

Many who have been watching this debate know what that means. Instead of having an individual worker or employee pay 6.2 percent as a payroll tax, we reduced that last year to 4.2 percent. I think it is vital, at a minimum, we do that, we extend it.

I had two pieces of legislation—two different versions—to reduce that even more, to cut it in half and also to do the same for businesses. I think that is a good idea, but for whatever reason we have not reached agreement on that. But we seem to have made progress in the last couple days—even in the last couple hours—coming together on an agreement on the payroll tax. We do not have an agreement yet. But we are all working very hard because we all know both the benefits of it and the consequences of not extending the payroll tax cut.

The benefits are plainly evident. If we put in place this payroll tax cut, we can jump-start, kick-start job creation and move the economy forward. I say that in light of some recent numbers we have in Pennsylvania. Pennsylvania's unemployment rate has hovered around 8 percent for a long time. The number of people unemployed in our State, the 8 percent, does not sound as high as in some places, but that meant over half a million people were out of work. It was not too long ago—just a few months ago—when we had roughly 525,000 people out of work. That number reduced to about 513,000. Fortunately, just yesterday, we got news that the number has fallen below 500,000 for the first time in a long time. We are at 499,000—not much below half a million, but that is good news for Pennsylvania. What that meant is, our unemployment rate went from 8.1 percent down to 7.9 percent. So we are below 8 percent.

As many people know, the national rate went below 9 percent to 8.6 percent. So we are seeing the unemployment rate nationally and in a number of States, including Pennsylvania, going in the right direction, meaning it is going down. The unemployment rate is going down. The number of people out of work, fortunately, is shrinking a little bit.

We have a long way to go to completely dig out of this economic ditch our economy has been in for a long time. One of the best ways to continue that progress is to pass a cut in the payroll tax again, as we did last year. It was the right thing to do last year. It is the right thing to do this year, to continue the progress. We want to make sure we are doing everything possible so our month-to-month job creation number is much higher than it has been.

We have been averaging in the roughly 150,000 range of private sector job growth. That is not enough. We need that above 200,000, and we need it even above 250,000. If we take this step—it is not the only step—there is no magic wand to any policy we pass. Cutting the payroll tax will not solve all our

economic challenges. But it is one of the most constructive, one of the most effective steps we can take.

If we do not do it, here is the consequence, at least as it relates to Pennsylvania—a big State that has a lot of the economic challenges many States have. Mark Zandi, a respected economist, did some analysis just on Pennsylvania. If we do not extend the payroll tax cut, which, as we know, has the potential to benefit 160 million American workers—in my home State of Pennsylvania last year that meant more than 6.5 million workers had a cut in their payroll tax, a tremendous benefit for a State such as Pennsylvania. We grew in the last year about 50,000 jobs. That is the good news. The bad news could be, if we do not pass a payroll tax cut, for Pennsylvania—for the country, which, obviously, would have an impact in Pennsylvania—the job loss number, according to Mark Zandi, would be just shy of 20,000 jobs lost in the State of Pennsylvania in 2012.

So it is vitally important for the Commonwealth of Pennsylvania. I think that applies for the Nation as a whole. It is one of the steps, and, frankly, one of the few steps Congress can take that will have a direct impact not just on the economy overall but to directly put dollars in people's pockets—take-home pay. That is what this whole issue is about for employees—what is going to be their take-home pay in 2012. If we pass the tax cut, it will be about \$1,000. If we do not pass a tax cut, it will be zero in terms of an extra benefit.

Working Americans who have been struggling through this economy and suffering should have the right to expect we take the action they are telling us to take to cut the payroll tax.

Let me cite two examples of what people are asking us to do, from two constituents, and then I will conclude my remarks.

Here is a letter from a woman in Pennsylvania, central Pennsylvania. I will not give her name. We do not have the authority to do that. But I wish to read some of her words. Here is what she says about how she perceives Washington and what is happening here. I will just read about two sentences from her letter:

Please make sure something is done in Washington before the end of the year. I feel that no one should be able to have a break—

Talking about us in Congress—before taking action on the tax breaks that will expire at the end of this year. If you all cannot do this then you should all leave office and let someone in there who can work together and get things done. Stay and do your job. Period!!

She has two exclamation points after the word "period." What she is telling us is what so many Americans are telling us: that we have work to do here, to come together, to agree not just on a budget for the next year but especially on something as fundamental as this payroll tax cut. So she said it very

well, and she encapsulated a lot of what people are feeling.

