implementing the permanent delay our country needs—a delay that would give Republicans and Democrats the chance to start over and work together, this time on a bipartisan step-by-step set of health reforms that would actually lower costs.

But we cannot get there until the President changes his mindset, until he puts the poetry down for a moment, flips the campaign switch off and the governing switch on. When he does, I think he will be surprised to find just how many Republicans want to do exactly what we have said all along—to work with him on solutions to get our economy moving, our jobs growing, and our health care more affordable. We are waiting. Americans are waiting. I hope he will finally be ready soon.

I yield the floor.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will be in a period of morning business until 11 a.m., with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the majority controlling the first 30 minutes and the Republicans controlling the second 30 minutes.

Mr. MCCONNELL. I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.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

CREDIT RATING AGENCIES

Mr. FRANKEN. Mr. President, I rise today to discuss a problem I have spoken about many times over the past 3 years, beginning with debate on the Dodd-Frank Wall Street reform bill. That bill, which Congress passed in July 2010, contained a provision I authored with my Republican colleague Senator ROGER WICKER of Mississippi. Our provision gave the Securities and Exchange Commission the authority to issue rules to address the conflicts of interest inherent in the credit rating industry—conflicts of interest which contributed mightily to our recent financial collapse and which have continued to plague that industry through today.

I am speaking about this issue again because even though the conflicts continue to put our economy at risk, the SEC still has not proposed meaningful reforms. The SEC has studied the issue, the Financial Crisis Inquiry Commission has studied the issue, and the Permanent Subcommittee on Investigations has studied the issue. Now it is time to move forward and take action on the issue.

Let me start off by briefly reminding everyone what this conflict of interest is about and why it is important. In the years leading up to 2008 financial collapse the credit rating agencies were enjoying massive profits and booming business. There is nothing inherently wrong with massive profits and booming business, but there was one fundamental problem: Booming business was coming at the expense of accurate credit ratings, which is supposed to be the entire reason for the existence of the credit rating agencies.

Credit rating agencies were and still are paid to issue ratings directly by the big Wall Street banks issuing the paper and requesting the ratings. If a rating agency—let's say Moody's—does not provide the triple-A rating the bank wants, the bank can then just take its business over to Fitch or S&P. That is called ratings shopping, and it continues to this day. The opportunity for ratings shopping creates an incentive for the credit raters to give out those triple-A ratings even when they are not warranted, and that is exactly what happened with the subprime mortgage-backed securities that played such a crucial role in the financial crisis—and it happened over and over. It became ingrained in the culture of the industry.

The Permanent Subcommittee on Investigations, chaired by Senator LEVIN, took a close look at the big three rating agencies, examined millions of pages of documents, and released an extensive report detailing the internal communications at Moody's, S&P, and Fitch. Among the many troubling e-mails, there is one in particular from an S&P official that sums up the prevailing attitude quite nicely: ''Let's hope we are all wealthy and retired by the time this house of cards falters.''

With all the risky bets in the financial sector—and bets on those bets—our financial sector indeed became a house of cards. But without the conduct of the credit raters, the house of cards would have been just one card tall.

Two years after that e-mail was written, that house of cards did not just falter, it collapsed. Because that house of cards had grown several stories high, when it collapsed it brought down the entire American economy with it. The financial meltdown cost Americans $3.4 trillion in retirement savings. It triggered the worst crisis since the Great Depression with its massive business failures and mass foreclosures and job losses and the explosion of our national debt.

The crisis profoundly affected the everyday lives of millions of Americans in so many negative ways, including in Minnesota. People lost their homes, their jobs, their retirement savings, and their health insurance.

I have previously shared on the floor the story of my constituent Dave Berg from Eden Prairie, MN. He testified at a field hearing I had in May of 2010 and told his story about having to start over—finding a new job and rebuilding his retirement savings—at 57 years of age. His reflections on his experience in the recession mirror those of millions of other Americans.

He said:

> The downturn of the economy, caused in part by the abuses on Wall Street, led to the loss of my retirement security. Reforming the way Wall Street operates is important to me personally, because I have a lot of saving yet to do—and I simply cannot afford another Wall Street meltdown. I need to have confidence in the markets—and I need to know there is accountability to those who caused a financial crisis.

It is hard to overestimate the extent to which the credit rating agencies contributed to the financial crisis in which millions like Dave Berg lost their jobs, their homes, and far too many Minnesotans had their hopes for the future dashed.

These Americans are not necessarily seeking retribution from Wall Street. They just need to be assured it will not happen again. They know there is a problem and the problem needs to be fixed.

We do not need further proof of that, but we get it in the February complaint filed by Department of Justice against S&P in which DOJ alleges—as it stated when it filed the complaint—that the credit rating agency ''falsely represented that its ratings were objective, independent, and uninfluenced by S&P's relationships with investment banks when, in actuality, S&P's desire for increased revenue and market share led it to favor the interest of these banks over investors.''

The complaint highlights the patently problematic way the credit rating agencies habitually did business. One e-mail obtained in that investigation from a high-level S&P official reads:

> We are meeting with your group this week to discuss adjusting criteria for rating CDO's of real estate assets . . . because of the ongoing threat of losing deals.

CDOs—collateralized debt obligations—are one of those derivatives, or bets, that added stories to the house of cards. This official had apparently become so comfortable with the culture of conflicts of interest that he appeared to have no reservations about putting it in writing.

In fact, a while ago, S&P asked the judge in the case to throw out the Justice Department lawsuit against them by pointing to a previous decision made by a U.S. district court judge in an earlier securities fraud case against them. That earlier suit against the S&P had been filed by shareholders who said they had bought their shares believing that S&P's ratings were independent and objective—as the S&P had