficit commission, who was also President Clinton's Chief of Staff and is a very successful businessman himself—he was chosen by President Obama to head the debt commission, along with Alan Simpson, a former Republican Senator. In a written statement they submitted to the Budget Committee just 2 weeks ago, this is what they said. This is a formal written statement from the debt commission cochairman to the Budget Committee of the Senate:

This is the most predictable financial crisis this Nation has ever faced.

Predictable crisis. In other words, we can see it coming. They spent months doing research. They heard from all kinds of witnesses. When asked when the crisis might occur, which could involve some sort of double-dip recession or even a longer recession or higher unemployment, Mr. Bowles said it could be 2 years, maybe sooner, maybe later. Alan Simpson said it could be within a year. These are stark warnings, and the same message is coming from a host of the world's top financial experts.

I have to say the good news is our country has a strong work ethic and an entrepreneurial spirit still exists. The indications are that despite the economic drag and our huge debt burden, the economy—far slower than normal recovering from this recession—is