I am going to read an excerpt from a second letter, one from a woman from the eastern side of our State, in the so-called Lehigh Valley of Pennsylvania. I will not read the whole letter. It is about her family and some of the economic challenges they have had. I wish to read just two excerpts. She says:

Now I find myself questioning whether or not anyone has an answer and if they do, will it be too late.

You see, over the last 2 years, all four members of my family, myself included, have lost our jobs.

This is a woman from one family in one part of Pennsylvania talking about how many members of her family have lost their jobs. She expects us to get our job done—to come together and to work together to pass a cut in the payroll tax.

Later in the letter she says this—and I will conclude with this quotation:

We need to put people back to work. Only then can the economy get turned around. I don't care who comes up with the plan, but the parties need to work together if this country is going to survive. My family is only one example. I know of SO many others who are struggling and in an even worse position than we are.

She is talking about other people being in a worse circumstance, and she has all four members, including herself, of her family who have lost their jobs in the course of the last year or so. So if she can demonstrate—this woman from the Lehigh Valley in Pennsylvania—if she can demonstrate that kind of empathy and compassion and understanding of what others are going through, when she herself and her family have suffered so substantially in this economy, the least we can do in the Senate, in Washington—the very least we can do—is come together and work together to get this job done.

The leading indicator of that, I would argue, is making sure we put in place a cut in the payroll tax so at a minimum—as people are still doing holiday shopping and still wanting to have a bright and happy holiday and want to have some measure of peace of mind, some measure of security about next year—at least know we came together and made sure this payroll tax cut was in place.

It is vital for the people of Pennsylvania, and I think it is essential for economic growth across the country. We need to come together and get this done.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

APPROPRIATIONS

Mrs. HUTCHISON. Mr. President, we seem to be heading to an agreement

today. At this point, the House appears to be ready to vote on the conference report on the appropriations bills for the rest of the fiscal year, which would be until the end of September of next year. I think this is good. We came to an agreement in August called the Budget Control Act. It was a 10-year commitment to lower spending, lower our deficits. It required a cap in each of the next 10 years that would be a down payment on our debt, would lower the deficit and lower the debt.

The Omnibus appropriations bill, obviously, because it has so many different agencies in it, rather than each separate agency bill going forward as we have done normally in the past in the Senate—because it has so many, there are people who are going to disagree with parts of it. There is no getting around that. The military construction, of which I am on the subcommittee and have chaired it in the past, is part of this bill. So are many of the other bills that are very important for the functioning of our government.

However, the appropriations bill sticks with the agreement we all made. In August, there was a lot of negotiation on how we deal with the debt. To be honest, I did not think it was enough. Many of us did not think it was enough. But we have not been able to come to terms between the two Houses of Congress and with the President on how we can do more and get the votes to do it and get the President to sign the bill.

So I am not saying we are going to agree with everything in this Omnibus appropriations bill. But every one of these bills did go through the committee, and they have been vetted. They did keep the agreement. We have lowered the spending across the board. We set the final fiscal year 2012 funding at \$1.043 trillion. This is \$7 billion less than last year's level, and it is almost \$100 billion less than the President's request.

Now, it is not enough for many people in this body, but we all voted in the majority; 74 separate Members voted in favor of the Budget Control Act, and the appropriations bills all have met those caps. That is something I do not hear said very often in this body, that we have met the caps.

I was vice chairman, the ranking member, of one of the very important appropriations committees that funded NASA, the Department of Commerce, the Department of Justice. We met these caps. It was hard. Each one of the subcommittees of the Appropriations Committees on the Senate side met the caps, even though we had to cut and balance and set priorities and not fund some of the important areas that we would like to have funded. But that is what choosing and prioritizing are about. That is why we made the agreement, and we stuck to it. So when all of these appropriations bills are complete, we will have cut discretionary spending for 2 years in a row for the first time in modern history, frankly, really cut.

So now we are working toward cutting the deficits over a 10-year period as we agreed we would do. In the next few days, I hope we are going to take fiscal year 2012 off the books and immediately focus our attention on long-term deficit reduction and, hopefully, comprehensive tax reform because the real issue is how we are going to get the debt down more.

We are talking about a \$15 trillion debt. If we cut the debt \$1 trillion, it is a down payment. But I think we need to do more in a responsible way. But we cannot do it all in discretionary spending. If we are going to do what the taxpayers elected us to do, then we are going to have to deal with entitlements. We are going to have to deal with Social Security reform and Medicare reform.

Everyone knows, common sense tells us, Social Security has changed since the time it was passed and today when people are living longer and retiring later. But we have not accommodated those changes. We have not set the actuarial tables that would sustain Social Security for the next 75 years. We could do it by just very gradually, 3 months a year only, increasing the age of retirement; put a cap on it at 68 or 69. We could bring Social Security into balance.

We would also have to make adjustments in the cost of living increases. But we would not have to raise taxes, and we would not have to cut the core benefits in any reduction. So we can do this and make significant deficit reductions so the \$15 trillion starts coming down. That is our debt.

We have to deal with Social Security reform. I have introduced legislation, the Defend and Save Social Security Act, with Senator KYL as my cosponsor that has done exactly that. Other Senators have introduced legislation. Senator PAUL introduced legislation that would gradually bring down the Social Security deficit, which would also bring down the debt of our country. This is responsible. I am going to push next year to try to get this Social Security reform.

But in the next 2 days we are going to deal with discretionary spending because that is all we have on the table to deal with, and we are going to keep the agreements we made in the Budget Control Act, which 74 Members of the Senate supported. The appropriators have kept their word. Every single bill has had a cap on spending. Where we have the capability to deal with discretionary spending—and that is all we have, we cannot deal with entitlements until we have entitlement reform. But in discretionary spending, the appropriators have kept their word. That is what we will be voting on, to keep the word that 74 Senators agreed was the right approach.

We are going to vote on a bill that will be passed by the House today and, hopefully, be passed by the Senate tonight or tomorrow as our leader has said we will. I hope we can pass that bill.

We also have to deal with the long term. We are not going to be able to do it in the next 2 days, but surely when we come back next year we can pick up tax reform. We can put our Tax Code in a better structure so our corporations will bring their businesses that are now overseas back to America. Those are going to be jobs in America. That is how we want to create revenue in this country, not by taxing the people who would hire people but by having an equitable Tax Code that will make corporations do their business here so people will have jobs, and they will increase their revenue and the economy of our country.

That is the way we need to deal with the long term. We need to deal with entitlement reform and Tax Code reform. We do not have a revenue problem in this country. We do not have a problem with people paying too little in taxes. We have a spending problem that has given us a \$15 trillion debt.

So I hope as all of those families in America are settling in for the holidays that we would be doing the work in Washington that would assure a long-term future for these families, which means we are going to have to cut spending from the government, that we are not going to increase taxes on the working people of our country, and that we would have regulatory reform that would allow our small businesses to grow without the heavy hand of government putting a blanket on their ability to grow.

When there is a blanket on the ability to grow, they are not going to hire more people. That is the problem we have in this country right now. So we are making, in the next 2 days, I hope—I hope my colleagues will support the agreement we made in August to start the down payment on the spending in this country, lowering it, lowering it from what the President sent over, a budget from which we have cut almost \$100 billion.

Even in the face of this crisis in this country on spending, the President sent us a budget that was almost \$100 billion more than we are going to pass in the House and Senate because we made an agreement in August to cut spending. The House is also going to send disaster relief, which I will certainly support, and they are going to send a bill that would pay for it with a 1.83-percent across-the-board cut in discretionary base spending, excluding the Department of Defense, military construction, and veterans affairs. I think that is a responsible approach.

I think with the budget that we are putting forward with the appropriations, with a 1.83-percent across-the-board cut to fund disaster relief that we know is going to happen and be necessary in the next 9 months of next year, that we should pay for that. We should have disaster relief in our budgets in the future, and we should try to accommodate it right now.

We are not going to withhold it for people who are in need. We do not

know if it is going to be wildfires or droughts or hurricanes or tornados. We are not going to deny that help. But it should be budgeted just like everything we do. We should have some sense that we have prepared for it. Preparing for disasters should be part of our budget. There is not a business in this country that does not prepare for disasters. The government should do it too.

I hope we will be on a trajectory to lower the spending, keeping our agreement of August with the Omnibus appropriations bill that is going to be passed by the House this afternoon and will come to the Senate. I hope we will be able to act by tomorrow on that piece of legislation that keeps the agreements we made.

It is a down payment. It is not what all of us wanted, but I think we ought to put in disaster relief. I think we ought to pay for that with another 1.83-percent cut across the board. I think that would be the responsible approach, and then we can start next year on the long term. That would be regulatory reform, Social Security reform—to make it solvent for 75 years, at least—and Medicare reform. Those are the things that will give us a long-term, hopefully, solvent government that will be the model for the world because, is there any question that we need a model in the world right now for fiscal discipline and responsible governing? I hope America can provide it.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

KEYSTONE XL PIPELINE

Mr. McCONNELL. Mr. President, I rise to make some observations about the Keystone Pipeline. President Obama has said his first priority is jobs. Here is an opportunity for the President to show it, a pipeline provision that, according to some estimates, would create thousands of jobs right away. In fact, those are all the estimates I have seen, that this is a project that is ready to go.

Here is an opportunity for the President to say he is not going to let a few radical environmentalists stand in the way of a project that will create thousands of jobs and make America more secure at the same time. The labor unions support the pipeline, the Chamber of Commerce supports the pipeline, out-of-work Americans support it, and a growing number of Democrats are expressing their support as well.

Here are a few of the comments we heard from Democrats just this very week. Senator KENT CONRAD of North Dakota said:

I personally think the pipeline is absolutely in the national interest. It'll help us

reduce our dependence on foreign energy, at least foreign sources that are hostile to our interests.

Senator CONRAD further said:

I, for one, on this side hope that this could be part of a final package and I hope that this is something we could work through in the coming hours.

Senator McCASKILL:

If States rights are being protected and if this is going to be something maybe, that we can try to jump start the approval process, make it go more quickly.

Representative CLYBURN, one of the leaders of the Democratic conference in the House:

I'm very much for the pipeline. There is no question about that.

Congress should do something, not just assist people who are struggling in a down economy or out of work, but help incentivize job creation for them at the same time. In other words, let's not just pass a bill that helps people on the benefits side; let's also include something that actually helps the private sector create the jobs Americans need for the long term. This is the balanced approach Americans want, one that extends help but also offers hope.

This is just the kind of thing we should be doing around here. Both parties like it, the labor unions like it, why in the world wouldn't we want to put it in the package?

The only reason the White House has given for opposing the pipeline provision is they would rather vote on it alone, which makes absolutely no sense. You are either for the provision or you are not. So I suggest here is a rare opportunity to do something truly positive together on a bipartisan basis at the end of the year. Let's finish this year on a truly cooperative, bipartisan note. Let's strengthen our Nation's energy security, decrease the energy we import from overseas, create American jobs right now, and let's do it all on a bipartisan basis.

As I said, there is bipartisan support for this project. We need to get it done, and we need to get it done now. The House of Representatives has been quite clear that they are not going to support a package that does not include the pipeline. Frankly, I would not be able to support a package that doesn't include the pipeline. I think this is something we could all be proud of at the end of the year, demonstrating to the American people that we can work together not only to help those who are struggling, through a continuation of the payroll tax holiday and an unemployment benefits package, but also create jobs at the same time in the private sector without a penny of the Federal Government's money by moving this pipeline along.

After all, it has undergone years of environmental studies. It is ready to go. The company is ready to hire the people just as soon as we give them the signoff.

Mr. President, I yield the floor and 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. RUBIO. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Florida.

Mr. RUBIO. I ask unanimous consent that I be recognized to speak in morning business for up to 15 minutes.

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

CONFRONTING THE ISSUES

Mr. RUBIO. Mr. President, I thank those who have listened to our e-mails back in Florida that we just sent out alerting them I will be speaking on the Senate floor, maybe the last time I will speak this year.

I want to take a few minutes to update everyone on what this first year in the Senate has been like. First of all, it has been a tremendous privilege and honor. There is not a day goes by that I do not come to this building early in the morning, when I can get to the gym—I probably should do that more than I do—and see this building lit up in the darkness. It takes my breath away that I actually get to work here in this building on behalf of the people of the State of Florida.

I recognize what an honor and privilege it is to have this position, not just in this unique institution—which is different, perhaps, than any legislative body in all of history—but this Republic that stands out in the history of mankind. As Americans, we should always take a moment to recognize that in America, on this floor, we debate and sometimes solve issues other countries fight wars with each other about. That is a real blessing and a real opportunity to be an example for the world. I am grateful and feel blessed to be a part of it, and I thank the people of Florida for the opportunity to do it.

I want to share two observations as this year comes to an end—and, hopefully, today or tomorrow, sometime this week, we will wrap up our work in this body for 2011—observations I have after my first year. I think I am 3 weeks from having been sworn in for the first time. There are a couple of things that concern me.

First is a real lack of urgency. There are some major issues that confront America. These have to be confronted. We need look no further than Europe to see what our future holds, unfortunately, if some of the issues that now confront us are not confronted. That is not hyperbole, it is not partisanship, it is reality—it is math. This country borrows more money than it needs to or should. This is a country that is now spending more money than it takes in at an alarming pace, and there is no plan in place to prevent that.

That is not a partisan observation; that is not a Republican concern or a Democratic concern; that is the concern of every person who is grounded in